



TN

Department of
**Mental Health &
Substance Abuse Services**

Announcement of Funding

Substance Use Residential Treatment Facilities

To increase the substance use residential treatment bed capacity for indigent Tennesseans.

Tennessee Department of Mental Health & Substance Abuse Services

Division of Substance Abuse Services

Completed Proposals Due: November 29, 2023



Introduction

The Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS), Division of Substance Abuse Services (DSAS), is requesting proposals from TDMHSAS-funded substance use treatment agencies to establish new substance use residential treatment beds for Middle, East, and Southeast areas of Tennessee for the purpose of providing substance use treatment residential services to adult, indigent Tennesseans from all counties.

Program Goals and Objectives

The **Substance Use Residential Treatment Facilities** grant goals are:

- To expand the overall capacity of residential treatment beds, including gender specific, for indigent Tennesseans with SUD.
- To rehabilitate or construct new facilities that offer a nurturing and supportive environment for individuals seeking recovery from substance use disorder.

Definitions

- **Affordability Period:** For the purposes of this AOF, an “affordability period” refers to a set period of time, beginning at the date of closing or when State Grant monies are disbursed to a grantee, for which the State’s interest in a given property and the Restrictive Covenant running with the land shall be binding upon Grantee, its successors and assigns. The duration/length of the affordability period is determined by the State.
- **Co-Occurring Disorder:** For the purposes of this AOF, “co-occurring disorder” is a primary diagnosis of a substance use disorder and a secondary diagnosis of a mental health disorder.
- **Grant Note:** For the purposes of this AOF, “Grant Note” refers to a formal and binding agreement incorporated into the contract in which the grantee (grant recipient) promises to pay a specified amount of the infrastructural grant funds awarded if the grantee incurs any default with respect to the conditions of the grant and/or its Restrictive Covenant Refer to the grant note sample template (Attachment I) for specific detail.
- **Indigent:** For the purposes of this AOF, “indigent” refers to individuals who have no other financial means of obtaining the services offered through this facility; is not enrolled in Tennessee’s Medicaid program, TennCare; has depleted their TennCare or other third party alcohol and drug abuse treatment benefits limit; or does not have any other third party health benefits payor source; and has insurance but has exhausted the benefits for such services, or does not have any other third party health benefits payer source that will cover

such services; and meets the one hundred thirty-eight percent (138%) federal poverty guidelines as set by the United States Department of Health and Human Services (US HHS).

- Restrictive Covenant: For the purposes of this AOF, “restrictive covenant” refers to a formal and binding agreement incorporated into the contract limiting the use of the property and prohibiting certain uses. The restrictive covenant binds the grantee and property owner to maintain the property for the purpose(s) articulated in the original associated grant contract and prohibits a grantee and property owner from engaging in certain actions related to the funded property for a specified period of time (known as the “affordability period”). Refer to the restrictive covenant sample template (Attachment I) for specific detail.
- Substance Use Residential Treatment: For the purposes of this AOF, “substance use residential treatment” refers to inpatient services for individuals with an alcohol or drug dependency, co-occurring substance use and mental health disorder.
- Substance Use Disorder: For the purposes of this AOF, Substance Use Disorder includes Substance Abuse and Substance Dependence according to the specific diagnostic criteria given in the DSM-5 or more current edition.

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GENERAL CONDITIONS

1.1. Funding Information

1.1.1 Project Period: Funding term for selected proposals will be February 15, 2024 – June 30, 2025

There is no recurring funding for this Announcement.

1.1.2 Funding Amount: There is no set limit on the amount of requested funds for a submitted proposal. TDMHSAS estimates that the total available funds for Substance Use Residential Treatment Facilities awards will be \$12,000,000. TDMHSAS intends to disburse funds for projects in Middle, East, and Southeast Tennessee for the infrastructural development, new construction, acquisition, rehabilitation, renovation and/or conversion of infrastructure to create new substance use residential treatment facilities in Tennessee to serve adult, indigent Tennesseans with an alcohol or drug dependency, or a co-occurring substance use and mental health disorder. **There are no operational funds included in this funding announcement.** Proposers should submit a budget based upon the full funding term as indicated in section 1.1.1 of this Announcement.

Unallowable uses of funding associated with this Announcement:

- Ongoing operational or support services
- Development of permanent housing; or
- Development of transitional housing; or
- Support for tax-exempt borrowing by local grantees; or
- Provision of off-site improvements or neighborhood infrastructure of public facility improvements; or
- Implementation of homeowner rehabilitation projects; or
- Implementation of homeownership related activities, including down payment assistance programs, development of units for homeownership, or homeowner rehabilitation projects; or
- Acquisition, rehabilitation, or construction of rental housing that is a hospice, nursing home or convalescent facility; or
- Costs incurred prior to the Substance Use Residential Treatment Beds grant contract start date or after the end date of the contract.

1.1.3 Allocations: Funding allocations will be awarded on the basis of how well a Proposer addresses guidelines and criteria of this Announcement. The actual amount available for a Grant Contract may vary depending on the number and quality of proposals received.

1.1.4 Subject to Funds Availability: Grant contracts awarded as a result of this announcement of funding are subject to the appropriation and availability of funds. In the event funds are not appropriated or otherwise unavailable, the State reserves the right to terminate Grant Contracts upon written notice to the Grantee.

1.1.5 Grant Contract Requirements: Grant contracts awarded as a result of this announcement of funding must comply with all contract requirements and will be subject to both programmatic and fiscal monitoring. Proposers should review the TDMHSAS Grantee Manual located on the Grants Management section of the department's website, located [here](#). This manual includes resources about the grant contracting process, highlights key contract provisions, reviews the programmatic and fiscal requirements for grant contracts, outlines the department's monitoring process, and provides resources related to grant management. Any selected Grantee will be subject to monitoring by the Department as required by [Department of General Services, Central Procurement Office Policy 2013-007](#) and state and federal regulation.

1.1.6 Cost-Reimbursement Grant Contract: This award will result in a grant, cost-reimbursement contract between the State and awarded Grantee. All invoices paid or payments made by the State are to be cost reimbursed; specifically, awarded Grantees must first pay for a given cost out-of-pocket first, and then the State reimburses the Grantee for such cost. Proposers are required to sign an attestation form acknowledging awareness that all invoices paid or payments made by the State to awarded Grantees are to be cost reimbursed (Attachment C).

1.1.7 Grant Note, Restrictive Covenant, and Property Deed: To protect State's interest in a property purchased and/or renovated using State funds provided through this grant, the following three (3) documents will be required from each awarded Grantee prior to reimbursement of any expenditures against grant funds:

- Grant Note for the amount of State funding involved, signed by an authorized agent of Grantee and notarized, wherein the buyer acknowledges its obligation to assure

- the property is used to serve the specified service requirements, to be indicated in Scope of Services of the Grant Contract, for a specified Affordability Period; and
- Restrictive Covenant, signed by an authorized agent of Grantee and so notarized, and properly recorded in the appropriate county acknowledging the State's interest in the property, and to make the property available for service recipients for the duration of the Affordability Period; and
 - A copy of the most recently filed property deed showing the property is owned by the Grantee.

Grant Note and Restrictive Covenant documents for each awarded property will be provided to the grantee during the contract development period for signature and notarization. See Attachment I for a sample template of the Grant Note and Restrictive Covenant documents.

In no case shall a grantee draw any funds from this grant prior to completion of the following:

- Signing a Grant Note with notarization; and
- Signing a Restrictive Covenant with notarization; and
- Submittal of the original signed and notarized Grant Note, the original signed and notarized Restrictive Covenant, and a copy of the most recently filed property deed to TDMHSAS.

The State's interest in a funded Property will be assigned upon award but the affordability period is typically from 5 – 25 years, depending on the capital investment. For the purposes of this Announcement, the projected affordability periods and corresponding funding amount ranges are as follows:

\$1 – \$100,000	5-year Affordability Period
\$100,001 – \$200,000	10-year Affordability Period
\$200,001 – \$300,000	15-year Affordability Period
\$300,001+	20-year Affordability Period

1.1.8 Licensed Provider Requirements: Residential facilities funded by the Substance Use Residential Treatment Beds grant must be licensed as an Alcohol and Drug Residential Rehabilitation Treatment Facility by TDMHSAS or become licensed as an Alcohol and Drug Residential Rehabilitation Treatment Facility by TDMHSAS within the

first year of the affordability period. Minimum program requirements for these types of facilities are outlined within the TDMHSAS Rules, Chapter 0940-05-45, found here: [0940-05-45.20221201.pdf \(tnsosfiles.com\)](#). Grantees must ensure compliance with the minimum requirements set forth in the Licensure section 0940-05-01 through 0940-05-06 in the following link: [0940 - Mental Health and Substance Abuse Services \(tnsosfiles.com\)](#). More information about the TDMHSAS licensure process can be located on the Licensing section of the website <https://www.tn.gov/behavioral-health/licensing/become-a-licensed-provider.html>.

1.1.9. Property Standard Requirements: For any proposed project selected for grant award, one of the following is required:

- All contractors performing infrastructural work on TDMHSAS grant funded properties must be appropriately licensed for the type of work being performed; or
- Infrastructural work completed by contractors toward construction, renovation, rehabilitation, and/or conversion must be bonded and insured.

All funded facilities must meet all applicable local codes, rehabilitation standards, and zoning ordinances at the time of project completion.

Building Permits. The Grantee must ensure that building permits are pulled on all new construction and rehabilitation projects as required by the state or local jurisdiction, including mechanical, plumbing, and or electrical permits.

Energy Code. New construction projects must also meet the current edition of the International Energy Conservation Code.

Inspections. All rehabilitation or new construction work must be inspected by a licensed inspector based on the rules applicable for the local jurisdiction in which the units are located. Licensed inspectors are certified by the Tennessee Department of Commerce and Insurance – State Fire Marshal's Office.

If a building permit is issued by a local jurisdiction or the state, inspection by a state certified inspector of that jurisdiction is required.

If the work is exempted by the state or local code and a permit is not required, then documentation from state or local code officials must be provided confirming that

exemption. If exempted, a qualified inspector may be used. A “qualified inspector” is defined as an individual with credentials appropriate for the type of work being performed, such as inspectors licensed by the State of Tennessee as Building, Mechanical, Plumbing, or Electrical Inspectors.

For an activity where the state or local code officials do not issue a building permit, a qualified inspector may include home inspectors as appropriate for the work performed, including individuals certified as a housing inspector by a national organization such as the International Code Council, the National Fire Protection Association, or the Standard Building Code Congress.

1.2. *Timelines*

The following schedule of events represents the State’s best estimate of the schedule that shall be followed. The State reserves the right in its sole discretion to adjust this schedule as it deems necessary. In the event such action is taken, notice of such action will be posted on the State’s website located [here](#) and notice of the posting will be distributed via the proposer e-mail list.

SCHEDULE OF EVENTS:

September 18, 2023 TDMHSAS Releases Announcement.

September 25, 2023 Proposers Written Questions Regarding the Announcement are due on 9/25/2023.

October 4, 2023 TDMHSAS issues written responses to questions posted on [here](#).

November 29, 2023 Proposals are due via email on 11/29/2023.

January 10, 2024 TDMHSAS makes announcement of accepted proposals.

February 15, 2024 Contract shall be effective upon gathering all required signatures and approvals from the State in accordance with grant contract section D.1. Required Approvals.

1.3 Proposer Eligibility

1.3.1 The proposer, for purposes of this Announcement, must:

- Be a TDMHSAS-funded substance use treatment provider;
- Be registered with the Tennessee Secretary of State as a legal business entity in active status; must submit a copy of documentation verifying registration as an attachment to the proposal; documentation must include the entity's SOS control number;
- Have IRS Form 990 (Return of Organization Exempt from Income Tax); must submit most recently filed form as an attachment to the proposal; For nonprofit or 501(c)(3) organizations, must be registered with TN Department of Revenue for sales tax exemption – TDMHSAS does not reimburse sales tax expenses with grant funds to a nonprofit or 501(c)(3) organization; must submit documentation to verify registration as an attachment to the proposal. More information can be found using the following link:
<https://www.tn.gov/revenue/taxes/sales-and-use-tax/exemptions-certificates-credits.html>
- Signed attestation confirming proposing entity is in good standing with TDMHSAS, Tennessee Secretary of State, Internal Revenue Service, State of Tennessee Comptroller of the Treasury, and any other individual or agency who regulates or has a vested interest in the proposing entity. Attachment J
- Be the owner* of the proposed project by no later than the contract start date.

Grant funds may be expended for capital purchase and/or professional fees for the purpose of development, new construction, acquisition, rehabilitation, and/or conversion of infrastructure to create quality substance use residential treatment facilities for adult, indigent Tennesseans with an alcohol or drug dependency, or a co-occurring substance use and psychiatric diagnosis.

*The project owner must be the same entity that submits the proposal for this AOF. Frequently, there are various community stakeholders involved in an infrastructure

project. TDMHSAS will contract only with entities that intend to own, not lease, all capital projects included in the proposal. This includes any property purchased and/or renovated using State funds provided through this grant. Be advised that TDMHSAS will not disburse any grant funds prior to obtaining documentation confirming property ownership by the proposing entity.

The following types of projects are eligible to submit a proposal:

- Proposals that will develop new substance use residential treatment beds to serve adult, indigent Tennesseans with an alcohol or drug dependency, or a co-occurring substance use and psychiatric diagnosis.
- Proposals that can show additional funding already committed to the project via a shared investment by the proposing entity.
- Proposals which include a detailed timeline for project completion, ensuring the proposed project is completed by June 30, 2025.

Questions specific to eligibility for this Announcement may be asked in writing at any time. Please email bev.fulkerson@tn.gov for all eligibility-related questions.

1.3.2 A proposer, for purposes of this Announcement, must not be:

- An entity which employs an individual who is, or within the past six (6) months has been, an employee or official of the State of Tennessee in a position that would allow the direct or indirect use or disclosure of information, which was obtained through or in connection with his or her employment and not made available to the general public, for the purposes of furthering the private interest or personal profit of any person; and
- For purposes of applying the requirements above, the State will deem an individual to be an employee or official of the State of Tennessee until such time as all compensation for salary, termination pay, and annual leave has been paid.

1.4 *Scope of Services*

See Attachment H for this program's proposed Scope of Services, which is Section A. of a State Grant Contract. Please note that the State reserves the right to make any changes to the scope of services as deemed necessary before issuing the final Grant Contract.

1.5 *Communications*

1.5.1 The following Coordinator shall be the main point of contact for this Announcement of Funding:

Bev Fulkerson, Email Address: bev.fulkerson@tn.gov

All proposer communications concerning this procurement must be directed to the Coordinator listed immediately above. Unauthorized contact regarding this Announcement of Funding with other state employees of TDMHSAS may result in disqualification.

1.5.2 Proposer E-Mail List: The State will create an e-mail list to be used for sending communications related to this Announcement. **If you wish to be added to this list,** please promptly send your contact information, including e-mail address, to bev.fulkerson@tn.gov. Any delay in sending such information may result in some communications not being received. The State assumes no responsibility for delays in being placed on the list.

1.5.3 Questions and Requests for Clarification: Questions and requests for clarification regarding this announcement must be submitted in writing on or before 9/25/2023 to bev.fulkerson@tn.gov. The grant name ("Substance Use Residential Treatment Beds") or acronym ("SURTB") must be included in the subject line of the email.

1.5.4 State's Response to Questions and Requests for Clarification:

Questions and requests for clarification regarding this Announcement should be submitted in writing on or before 9/25/2023 to bev.fulkerson@tn.gov. The State will post written responses by 10/4/23 on the TDMHSAS' website.

1.6 *Proposal Preparation, Formatting, Submission, Withdrawal, and Rejection*

1.6.1 Proposal Preparation: The Proposer accepts full responsibility for all costs incurred in the preparation, submission, and other activities undertaken by the Proposer associated with the proposal.

1.6.2 Proposal Formatting Requirements: The State's goal to review all proposals submitted must be balanced against the obligation to ensure equitable treatment of all proposals. For this reason, formatting and content requirements have been established for proposals.

- Proposals must be received via e-mail by the deadline of 11/29/2023.
- Proposals must address all applicable project narrative questions and label the sections accordingly within the proposal.
- Proposals must be typed, single-spaced on standard 8 ½ inch x. 11-inch paper, in font size twelve (12), with 1-inch margins. The spacing and margin requirements do not apply when preparing the attachment worksheets.
- The combined proposal length is limited to ten (10) pages. This limitation does not include the required proposal attachments.
- The proposed budget should include the summary, detail, salary, and budget justification. This may be sent as PDF or Excel. The budget narrative is limited to one page.

1.6.3 Proposal Submission: Proposals should be submitted to the State via email to tobev.fulkerson@tn.gov by November 29, 2023. The proposal's file name must include both the grant name and the agency's name using the following format: "FY24 SURTB Grant_Proposal_Agency Name". When submitting the proposal via email, the subject line must use the same naming format: "FY24 SURTB Grant_Proposal_Agency Name". Proposals must be complete and comply with all requirements of this Announcement in order to be eligible for review.

1.6.4 Proposal Withdrawal: Proposals submitted prior to the due date may be withdrawn, modified, and resubmitted by the Proposer so long as any resubmission is made in accordance with all requirements and all deadlines of this Announcement.

1.6.5 State's Right to Reject Proposals: The State reserves the right to reject, in whole or in part, any and all proposals; to advertise new proposals; to arrange to perform the services herein, to abandon the need for such services, and to cancel this Announcement if it is in the best interest of the State as determined in the State's sole discretion. In the event such action is taken, notice of such action will be posted on [TN.gov at this link](https://www.tn.gov), and notice of the posting will be distributed via the proposer e-mail list.

1.7 Proposal Review, Components, Scoring, and Selection

1.7.1 Proposal Review: Proposals will be scored based on the ability to demonstrate the intended success of the project. Incomplete and noncompliant proposals will not be reviewed. The State recognizes the need to ensure that funding provided for the Substance Use Residential Treatment Facilities grant provides the maximum benefit to the citizens of Tennessee. Grantees are selected in accordance with state policy, department duties, department powers, and commissioner duties and powers as related to service as the state's mental health and substance abuse authority responsible for planning for and promoting the availability of a comprehensive array of high-quality prevention, early intervention, treatment, and habilitation services and supports that meets the needs of service recipients in a community-based, family-oriented system.

1.7.2 Proposal Components: Each proposal should contain the following sections. Please note, incomplete proposals will not be reviewed:

- Cover letter
- Cover sheet (Attachment A, signed by authorized representative)
- Table of Contents
- Project Narrative
- Organizational Chart(s) (Attachment B)
- Attestation of Acknowledgement of Cost Reimbursed Budget (Attachment C)
- Proposed Budget (Attachment D)
- Budget Justification (Attachment E)
- Existing Agreements and Third-Party Revenue Source (Attachment F)
- Letters of Support (Attachment G)
- Grant Note and Restrictive Covenant Documents (Attachment I)
- Attestation of Confirmation of Good Standing (Attachment J)

1.7.3 Proposal Scoring: Each proposal is allocated a maximum point value that determines a range within which reviewers will assign specific points. The number of points allocated to each component below is the maximum number of points the reviewer may assign. Reviewed proposals may receive a total score between zero (0) and one hundred (100).

Proposal Component	Score
Cover Letter	0 points, but essential
Cover Sheet (Attachment A)	0 points, but essential
Table of Contents	0 points, but essential
Project Narrative <ul style="list-style-type: none"> • Relevant Experience (10 points) • Project Design (20 points) • Services Available (10 points) • Community/Key Partners (10 points) • Safety Measures (10 points) • Project Sustainability (10 points) 	70 points
Organizational Chart(s) (Attachment B) <i>Organizational chart for the entity submitting the proposal, demonstrating where the Substance Use Residential Treatment Facilities grant program fits within the overall structural organization of the entity submitting the proposal.</i>	0 points, but essential
Attestation of Acknowledgement of Cost Reimbursed Budget (Attachment C)	0 points, but essential
Proposed Budget and Budget Justification (Attachments D and E) <i>Appropriate and realistic budget must be submitted along with a narrative justifying the budget.</i>	25 points
Existing Agreements and Third-Party Revenue Source (Attachment F) <i>Provide documentation of any existing agreements with community stakeholders that provide additional resources for the proposed Substance Use Residential Treatment Facilities grant program. List any current third-party revenue sources that contribute to the long-term sustainability of the Proposing entity.</i>	0 points, but essential
Letters of Support (Attachment G)	5 points

1.7.4 Proposal Selection: The State will notify all Proposers selected for contracting by close of business November 27, 2023.

All grant proposals are reviewed and evaluated by a group of state employees selected by TDMHSAS. Based upon the evaluations, proposal selections will be made and submitted for final approval to the Commissioner of the Department of Mental Health and Substance Abuse Services and/or Commissioner's designee.

The State reserves the right to further negotiate proposals selected to be awarded funds. Prior to the execution of any Grant Contract, the State reserves the right to consider past performance under other Tennessee contracts.

1.8 *State's rights and obligations under this Announcement*

1.8.1 The State reserves the right to make any changes to this Announcement of Funding, timeline of events, proposals selected, the scope of services, the amount of funding, and any other aspect of this process as deemed necessary before issuing the final Grant Contract. In the event the State decides to amend, add to, or delete any part of this Announcement, a written amendment will be posted [on TN.gov at this link](#), and notice of this posting will be distributed via the proposer email list.

1.8.2 The State reserves the right to cancel, or to cancel and re-issue, this Announcement. In the event such action is taken, notice of such action will be posted [on TN.gov at this link](#), and notice of the posting will be distributed via the proposer email list.

1.8.3 The State reserves the right to make any changes to the scope of services as deemed necessary before issuing the final Grant Contract.

1.8.4 The State reserves the right to not issue any Grant Contracts in response to this Announcement.

1.8.5 The State reserves the right to further negotiate proposals selected to be awarded funds prior to entering into a Grant Contract.

1.8.6 State obligations pursuant to a Grant Contract shall commence only after the Grant Contract is signed by the Grantee and the State and after the Grant Contract is approved by all other Tennessee officials in accordance with applicable laws and regulations. The State shall have no obligation for services rendered by the Grantee which are not period within the specified Grant Contract term.

1.8.7 Grant contracts awarded as a result of this announcement of funding are subject to the appropriation and availability of funds. In the event funds are not appropriated or

otherwise unavailable, the State reserves the right to terminate Grant Contracts upon written notice to the Grantee.

2. PROPOSAL NARRATIVE

Proposal narrative responses should address each of the following items, as applicable. The narrative should be structured and titled consistently according to these narrative selections. There is a maximum of ten (10) pages for the proposal narrative section. If selected for award, the proposal narrative will be added as an attachment to the grant contract.

2.1. Relevant Experience: Briefly describe your organization's experience, capacity and commitment to provide a safe, quality substance use residential treatment facility for adult, indigent individuals with an alcohol or drug dependency, co-occurring substance use and psychiatric diagnosis.

2.2. Project Design: Specify the address, county, and region of the proposed project site and the proposed number of beds for the purposes of this grant. Please include property site information (e.g., appraisal documentation, floor plan, renderings, etc.) as attachments (NOTE: these attachments will not be counted toward the 10-page limit for the narrative section).

When developing facility design for substance use residential treatment beds, please consider the following components:

- A facility that respects the privacy and dignity of clients.
- A facility that is conducive to healing, i.e., recreational area, outdoor space for relaxation and therapy.
- A facility that has the necessary rooms and equipment for individual and group therapy sessions, counseling, medical evaluations, and other essential clinical services.
- A facility that incorporates space for family involvement in the treatment process.
- A facility that integrates into the surrounding community, promoting positive interactions and reducing stigma.

If the proposing entity currently owns the property, please include a copy of the property deed as an attachment to the proposal. If the proposing entity does not currently own the property, please explain the plan for property acquisition and ownership, including a timeline through property acquisition and closing. Additionally, specify whether the proposed project is for either: new construction; acquisition; rehabilitation; or conversion of infrastructure to create **new** residential treatment beds.

In addition, please provide the following information:

- a. Describe ADA accessibility features (including but not limited to features to support vision and hearing impairment) to be included in the project design.
- b. Identify the anticipated start date for service provision. All expenses related to infrastructure must be completed by licensed, bonded, and insured contractors and subcontractors.

2.3. Services Available: Please describe the evidenced-based residential treatment services that you will make available to clients. What resources will you use to support the delivery of those services? If resources are one-time or time limited, what is your sustainability plan to continue delivering substance use residential treatment services?

Note: Detoxification is not a residential treatment service. If you plan to offer detoxification services at the substance use residential treatment facility, it must be in conjunction with an evidenced-based residential treatment service.

2.4. Community/Key Partners: Please describe all local organizational and referral agencies committed to providing referrals to the proposed substance use residential treatment facility. Additionally, please identify any key partnerships and third-party resources, existing or otherwise, that would positively impact the success of the proposed substance use residential treatment facility. Include any relevant letters of support from stakeholders. Letters of support are to be included as Attachment G, and its documentation does not count toward the ten (10) page limit of the Proposal Narrative.

2.5. Safety Measures: Please describe the proposed substance use residential treatment facility safety and security standards which will ensure a secure environment for clients and staff.

2.6. Project Sustainability: Please detail any organizational plans for sustainment of this project once funding has been extinguished. What is your plan for the long-term maintenance and upkeep of the facility to ensure its functionality and safety over time. Please provide details for any additional funding sources that will be used for the planning, construction, rehabilitation, services, and/or sustainment of this project. For information regarding the Grant Note, Restrictive Covenant and Affordability Period, refer to Section 1.1.7 of this Announcement.

Attachment A

COVER SHEET | Substance Use Residential Treatment Beds

Legal Name of Proposer	
Federal ID#	
Edison Vendor ID#	
Targeted Coverage of Program (County/Counties and Region)	
CONTACT INFORMATION	
Name of Contact Person	
Title of Contact Person	
Address of Contact Person	
E-mail Address of Contact Person	
Phone Number of Contact Person	
AUTHORIZED REPRESENTATIVE INFORMATION	
Name of Authorized Representative <i>(For Non-Profit, if someone other than the Board Chairperson is named as the Authorized Representative, a signed copy of the resolution of appointment must be submitted.)</i>	
Title of Authorized Representative	
Address of Authorized Representative	
E-mail Address of Authorized Representative	
Phone Number of Authorized Representative	

Signature of Authorized Representative

Date

Attachment B

ORGANIZATIONAL CHART AND BOARD OF DIRECTORS

Provide an organizational chart for the entity submitting a proposal, demonstrating where the Substance Use Residential Treatment Facilities grant will fit into the overall structural organization of the entity submitting the proposal.

Provide an updated list naming each member of the entity's board of directors and their contact information.

Attachment C

ATTESTATION FOR ACKNOWLEDGEMENT OF COST REIMBURSED BUDGET

Provide a signed letter of attestation to confirm acknowledgement that all invoices paid or payments made by the State to awarded FY24 Substance Use Residential Treatment Beds Grantees are to be cost reimbursed. The letter of attestation must include the language specified below:

To the Tennessee Department of Mental Health and Substance Abuse Services,

As an authorized representative of _____ (*legal name of proposing entity*), I hereby attest that I understand and acknowledge that all invoices paid or payments made by the State toward the FY 2024 Substance Use Residential Treatment Beds Grant will be cost reimbursed. I acknowledge that submission of documentation confirming and verifying proof of payment by the awarded grantee for all expenses associated with a grant contract will be required and will be subject to review by TDMHSAS prior to approval for reimbursement.

I also affirm that, as referenced in the Announcement of Funding for the FY 2024 Substance Use Residential Treatment Beds Grant, I have been encouraged to review the TDMHSAS Grantee Manual, located on the Grants Management section on the website <https://www.tn.gov/behavioral-health/for-providers/grants-management.html> for additional information regarding cost reimbursement budgets and other grant contract requirements.

Signature of Authorized Representative

Date

Printed Name of Authorized Representative

Legal Name of Proposing Entity

Attachment D

PROPOSED BUDGET | Substance Use Residential Treatment Facilities

Please download the [Excel budget template](#) available at this link to complete a proposed budget. The budget template has four tabs: Instructions, Summary, Detail, and Salaries. Summary, Detail and Salaries tabs must be included. Please review the Instructions tab before completing the proposed budget. Proposers should submit a budget based on the infrastructure project.

GRANT BUDGET SUMMARY				
Agency Name: Enter on Detail Tab				
Program Code Name: Enter on Detail Tab				
The grant budget line-item amounts below shall be applicable only to expense incurred during the following				
Applicable Period: BEGIN: Enter on Detail Tab END: Enter on Detail Tab				
POLICY 03 Object Line-Item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY ¹	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
1, 2	Salaries, Benefits & Taxes ²	\$0.00	\$0.00	\$0.00
4, 15	Professional Fee, Grant & Award ²	\$0.00	\$0.00	\$0.00
5, 6, 7, 8, 9, 10	Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications ²	\$0.00	\$0.00	\$0.00
11, 12	Travel, Conferences & Meetings ²	\$0.00	\$0.00	\$0.00
13	Interest ²	\$0.00	\$0.00	\$0.00
14	Insurance ²	\$0.00	\$0.00	\$0.00
16	Specific Assistance To Individuals ²	\$0.00	\$0.00	\$0.00
17	Depreciation ²	\$0.00	\$0.00	\$0.00
18	Other Non-Personnel ²	\$0.00	\$0.00	\$0.00
20	Capital Purchase ²	\$0.00	\$0.00	\$0.00
22	Indirect Cost ²	\$0.00	\$0.00	\$0.00
24	In-Kind Expense ²	\$0.00	\$0.00	\$0.00
25	GRAND TOTAL	\$0.00	\$0.00	\$0.00

¹ Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A.* (posted on the Internet at: <http://www.tn.gov/assets/entities/finance/attachments/policy3.pdf>)

² Applicable detail follows this page if line-item is funded.

Attachment E

BUDGET JUSTIFICATION | Substance Use Residential Treatment Beds

Please include a written budget justification of funds needed to support the Substance Use Residential Treatment Facilities grant proposal.

The justification summary should provide detail to support the Grant Contract funds included in each line-item.

The budget justification should be no longer than one page, single spaced.

Attachment F

EXISTING AGREEMENTS AND THIRD-PARTY REVENUE SOURCE(S)

Provide documentation of any existing agreements with community stakeholders that provide additional resources to support the Substance Use Residential Treatment Beds grant.

List any current third-party revenue sources that contribute to the long-term sustainability of the Proposing entity.

Attachment G

LETTERS OF SUPPORT

Include any relevant letters of support from stakeholders, key partnerships, third-party resources, etc. This attachment and its documentation do not count toward the ten (10) page limit of the Proposal Narrative.

Attachment H

SCOPE OF SERVICES

[PLEASE NOTE: The State reserves the right to make any changes to the scope of services as deemed necessary before issuing the final Grant Contract.]

- A.1. The Grantee shall provide the Scope of Services and Deliverables (“Scope”) as required, described, and detailed in this Grant Contract.
- A.2. This Grant Contract shall be performed in accordance with the Project Application Summary (incorporated into this contract as Attachment #_) which identifies all projects, including Scope of Work, as approved by the State, to carry out activities under the Substance Use Residential Treatment Facilities grant to expand through rehabilitation or new construction the overall capacity of residential treatment beds, including gender specific, for indigent Tennesseans with SUD.
- A.3. As further described in this Scope of Services, this grant provides financial support to develop Residential Substance Use Treatment Facilities which could include the purchase and installation of furniture, fixtures and equipment as well as professional fees, infrastructure costs and/or capital purchases.
- A.4. Service Definitions
 - a. “Affordability Period”, for the purposes of this Grant Contract, refers to a set period of time, beginning at the date when State Grant funds are available for disbursement, for which the State’s interest in a given property and the covenant running with the land shall be binding upon Grantee, its successors and assigns. The duration/length of the affordability period is determined by the State and is indicated on the Restrictive Covenant(s), found in Attachment #_.
 - b. “Substance Use Disorders”, for purposes of this Grant Contract, includes Substance Abuse and Substance Dependence according to the specific diagnostic criteria given in the DSM-5 or more current edition.
 - c. “Substance Use Residential Treatment”, for the purposes of this Grant Contract, refers to inpatient services for individuals with an alcohol or drug dependency, co-occurring substance use and psychiatric diagnosis refers to inpatient services for individuals with an alcohol or drug dependency, co-occurring substance use and psychiatric diagnosis.
 - d. “Co-Occurring Disorders”, for the purposes of this Grant Contract, “co-occurring disorder” is a primary diagnosis of a substance use disorder and a secondary diagnosis of a psychiatric disorder, as those terms are defined herein.
 - e. “Grant Note” refers to a formal and binding agreement in which the grantee (grant recipient) promises to pay the dollar total of the infrastructural grant funds awarded if the grantee incurs any default with respect to the conditions of the grant. Refer to the grant note sample template for specific detail.
 - f. “Restrictive Covenant” refers to a formal and binding agreement limiting the use of the property and prohibiting certain uses. The restrictive covenant binds the grantee and property owner to maintain the property for the purpose(s) indicated in the original associated grant contract and

prohibits a grantee and property owner from engaging in certain actions related to the funded property for a specified period of time (known as the “affordability period”). Refer to the restrictive covenant sample template (Attachment I) for specific detail.

- g. “Indigent”, for the purposes of this Grant Contract, refers to individuals who have no other financial means of obtaining the services offered through this facility; is not enrolled in Tennessee’s Medicaid program, TennCare; has depleted their TennCare or other third party alcohol and drug abuse treatment benefits limit; or does not have any other third party health benefits payor source; and has insurance but has exhausted the benefits for such services, or does not have any other third party health benefits payer source that will cover such services; and meets the one hundred thirty-eight percent (138%) federal poverty guidelines as set by the United States Department of Health and Human Services (US HHS).
- h. “Furniture, Fixture and Equipment (FF&E)”, refers to movable furniture, fixtures or other equipment that have no permanent connection to the structure of the building. These items typically depreciate substantially over their long-term use with each item having a different useful life.
- i. “Infrastructure Costs”, means water and sewer line extensions, gas and electric utilities, and communication systems.
- j. “Capital Purchase” means any individual item that costs \$5000 or more and has a useful life of more than one year. Examples include land and buildings, plant and equipment, motor vehicles, and machinery.

A.5. Service Goals:

- a. To expand the overall capacity of residential treatment beds, including gender specific, for indigent Tennesseans with SUD.
- b. To rehabilitate or construct new facilities that offers a nurturing and supportive environment for individuals seeking recovery from substance use disorder.

A.6. Structure:

Grantee shall develop, construct, acquire, rehabilitate, renovate and/or convert, and make available, properties to provide new Adult Residential Substance Use Treatment facilities for the indigent Tennesseans for the duration of Affordability Periods as specified in the attached Restrictive Covenant (Attachment #_) and recorded with the Office of the Register of Deeds in the county where the permanent housing is located.

A.7. Process:

- a. Grantee shall develop, construct, acquire, rehabilitate, renovate and/or convert, and make available the property/properties as described in the following matrix, within the contract term specified in Section B of this contract:

Funding Source	Street Address	City	Zip Code	Number of Beds
State				

- b. Before requesting reimbursement under this contract, Grantee shall ensure the following executed documentation (as applicable) is provided to the State to protect State's interest in the property or properties purchased and/or renovated using State funds provided through this contract:
- (1) Grant Note(s), provided by State (Attachment #_), for the amount of State funding involved, signed by an authorized agent of Grantee and so notarized, wherein buyer acknowledges its obligation to assure the property is used to serve specified service recipients for the specified period and the consequences if this obligation is not met;
 - (2) A copy of the Restrictive Covenant(s), provided by State (Attachment #_), signed by an authorized agent of Grantee and so notarized, and properly recorded in the appropriate county acknowledging the State's interest in the property or properties;
 - (3) A copy of the most recently filed property deed showing the property is owned by Grantee (if contract is for new construction or renovation).
- c. When requesting reimbursement for funds under this Grant Contract, Grantee shall submit the following documentation to the State:
- The completed and signed State-issued invoice form, reflecting incurred expenses related to the Grant Contract for the month of invoicing; and
 - For Capital Purchase expenditures incurred during the month of invoicing: submit documentation confirming and verifying proof of purchase and ownership; and
 - For Professional Fees expenditures incurred during the month of invoicing as a result of contractual work completed toward construction, rehabilitation and/or conversion of infrastructure, and infrastructural needs*: submit documentation from the contractor(s) confirming and verifying payment.
- *Infrastructural needs may include, but may not be limited to: sprinkler system, heating/cooling system, roof repair, flooring repair, electrical wiring, plumbing repair, insulation, foundation repair, etc.
- d. Grantee is strongly advised to review the TDMHSAS Grantee Manual located on the Grants Management section on the website <https://www.tn.gov/behavioral-health/for-providers/grants-management.html>. This manual includes resources about the grant contracting process, highlights key contract provisions, reviews the programmatic and fiscal requirements for grant contracts, outlines the monitoring process, and provides resources related to grant management.
- e. Grantee shall adhere to the expectations and requirements specified in the Grant Note and Restrictive Covenant(s), as identified in Section A.8.b.(2) and Section A.8.b.(3), respectively, for the duration of the specified Affordability Period.
- f. Grantee shall make necessary repairs as needed to these properties to assure they meet and are maintained at applicable codes and reasonable housing quality standards throughout the Affordability Period.
- g. Grantee shall accumulate and maintain documentation at Grantee's offices necessary to demonstrate the terms of this Scope of Service are met and make such documentation available for onsite review when requested by the State. Grantee acknowledges this documentation shall be maintained for the duration of the Affordability Period.
- h. Grantee shall submit reports via email, at a frequency no less than monthly, to the Tennessee Department of Mental Health and Substance Abuse Services, Division of Substance Abuse

Services (DSAS) until the start date of occupancy and service provision, on the status of development, construction, acquisition, rehabilitation, renovation and or conversion of property/properties indicated in Section A.8.a. Reports should include brief, concise and specific detail documenting ongoing progress toward completion, and should also include photo(s) to provide images reflecting such progress.

Attachment I

SAMPLE OF GRANT NOTE AND RESTRICTIVE COVENANT DOCUMENTS

1 OF 2

SAMPLE GRANT NOTE

Prepared by Tennessee Department of Mental Health and Substance Abuse Services

GRANT NOTE

AMOUNT: _____ (\$_____)

On demand after date, for value received and hereby acknowledged, _____ (“Grant Recipient”), promises to pay to the order of Tennessee Department of Mental Health and Substance Abuse Services (“TDMHSAS”) the principal sum of ___ dollars (\$___), in legal tender, with interest thereon from this date at zero percent (0%) per annum. Principal shall be payable at the offices of TDMHSAS or such other place as TDMHSAS may designate.

- A. So long as there is no default with respect to the conditions set forth herein, or as set forth in the Restrictive Covenant executed by ____ (AGENCY NAME) related to the properties at _____ (location) (herein after referred to as “the properties”), the principal sum due and payable under this Grant Note shall be forgiven at the end of the Affordability Period (as defined herein).

- B. TDMHSAS agrees not to make demand for payment under this Grant Note so long as the following conditions are met:
 - 1. The Affordability Period for this grant is _____ years from the date that the state funds are disbursed to the Grant Recipient.
 - 2. All funds advanced hereunder are used for the purpose of defraying acquisition, closing, and rehabilitation costs on the Property.
 - 3. The facility is maintained for indigent Tennessee adults (18 and over) as identified in the grant contract between the parties for this project,
 - 4. Neither the Properties, nor any part thereof or interest therein, is sold, leased or otherwise transferred, conveyed or encumbered and no interest in the Grant Recipient is sold or otherwise transferred, conveyed or encumbered during the Affordability Period.
 - 5. The Grant Recipient agrees to all terms and conditions set forth in this Grant Note, the Restrictive Covenants, and the Deed of Trust.

In the event of default hereunder, TDMHSAS shall, at any time, thereafter, be entitled, but not required, to immediately demand payment of all amounts due under this Grant Note as of the date of default.

Amounts not paid upon demand shall bear interest at the maximum lawful rate from the date of demand until the date payment is received. Should efforts be made to collect this Grant Note, or any part of the indebtedness evidenced hereby, by law or through an attorney, Grant Recipient shall pay all reasonable attorneys' fees, all court costs and all costs of collection upon demand. Any failure on the part of TDMHSAS to exercise its rights hereunder shall not, in any event, be considered a waiver of any such rights nor shall such failure preclude TDMHSAS from exercising such rights at any time. Grant Recipient hereby waives all rights of protest, notice of demand, protest and demand, notice of protest, presentment, demand, dishonor and non-payment.

GRANTEE

BY: _____ (signature)

_____ (printed name)

Title: _____

Date: _____

NOTARY PUBLIC

The individual appeared before me _____, a Notary

Public for _____ County, State of Tennessee, on the _____ day of

_____, 2024, and affixed his/her signature.

My commission expires on _____.

Attachment I

SAMPLE OF GRANT NOTE AND RESTRICTIVE COVENANT DOCUMENTS

2 OF 2

SAMPLE RESTRICTIVE COVENANT

Prepared by Tennessee Department of Mental Health and Substance Abuse Services

RESTRICTIVE COVENANT

This Restrictive Covenant is made and entered into by and between the Tennessee Department of Mental Health and Substance Abuse Services (hereinafter referred to as “State”) and _____ (hereinafter referred to as “Grantee”).

1. Grantee, for and in consideration of _____ dollars (\$_____) (hereinafter referred to as the “State Grant monies”) provided to Grantee for the purchase and/or renovation of real property located at _____ (hereinafter referred to as “the Property”), hereby grants the State of Tennessee an equitable interest in the property and covenants that the restrictions set forth below shall constitute a covenant running with the land benefitting and appurtenant to the real estate and any part thereof:

_____ (address) and

recorded in Book _____, Page _____, Register’s Office of

_____ County, Tennessee

2. The State’s interest in the Property and the covenant running with the land shall be binding upon Grantee, its successors and assigns, for _____ years from the date of the closing or when State Grant monies are disbursed to the Grantee (Affordability Period).

Grantee covenants that the Property is maintained for Tennessee’s behavioral health clients who have a substance use or co-occurring disorder as identified in the grant contract between the parties for this project.

3. Grantee covenants that neither the State’s interest in the Property nor any part thereof or interest therein, shall be sold, leased, or otherwise transferred, conveyed or encumbered during the Affordability Period without written consent of the Commissioner of the Tennessee Department of Mental Health and Substance Abuse Services.
4. If Grantee fails to properly perform its obligations under this Restrictive Covenant, or if Grantee violates the covenants herein, the State shall have the right to immediately enter upon the above named Property and exercise all of its right, title and interest in the Property. Grantee shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Restrictive Covenant by Grantee.

5. Grantee agrees to be responsible for the accountability, maintenance, and management of the Property purchased or rehabilitated totally or in part with State Grant monies.
6. The validity, construction and interpretation of this Restrictive Covenant shall in all ways be governed and determined in accordance with the laws of the State of Tennessee.
7. Grantee shall file a copy of this Restrictive Covenant in the Office of the Register of Deeds in the county where the Property is located and assure a recorded copy is provided to the State.

IN WITNESS WHEREOF, this Restrictive Covenant has been signed and executed by Grantee and the State on date below their respective signatures hereto:

GRANTEE:

Signature

Date

Printed Name

NOTARY PUBLIC

This individual appeared before me _____, a Notary Public for _____ County, State of Tennessee, on the _____ day of _____, 2024, and affixed their signature.

My commission expires on _____.

Notary Public

STATE OF TENNESSEE

BY: _____

Title: _____

Date: _____

Attachment J

ATTESTATION FOR CONFIRMATION OF GOOD STANDING

Provide a signed letter of attestation to confirm that the proposing entity is in good standing with TDMHSAS, the Tennessee Secretary of State, Internal Revenue Service, State of Tennessee Comptroller of the Treasury, and any other individual or agency who regulates or has a vested interest in the proposing entity. The letter of attestation must include the language specified below:

To the Tennessee Department of Mental Health and Substance Abuse Services, as an authorized representative of _____ (*legal name of proposing entity*), I hereby attest that I understand and acknowledge that this proposing entity is in good standing with TDMHSAS, the Tennessee Secretary of State, Internal Revenue Service, State of Tennessee Comptroller of the Treasury, and any other individual or agency who regulates or has a vested interest in the proposing entity.

I also affirm that, as referenced in the Announcement of Funding for the FY 2024 Substance Use Residential Treatment Facility Grant, I have been encouraged to review the TDMHSAS Grantee Manual, located on the Grants Management section on the website <https://www.tn.gov/behavioral-health/for-providers/grants-management.html> for additional information regarding other grant contract requirements.

Signature of Authorized Representative

Date

Printed Name of Authorized Representative

Legal Name of Proposing Facility