



TEXAS

Health and Human Services

Cecile E. Young, Executive Commissioner

Request for Applications (RFA)

Grant for

Recovery-Focused Clubhouse Grant Program

RFA No. HHS0015318

APPLICATION SUBMISSION DEADLINE

February 12, 2025, by 10:30 a.m. Central Time

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Section I. Executive Summary, Definitions, and Statutory Authority

1.1 EXECUTIVE SUMMARY

The Texas Health and Human Services Commission (“HHSC”) is accepting Applications for the Recovery-Focused Clubhouse Grant Program (“Clubhouse Program”).

The purpose of the Clubhouse Program is to fund the expansion of Recovery-Focused Clubhouses that align with the Clubhouse International standards and practices. The Clubhouse Program model is an evidence-based practice recognized by the Substance Abuse Mental Health Services Administration (“SAMHSA”), which enhances recovery-based outreach, services, and programming to support individuals living with mental health challenges. HHSC will award grants to Clubhouses in the State of Texas to expand Recovery-Focused services and ensure organizations implement the Clubhouse Program model with fidelity.

Applicants should reference **Section II, Scope of Grant Project**, for further detailed information regarding the purpose, background, eligible population, eligible activities and requirements.

Grant Name:	Recovery-Focused Clubhouse Grant Program
RFA No.:	HHS0015318
Deadline for Applications:	February 12, 2025, at 10:30 AM Central Time
Deadline for Submitting Questions or Requests for Clarifications:	January 27, 2025, at 10:30 AM Central Time
Estimated Total Available Funding:	\$1,600,000.00 per State Fiscal Year, and \$8,000,000.00 for the Grant Term
Estimated Total Number of Awards:	Ten (10)
Estimated Max Award Amount:	No maximum
Cost Sharing Required, if any:	Twenty-five percent (25%) of the value of HHSC funds awarded as outlined in Section 5.4, Cost Sharing .
Anticipated Project Start Date:	09/01/2025

Length of Project Period:	Two (2) State Fiscal Years
Eligible Applicants:	<ol style="list-style-type: none"> 1. Application is received by the published deadline; 2. Application is complete and includes all applicable attachments, exhibits, forms, and addenda; 3. Application is signed by Applicant’s authorized representative; and 4. Applicant is eligible to conduct business in Texas.

To be considered for screening, evaluation and award, Applicants must provide and submit all required information and documentation as set forth in **Section VIII, Application Organization and Submission Requirements** and **Section XIII, Submission Checklist** by the Deadline for Submission of Applications established in **Section 7.1, Schedule of Events**, or subsequent Addenda. See **Section 9.2, Initial Compliance Screening for Applications**, for further details.

1.2 DEFINITIONS AND ACRONYMS

Unless a different definition is specified, or the context clearly indicates otherwise, the definitions and acronyms given to a term below apply whenever the term appears in this RFA. All other terms have their ordinary and common meaning.

Refer to all exhibits to this RFA for additional definitions.

“Active member” means a member of the Clubhouse Program who has utilized services in the last 90 days and is a member of the target population to be served under a Grant Agreement resulting from this RFA.

“Addendum” means a written clarification or revision to this RFA, including exhibits, forms, and attachments, as issued and posted by HHSC to the HHS Grants RFA website. Each Addendum will be posted and must be signed by the Applicant and returned with the Application.

“Applicant” means any person or legal entity that submits an Application in response to this RFA. The term includes the individual submitting the Application who is authorized to sign the Application on behalf of the Applicant and to bind the Applicant under any Grant Agreement that may result from the submission of the Application. May also be referred to in this RFA as “Respondent.”

“Application” or “Grant Application” means all documents the Applicant submits in response to this RFA, including all required forms and exhibits. May also be referred to in this RFA as “Solicitation Response.”

“Budget” means the financial plan for carrying out the Grant Project, as formalized in the Grant Agreement, including awarded funds and any required Cost Sharing, submitted as part of the Application in response to this RFA. An Applicant’s requested Budget may differ from the HHSC-approved Budget executed in the final Grant Agreement.

“CFR” means the Code of Federal Regulations which is the codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government.

“Clubhouse” means a community-based service dedicated to supporting and empowering people living with mental illness, known as Clubhouse members.

“Clubhouse International” means the umbrella organization and originator of the Clubhouse Model. Clubhouse International offers accreditation to Clubhouses. Further information and accreditation standards are published at <https://clubhouse-intl.org/>.

“Clubhouse member” means a person who has utilized Clubhouse Services and signed up to be a member at any point in time.

“Clubhouse Model” means an evidence-based, recovery-oriented program for adults with mental health challenges. The goal of the program is to improve a person’s ability to integrate into the community through involvement in a peer-focused environment. Members are encouraged to participate in the daily operations of the Clubhouse such as clerical duties, reception, food service, transportation, and financial services. Members are also encouraged to participate in activities to promote outside employment, education, meaningful relationships, housing, and an improved quality of life.

“Clubhouse Non-Member” means a person who has utilized Clubhouse Services but has not yet become a member.

“Clubhouse Service(s)” means the support offered by members and received by other members within a specific Clubhouse.

“Clubhouse Standards” means the principles expressed in these standards are at the heart of the Clubhouse community’s success in helping people with mental illness to achieve social, financial, educational, and vocational goals. The standards also serve as a “bill of rights” for members and a code of ethics for staff, board and administrators. The standards provide the basis for assessing Clubhouse quality, through the Clubhouse International Accreditation. Further information and accreditation standards are published at <https://clubhouse-intl.org/>.

“CMBHS” or “Clinical Management for Behavioral Health Services” is an electronic health record (EHR) developed by the Texas Department of State Health Services (DSHS) – Mental Health and Substance Abuse Division (MH/SA) for use by providers who contract with DSHS to deliver behavioral health (BH) services to clients and other business entities involved in service delivery, management, and oversight.

“Cost Reimbursement” means a payment method in which a Grantee is reimbursed for costs that are reasonable, allowable, and allocable in accordance with the Grant Agreement and consistent with the Grant Project Budget approved by HHSC.

“Cost Sharing” means the non-federal and/or non-state share of Grant Project costs paid by the Grantee, this includes costs Grantee is required to contribute to accomplish the purpose of the Grant Project, which may also be referred to in this RFA as “Match” or “Matching.”

“Direct Cost” means those costs that can be identified specifically with a particular final cost objective under the Grant Project responsive to this RFA or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or Indirect Costs. Direct Costs include, but are not limited to, salaries, travel, equipment, and supplies directly benefiting the grant-supported project or activity.

“Equipment” pursuant to 2 CFR § 200.1, means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$10,000. See §200.1 for Capital assets, Computing devices, General purpose equipment, Information technology systems, Special purpose equipment, and Supplies.

“Grant Agreement” means the agreement entered into by HHSC and the Grantee as a result of this RFA, including the Signature Document and all attachments and amendments. May also be referred to in this RFA as “Contract.”

“Grantee” means the Party receiving funds under any Grant Agreement awarded under this RFA. May also be referred to as “Subrecipient” or “Contractor.”

“HHS” includes both the Health and Human Services Commission (HHSC) and the Department of State Health Services (DSHS).

“HHSC” means the Health and Human Services Commission.

“Independent Employment (IE)” means obtaining a job for which the Clubhouse Program provides support as requested by the member. There are no on-site support or responsibilities to an employer. IE is distinguished from Supported Employment (SE) by the lack of a relationship between the employer and the Clubhouse Program and the absence of on-site support. For IE, members participate in a fully competitive interview.

“Indirect Cost” means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Indirect Costs represent the expenses of doing business that are not readily identified with the Grant Project responsive to this RFA but are necessary for the general operation of the organization and the conduct of activities it performs.

“Indirect Cost Rate” is a device for determining in a reasonable manner the proportion of Indirect Costs each program should bear. It is the ratio (expressed as a percentage) of the Grantee’s Indirect Costs to a Direct Cost base.

“In-Kind” means non-cash Cost Sharing and refers to the practice of using non-monetary resources to fulfill a portion of the required Cost Sharing for a grant or funding opportunity.

“Project” or “Grant Project” means the specific work and activities that are supported by the funds provided under the Grant Agreement as a result of this RFA.

“Project Period” is the initial period of time set forth in the Grant Agreement during which grantees may perform approved grant-funded activities to be eligible for reimbursement or payment. Unless otherwise specified, the Project Period begins on the Grant Agreement effective date and ends on the Grant Agreement termination or expiration date, and represents the base Project Period, not including extensions or renewals. When referring to the base Project Period plus anticipated renewal or extension periods, “Grant Term” is used.

“Recovery-Focused” means the belief and guiding principle that people can and do recover from mental health challenges.

“RFA” means this Request for Applications, including all parts, exhibits, forms, attachments and addenda posted on the HHS Grants RFA. May also be referred to herein as “Solicitation.”

“Serious Mental Illness” means someone over 18 having (within the past year) a diagnosable mental, behavior, or emotional disorder that causes serious functional impairment that substantially interferes with or limits one or more major life activities.

“State” means the State of Texas and its instrumentalities, including the HHSC and any other state agency, its officers, employees, or authorized agents.

“Supported Employment (SE)” means support that provides a permanent employment opportunity for the member. The position is held by the member and involves a competitive interview process. The Clubhouse Program develops and maintains a relationship with the employer, assisting with job site development and sometimes training. SE jobs can be either full- or part-time, but the Clubhouse Program does not provide absence coverage. SE Group Placement (*i.e.*, Mobile Crew) involves a small group (8 or fewer people) working together at a job site or moving between sites to perform work. The crew may use provided equipment, and job training and supervision are typically the responsibility of the service provider agency.

“System Agency” means HHSC, DSHS, or both, that will be a party to any Grant Agreement resulting from the RFA.

“Transitional Employment (TE)” means support that involves multiple part-time work placements with community-based employers, with wages paid by the employer. The Clubhouse program provides support services both before and during the TE experiences,

and continued employment support is available through the Clubhouse for future job placement. TE jobs are time-limited, typically lasting six (6) to nine (9) months and the positions are held by the Clubhouse. The Clubhouse develops and maintains a relationship with the employer providing on-site training and support, including absence coverage. In TE Group Placements, a variation of TE, the Clubhouse facilitates work or jobs through its relationship with the employer offering support to members both on-site and off-site.

“TxGMS” means the Texas Grant Management Standards published by the Texas Comptroller of Public Accounts.

“Work-ordered day” means the daily activity of a Clubhouse is organized around a structured system known as the work-ordered day. Members and staff work side by side as colleagues to perform the work that is important to their community. Instead of traditional talk therapy, members and staff share responsibility for running every aspect of the Clubhouse. By sharing responsibility for critical work, members and staff build relationships focused on each other’s strengths and gifts, rather than weaknesses and liabilities.

1.3 STATUTORY AUTHORITY

HHSC is requesting applications under Chapters 533 and 534 of the Texas Health and Safety Code. Section 533.034 of the Texas Health and Safety Code specifically provides HHSC with authority to contract with local agencies, hospitals, private organizations and foundations, community centers, physicians, and other persons to plan, develop, and provide community-based mental health services. State funds for this Grant Project are authorized under the Texas General Appropriations Act, Article II. All awards are subject to the availability of appropriated State funds and any modifications or additional requirements that may be imposed by law.

Federal funding for this Grant Project is authorized under Title 42 United States Code, Chapter 6A, Subchapter XVII, Part B: Block Grants Regarding Mental Health and Substance Abuse. All awards are subject to the availability of appropriated federal funds and any modifications or additional requirements that may be imposed by law. Federal funding awarded to the HHSC is through the program(s) listed below:

Federal Grant Program:	Block Grants for Community Mental Health Services
Federal Awarding Agency:	Substance Abuse and Mental Health Services Administration
Assistance Listing Number and Program Title:	93.958, Mental Health Block Grant (MHBG)

1.4 STANDARDS

Awards made as a result of this RFA are subject to all policies, terms, and conditions set forth in or included with this RFA as well as applicable statutes, requirements, and guidelines including, but not limited to applicable provisions of the Texas Grant Management Standards (TxGMS) and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

Section II. Scope of Grant Project

2.1 PURPOSE

The Texas Health and Human Services Commission (HHSC) is currently accepting Applications for the Recovery-Focused Clubhouse Grant Program (“Clubhouse Program”). The Clubhouse Program advances the Clubhouse Model and provides a Recovery-Focused environment for individuals known as “members,” whose lives have been disrupted by mental health challenges. Organized around the belief that every person has something valuable to contribute to society, Clubhouse Programs effectively help people build self-confidence and end the social and economic isolation so often associated with mental health challenges. While participating in a Clubhouse Program, members gain access to opportunities to connect to communities of friendships, family, employment, and education, as well as receive the tailored services and supports needed to continue their recovery.

The goal of a Clubhouse Program is to enhance a person’s ability to integrate into the community through participation in a peer-focused environment. Members are encouraged to engage in Clubhouse operations such as programming, clerical duties, reception, food service, transportation, and financial services. They can also take part in activities aimed at improving their quality of life, including outside employment, education, meaningful relationships, and housing. Clubhouse Programs address the fundamental human need to be needed by creating opportunities for personal development and community integration.

Clubhouse Programs are strengths-based, emphasize teamwork, and provide opportunities for members to contribute to day-to-day operation of the Clubhouse through the Work-ordered day, with members and staff working side-by-side as colleagues to run the program.

2.2 PROGRAM BACKGROUND

Behavioral health services in Texas have significantly evolved over the past decade, largely due to substantial investments and leadership from the Texas Governor and Legislature aimed at improving the behavioral health service delivery system. Since 2015, part of this investment has included funding to expand the Clubhouse Model. This RFA builds on the initial funding by seeking to further expand Clubhouse Services in Texas and aligns with the five-year [Texas Statewide Behavioral Health Strategic Plan Fiscal Years 2022–2026](#)

<https://www.hhs.texas.gov/sites/default/files/documents/hb1-statewide-behavioral-health-idd-plan.pdf>).

All accredited Clubhouses in Texas adhere to the rigorous practices and standards set by Clubhouse International, which includes ongoing training in Clubhouse operations, leadership, employment, the work-ordered day, housing, and services for young adults. As an evidenced-based practice, the Clubhouse Model is supported by national research demonstrating its effectiveness in delaying and reducing rehospitalization rates for persons with Serious Mental Illness. Data reported by the six (6) HHSC-contracted Clubhouses in December 2023 indicated statistically significant improvement in mental health, increased confidence levels, improved self-esteem, increased sense of control over mental health recovery, willingness to take risks for recovery, and a reduced desire to use drugs or alcohol.

National research provides employment outcomes for persons in Clubhouse Transitional Employment (TE) positions comparable to those in non-set-aside jobs with greater workplace integration and higher hourly wages compared to set-aside positions offered by Clubhouse or program for assertive community treatment (PACT). Clubhouse TE positions typically have the highest number of days employed, while non-set-aside jobs were associated with significantly more hours worked per week. [A Systematic Review of Evidence for the Clubhouse Model of Psychosocial Rehabilitation | Administration and Policy in Mental Health and Mental Health Services Research \(springer.com\)](https://link.springer.com/article/10.1007/s10488-016-0760-3#Sec8) (<https://link.springer.com/article/10.1007/s10488-016-0760-3#Sec8>). Data reported by HHSC contracted Clubhouses aligns with national trends, showing that in that in 2023, 560 Texans benefited from the full range of Clubhouse employment services, including Supported Employment, Transitional Employment, and Full Time Employment.

The sustained progress and positive outcomes reported by Clubhouses reaffirm their essential role in fostering recovery, promoting community integration, and supporting people in securing both employment and housing as they navigate mental health challenges.

2.3 ELIGIBLE POPULATION

The eligible population to be served under this RFA consists of adults (age 18 and over) across Texas who are living with a mental health challenge or whose lives have been disrupted by a mental health challenge and are seeking recovery-based services and programming to enhance and support long-term recovery.

2.4 ELIGIBLE SERVICE AREAS

The service areas eligible for project funding under this RFA are any single or combination of Texas' 254 counties, or city/municipality within a county.

2.5 ELIGIBLE ACTIVITIES

The Clubhouse Program may fund activities and costs as allowed by the laws, regulations, rules, and guidance governing fund use identified in the relevant sections of this RFA. Only

grant-funded activities authorized under this RFA are eligible for reimbursement and payment under any Grant Agreement awarded as a result of this RFA.

Clubhouse Programs must:

1. Provide Clubhouse members opportunities to create and sustain social connections with others in recovery;
2. Assist Clubhouse members with accessing community-based health, mental health, and substance use recovery services;
3. Assist Clubhouse members with accessing crisis intervention services when needed;
4. Provide Clubhouse members health and wellness education and support;
5. Create employment opportunities for Clubhouse members within and outside the Clubhouse Program;
6. Assist Clubhouse members with accessing vocational and educational opportunities; and
7. Assist Clubhouse members with securing and sustaining safe, habitable, and affordable housing.

2.6 PROGRAM REQUIREMENTS

Grantees must meet the following program requirements:

1. Grantee shall implement a Clubhouse Program that operates in accordance with fidelity to Clubhouse International accreditation requirements and standards. Further information and accreditation requirements and standards are published at <https://clubhouse-intl.org/>.
2. Grantee's Clubhouse Program must:
 - a. Expand or maintain a developed Clubhouse Program. A developed Clubhouse is defined as an organization providing services to individuals with mental health challenges in accordance with the Clubhouse International model and standards;
 - b. Have a charter stating the dedication to securing resources to serve eligible populations in accordance with the Clubhouse International model and standards;
 - c. Have an established Board of Directors or Advisory Board that meets regularly;
 - d. Have a physical location;
 - e. Provide services a minimum of five (5) days a week;

- f. Have been operating as a Clubhouse for at least three (3) years with an intent to become accredited (if not accredited);
 - g. Have current Clubhouse International accreditation, a stated commitment and timeline to become accredited, or have operated under a prior HHSC Clubhouse Program grant agreement;
 - h. Have a sustainability plan to seek ongoing funding to sustain, support, and expand the Clubhouse;
 - i. Be a part of an auspice organization or stand-alone;
 - j. Provide services and supports in adherence to the Clubhouse value that every member has the potential to recover from mental health challenges to achieve personal social, financial, educational and vocational goals;
 - k. Identify specific community entities that can address gaps in Clubhouse Services and establish partnerships to assist members with access recovery services;
 - l. Provide services and supports that assist members with returning to paid work through Transitional Employment, Supported Employment, and Independent Employment; and
 - m. Provide services and supports that assist members with reaching their vocational and educational goals by leveraging educational opportunities in the community.
3. Grantees shall dedicate Cost Sharing funds equal to a certain percentage of the State award as outlined in **Section 5.4, Cost Sharing**.

2.7 REQUIRED REPORTS

HHSC will monitor Grantee’s performance, including, but not limited to, through review of financial and programmatic reports and performance measures, under any Grant Agreement awarded as a result of this RFA. Each Grantee awarded a Grant Agreement as a result of this RFA must submit the following reports by the noted due dates:

REPORT	DUE DATE
Reimbursement Request, including Attachment A-1, Project Expenditure Report – Monthly	The 15th calendar day of each month following the month being reported (<i>i.e.</i> , September’s report is due October 15th, and October’s report is due November 15th, etc.) using the CMBHS invoice module.

Attachment A-2, Cost Sharing Certification Form – Quarterly	The 15th calendar day of the month following the end of the State fiscal quarter being reported (<i>i.e.</i> , September through November is due December 15th, and December through February is due March 15th, etc.) using the CMBHS invoice module.
Performance Report – Monthly	The 15th calendar day of each month following the month being reported (<i>i.e.</i> , September’s report is due October 15th, and October’s report is due November 15th, etc.) using Microsoft Excel Performance Measure workbook provided by HHSC.
Impact Report – Annually	The 30th calendar day of the month following the end of the State fiscal year being reported (<i>i.e.</i> , September through August is due October 30th) using a template provided by HHSC.

Grantee shall provide all applicable reports in the format specified by HHSC in an accurate, complete, and timely manner and shall maintain appropriate supporting backup documentation. Failure to comply with submission deadlines for required reports, other requested information may result in HHSC, in its sole discretion, placing the Grantee on financial hold without first requiring a corrective action plan in addition to pursuing any other corrective or remedial actions under the Grant Agreement.

2.8 PERFORMANCE MEASURES AND MONITORING

HHSC will look solely to Grantee for the performance of all Grantee obligations and requirements in a Grant Agreement resulting from this RFA. Grantee shall not be relieved of its obligations for any nonperformance by its subgrantees or subcontractors, if any.

Grant Agreement(s) awarded as a result of this RFA are subject to the HHSC’s performance monitoring activities throughout the duration of the Grant Project Period/Grant Term. This evaluation may include a reassessment of project activities and services to determine whether they continue to be effective throughout the Grant Term.

Grantees must regularly collect and maintain data that measures the performance and effectiveness of activities under a Grant Agreement resulting from this RFA in the manner, and within the timeframes specified in this RFA and resulting Grant Agreement, or as otherwise specified by HHSC. Grantees must submit the necessary information and

documentation regarding all requirements, including reports and other deliverables and will be expected to report monthly on the following measures:

Outputs:

1. Total number of unduplicated members.
2. Total number of members who worked and attended Clubhouse (unduplicated).
3. Total number of members receiving Employment Services (unduplicated):
 - a. Transitional;
 - b. Supported; and
 - c. Independent.
4. Total Number of members placed in positions (unduplicated):
 - a. Transitional;
 - b. Supported; and
 - c. Independent.
5. Total number of members receiving educational services (unduplicated).
6. Total number of members enrolled in community education opportunities (community college, university or vocational training program).

Outcomes:

1. Clubhouse member satisfaction survey to be determined in collaboration with awarded Clubhouses. This survey will capture quality of life and recovery-based outcomes.
2. Total percentage of members who worked and attended Clubhouse (unduplicated).
3. Total percentage of members receiving Employment Services (unduplicated):
 - a. Transitional;
 - b. Supported; and
 - c. Independent.
4. Total percentage of members placed in positions (unduplicated):

- a. Transitional;
 - b. Supported; and
 - c. Independent.
5. Total percentage of members receiving educational services (unduplicated).
 6. Total percentage of members enrolled in community education opportunities (community college, university or vocational training program).

Annual Impact Report:

1. Scope of the Clubhouse Program’s services;
2. The impact of the Clubhouse Program’s goals;
3. The impact of the Clubhouse Program’s activities and services;
4. The Clubhouse Program’s impact, quality, and levels of performance in terms of the required Performance Measures; and
5. Other information relevant information requested or required by HHSC.

If requested by HHSC, the Grantee shall report on the progress towards completion of the Grant Project and other relevant information as determined by HHSC during the Grant Project Period. To remain eligible for renewal funding, if any, the Grantee must be able to show the scope of services provided and their impact, quality, and levels of performance against approved goals, and that Grantee’s activities and services effectively address and achieve the project's stated purpose.

2.9 FINAL BILLING SUBMISSION

Unless otherwise directed by HHSC, Grantee shall submit a reimbursement or payment request as a final close-out invoice not later than forty-five (45) calendar days following the end of the term of the Grant Agreement. Reimbursement or payment requests received after the deadline may not be paid.

2.10 DATA USE AGREEMENT

By submitting an Application in response to this RFA, Applicant agrees to be bound by the terms of either **Exhibit C, HHS Data Use Agreement (DUA) v.8.5, Exhibit C-1, HHS Data Use Agreement v.8.5 – Governmental Entity Version**, or **Exhibit C-2, HHS Data Use Agreement v.8.5 – Community Center Version (LMHA, LA, LIDDA)** (as is applicable to the Applicant), including but not limited to the terms and conditions regarding **Exhibit C-3, Texas HHS System - Data Use Agreement - Attachment 2, Security and Privacy Inquiry (SPI)**, attached to this RFA.

2.11 LIMITATIONS ON GRANTS TO UNITS OF LOCAL GOVERNMENT

Pursuant to the General Appropriations Act, Article IX, Section 4.04.

(a) In each Grant Agreement with a unit of local government, grant funds appropriated under the General Appropriations Act will be expended subject to limitations and reporting requirements similar to those provided by:

- (1) Parts 2, 3, and 5 of Article IX of the General Appropriations Act (except there is no requirement for increased salaries for local government employees);
- (2) [§§556.004](#), [556.005](#), and [556.006](#), Texas Government Code; and
- (3) [§§2113.012](#) and [2113.101](#), Texas Government Code.

(b) In this section, “unit of local government” means:

- (1) a council of governments, a regional planning commission, or a similar regional planning agency created under [Chapter 391, Local Government Code](#);
- (2) a local workforce development board; or
- (3) a community center as defined by [Texas Health and Safety Code, §534.001\(b\)](#).

Section III. Applicant Eligibility Requirements

3.1 LEGAL AUTHORITY TO APPLY

By submitting an Application in response to this RFA, Applicant certifies that it has legal authority to apply for the Grant Agreement that is the subject of this RFA and is eligible to receive awards. Further, Applicant certifies it will continue to maintain any required legal authority and eligibility throughout the entire duration of the Grant Term, if awarded. All requirements apply with equal force to Applicant and, if the recipient of an award, Grantee and its subgrantees or subcontractors, if any.

Each Applicant may only submit one Grant Application.

3.2 APPLICATION SCREENING REQUIREMENTS

In order to be considered an Applicant eligible for evaluations, Applicant must meet the following minimum requirements:

1. Application is received by the published deadline;
2. Application is complete and includes all applicable attachments, exhibits, forms, and addenda;
3. Application is signed by Applicant’s authorized representative; and
4. Applicant is eligible to conduct business in Texas.

3.3 GRANT AWARD ELIGIBILITY

By submitting an Application in response to this RFA, Applicant certifies that:

1. Applicant and all of its identified subsidiaries intending to participate in the Grant Agreement are eligible to perform grant-funded activities, if awarded, and are not subject to suspension, debarment, or a similar ineligibility determined by any state or federal entity;
2. Applicant is in good standing under the laws of Texas and has provided HHS with any requested or required supporting documentation in connection with this certification;
3. Applicant shall remain in good standing and eligible to conduct its business in Texas and shall comply with all applicable requirements of the Texas Secretary of State and the Texas Comptroller of Public Accounts;

Applicant is currently in good standing with all licensing, permitting, or regulatory bodies that regulate any or all aspects of Applicant's operations; and Applicant is not delinquent in taxes owed to any taxing authority of the State of Texas as of the effective date of this Grant Agreement.

3.4 GRANTS FOR POLITICAL POLLING PROHIBITED

Pursuant to the General Appropriations Act, Article IX, Section 4.03, none of the funds appropriated by the General Appropriations Act may be granted to or expended by any entity which performs political polling. This prohibition does not apply to a poll conducted by an academic institution as part of the institution's academic mission that is not conducted for the benefit of a particular candidate or party. By submitting a response to this RFA, Applicant certifies that it is not ineligible for a Grant Agreement pursuant to this prohibition.

Section IV. Project Period

4.1 PROJECT PERIOD

The Project Period is anticipated to be **September 1, 2025**, through **August 31, 2027**.

Grant Term: At the sole discretion of HHSC, and contingent on the continued availability of appropriated funds, HHSC may renew a Grant Agreement issued under this RFA without re-procurement through **August 31, 2030**.

4.2 PROJECT CLOSEOUT

HHSC will programmatically and financially close the Grant Agreement and end the Grant Term when HHSC determines Grantee has completed all applicable actions and work in accordance with Grant Agreement requirements. Grantees must submit all required financial, performance, and other reports as required in the Grant Agreement. The close-

out date is ninety (90) calendar days after the Grant Agreement end date, unless otherwise noted in the original or amended Grant Agreement. Funds not obligated by Grantee by the end of the Grant Agreement term and not expended by the project close-out date will revert to HHSC.

Section V. Grant Funding and Reimbursement Information

5.1 GRANT FUNDING SOURCE AND AVAILABLE FUNDING

The total amount of state/federal funding available for the Recovery-Focused Clubhouse Grant Program is estimated at **\$8,000,000.00** for the entire Grant Term. It is the HHSC's intention to make multiple awards to Applicants that successfully advance the Clubhouse Model and provide a Recovery-Focused environment for individuals known as "members," whose lives have been disrupted by mental health challenges.

Applicants are strongly cautioned to only apply for the amount of grant funding they can responsibly expend during the Project Period to avoid lapsed funding at the end of the Grant Term. Successful Applications may not be funded to the full extent of Applicant's requested Budget to ensure grant funds are available for the broadest possible array of communities and programs.

5.2 NO GUARANTEE OF REIMBURSEMENT AMOUNTS

There is no guarantee of total reimbursements to be paid to any Grantee under any Grant Agreement, if any, resulting from this RFA. Grantees should not expect to receive additional or continued funding under future RFA opportunities and should maintain sustainability plans in case of discontinued grant funding. Any additional funding or future funding may require submission of a new Application through a subsequent RFA.

Receipt of an Application in response to this RFA does not constitute an obligation or expectation of any award of a Grant Agreement or funding of a grant award at any level under this RFA.

Reimbursement will only be made for actual, allowable, and allocable expenses that occur within the Project Period. No spending or costs incurred before the effective date of a Grant Agreement issues as a result of this RFA will be eligible for reimbursement.

5.3 GRANT FUNDING PROHIBITIONS

Grant funds may not be used to support the following services, activities, and costs:

1. Any use of grant funds to replace (supplant) funds that have been budgeted for the same purpose through non-grant sources;
2. Inherently religious activities such as prayer, worship, religious instruction, or proselytization;

3. Lobbying or advocacy activities with respect to legislation or to administrative changes to regulations or administrative policy (cf. 18 U.S.C. § 1913), whether conducted directly or indirectly;
4. Any portion of the salary of, or any other compensation for, an elected or appointed government official;
5. Vehicles for general agency use; to be allowable, vehicles must have a specific use related to Project objectives or activities;
6. Entertainment, amusement, or social activities and any associated costs including, but not limited to, admission fees or tickets to any amusement park, recreational activity or sporting event unless such costs are incurred for components of a program approved by the grantor agency and are directly related to the program's purpose;
7. Costs of promotional items, and memorabilia, including models, gifts, and souvenirs;
8. Food, meals, beverages, or other refreshments, except for eligible per diem associated with grant-related travel, where pre-approved for working events, or where such costs are incurred for components of a program approved by the grantor agency and are directly related to the program's purpose;
9. Membership dues for individuals;
10. Any expense or service that is readily available at no cost to the Grant Project;
11. Any activities related to fundraising;
12. Capital expenditures such as capital improvements, property losses and expenses, real estate purchases, mortgage payments, remodeling, the acquisition or construction of facilities, or other items that are unallowable pursuant to 2 CFR 200.439;
13. Any other prohibition imposed by federal, state, or local law; and
14. Other unallowable costs as listed under TxGMS, Appendix 7, Selected Items of Cost Supplement Chart and/or 2 CFR 200, Subpart E – Cost Principles, General Provisions for Selected Items of Cost, where applicable.

5.4 COST SHARING

Applicants receiving Grant Agreements under this RFA must contribute non-State and non-federal funding as Cost Sharing at a rate equal to 25 percent (25%) of the HHSC award. Cost Sharing must be treated consistently with grant funds and used only for allowable and allocable purposes.

All Cost Sharing funds and contributions must meet all the following criteria:

1. Are verifiable from the Grantee's records;
2. Are not included as contributions for any other state or federal award;
3. Are necessary and reasonable for accomplishment of Grant Project objectives;
4. Are allowable under the Grant Agreement;
5. Are not paid by the State or federal government; and
6. Are provided for in the approved Grant Project Budget.

Donations: The value of donated services may be used to meet Cost Sharing requirements. If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation. If a third party donates the use of equipment or space in a building, but retains title, the contribution will be valued at the fair rental rate of the equipment or space. If a third party donates equipment, building, or land, and title passes to Grantee, the treatment of the donated property will be determined based on TxGMS, Cost Sharing Section.

5.5 PAYMENT METHOD

Grant Agreement(s) awarded under this RFA will be funded on a Cost Reimbursement basis for reasonable, allowable, and allocable Grant Project Direct Costs. Under the Cost Reimbursement payment method, Grantee is required to finance operations and will only be reimbursed for actual, allowable, and allocable costs incurred on a monthly basis, and supported by adequate documentation. No additional payments will be rendered unless an advanced payment is approved.

Grantee shall request monthly payments on or before the 15th calendar day of the month following the month being reported, using the CMBHS Invoices module. Grantee shall include supporting documentation for all Clubhouse Program expenses in its monthly payment requests. Supporting documentation includes a copy of Grantee's General Ledger, monthly **Attachment A-1, Project Expenditure Report**, quarterly **Attachment A-2, Cost Sharing Certification Form** when appropriate, supporting financial documentation of expenditures, and any other financial report required or requested by HHSC to prove expenditure of funds by cost category.

Section VI. Application Forms and Exhibits for Submission

Applicants must refer to **Section XIII, Submission Checklist**, for the complete checklist of documents that must be submitted with an application under this RFA.

6.1 NARRATIVE PROPOSAL

Using **Forms E-H** attached to this RFA, Applicants shall provide an executive summary and describe their proposed activities, processes, and methodologies to satisfy all

objectives described in **Section II, Scope of Grant Project**, including the Applicant's approach to meeting any required or proposed timelines and associated milestones. The Applicant will describe their experience implementing any state and/or federally-funded grants identifying key agency personnel to demonstrate experience germane to the Project's roles. Applicants must complete and submit all required attachments.

6.2 REQUESTED BUDGET

Attached **Form C, Requested Annual Budget Template**, of this RFA is the template for submitting the Requested Budget. Applicants must develop the Requested Budget to support their Proposed Project and in alignment with the requirements described in this RFA.

Applicants must ensure that Project costs outlined in the Requested Budget are reasonable, allowable, allocable, and developed in accordance with applicable state and federal grant requirements. Reasonable costs are those if, in nature and amount, do not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. A cost is allocable to a particular cost objective if the cost is chargeable or assignable to such cost objective in accordance with relative benefits received. See 2 CFR Part 200.403 or TxGMS Cost Principles, Basic Considerations (pgs. 32-33), for additional information related to factors affecting allowability of costs.

Applicants must utilize the Budget template provided, **Form C, Requested Annual Budget Template**, and identify all Budget line items and costs. Budget categories must be broken out into specific Budget line items that allow HHSC to determine if proposed costs are reasonable, allowable, and necessary for the successful performance of the Project. Applicants must enter all costs in the Budget tables and explain why the cost is necessary and how the cost was established. Cost Sharing funds must also be identified in the Requested Budget.

If selected for a grant award under this RFA, only HHSC-approved Budget items in the Requested Budget may be considered eligible for reimbursement.

Submission of Form C, Requested Annual Budget Template, is mandatory. Applicants that fail to submit a Requested Budget as set forth in this RFA with their Application will be disqualified.

6.3 INDIRECT COSTS

Applicants must have an approved Indirect Cost Rate (ICR) or request the de minimis rate to recover Indirect Costs. All Applicants are required to complete and submit **Form I, HHS System Indirect Cost Rate Questionnaire**, with required supporting documentation. The questionnaire initiates the acknowledgment or approval of an ICR for use with HHSC cost-reimbursable contracts. Entities declining the use of Indirect Cost cannot recover Indirect Costs on any HHSC award or use unrecovered Indirect Costs as Cost Sharing.

HHS typically accepts the following approved ICRs:

1. Federally Approved Indirect Cost Rate Agreement
2. State of Texas Approved Indirect Cost Rate

HHSC, at its discretion, may request additional information to support any approved ICR agreement.

If the Applicant does not have an approved ICR agreement, the Applicant may be eligible for the fifteen percent (15%) de minimis rate or may request to negotiate an ICR with HHS.

For Applicants requesting to negotiate an ICR with HHS, the ICR Proposal Package will be provided by the HHS Federal Funds Indirect Cost Rate Group to successful Grantees. The ICR Proposal Package must be completed and returned to the HHS Federal Funds Indirect Cost Rate Group no later than three (3) months post-award.

The HHS Federal Funds Indirect Cost Rate group will contact applicable Grantees after Grant Agreement execution to initiate and complete the ICR process. Grantees should respond within thirty (30) business days or the request will be cancelled, and Indirect Costs may be disallowed.

Once HHS acknowledges an existing rate or approves an ICR, the Grantee will receive one of the three Indirect Cost approval letters: ICR Acknowledgement Letter, ICR Acknowledgement Letter – Fifteen Percent De Minimis, or the ICR Agreement Letter.

If an Indirect Cost Rate Letter is required but it is not issued at the time of Grant Agreement execution, the Grant Agreement will be amended to include the Indirect Cost Rate Letter after the ICR Letter is issued.

Approval or acceptance of an ICR will not result in an increase in the amount awarded or affect the agreed-upon service or performance levels throughout the life of the award.

6.4 ADMINISTRATIVE APPLICANT INFORMATION

Using **Forms A** through **C** attached to this RFA, Applicant must provide satisfactory evidence of its ability as an organization to manage and coordinate the types of activities described in this RFA.

1. Litigation and Contract History

Applicant must include **Form B, Administrative Information**, in its Application for complete disclosure of any alleged or significant contractual or grant failures.

In addition, Applicant must disclose any civil or criminal litigation or investigation pending over the last five (5) years that involves Applicant or in which Applicant has been judged guilty or liable. Failure to comply with the terms of this provision may disqualify Applicant. See, **Exhibit A, HHS Solicitation Affirmations**. Applicant certifies it does not have any existing claims against or unresolved audit exceptions with the State of Texas or any agency of the State of Texas.

Application may be rejected based upon Applicant's prior history with the State of Texas or with any other party that demonstrates, without limitation, unsatisfactory performance, adversarial or contentious demeanor, or significant failure(s) to meet contractual or grant obligations.

2. Internal Controls Questionnaire

Applicant must complete **Form D, Financial Controls**, and submit with its Application.

Section VII. RFA Administrative Information and Inquiries

7.1 SCHEDULE OF EVENTS

EVENT	DATE/TIME
Funding Announcement Posting Date Posted to HHS Grants RFA website	January 15, 2025
Deadline for Submitting Questions or Requests for Clarification	January 27, 2025, at 10:30 AM Central Time
Date Answers to Questions or Requests for Clarification Posted	On or after February 3, 2025, at 5:00 PM Central Time
Deadline for Submission of Applications NOTE: Applications must be <u>RECEIVED</u> by HHSC by this deadline if not changed by subsequent Addenda to be considered eligible.	February 12, 2025, by 10:30 a.m. Central Time
Anticipated Notice of Award	August 2025
Anticipated Project Start Date	September 1, 2025

Applicants must ensure their applications are received by HHSC in accordance with the Deadline for Submission of Applications (date and time) indicated in this Schedule of Events or as changed by subsequent Addenda posted to the [HHS Grants RFA website](#).

All dates are tentative and HHSC reserves the right to change these dates at any time. At the sole discretion of HHSC, events listed in the Schedule of Events are subject to scheduling changes and cancellation. Scheduling changes or cancellation determinations made prior to the Deadline for Submission of Applications will be published by posting an Addendum to the [HHS Grants RFA](#) website. After the Deadline for Submission of Applications, if there are delays that significantly impact the anticipated award date, HHSC, at its sole discretion, may post updates regarding the anticipated award date to the [Procurement Forecast](#) on the HHS Procurement Opportunities [website](#). Each Applicant is responsible for checking the HHS Grants RFA website and Procurement Forecast for updates.

7.2 SOLE POINT OF CONTACT

All requests, questions or other communication about this RFA shall be made by email **only** to the Grant Specialist designated as HHSC's Sole Point of Contact listed below:

Name	Barbara Logan
Title	Grant Specialist, HHSC Procurement and Contracting Services
Address	Procurement and Contracting Services Building 1100 W 49th St. MC: 2020 Austin, TX 78756
Phone	512-406-2843
Email	BARBARA.LOGAN@HHS.TEXAS.GOV

Applicants shall not use this e-mail address for submission of an Application. Follow the instructions for submission as outlined in Section VIII, Application Organization and Submission Requirements.

However, if expressly directed in writing by the Sole Point of Contact, Applicant may communicate with another designated HHS representative (*e.g.*, during grant negotiations as part of the normal grant review process, if any).

Prohibited Communications: Applicants and their representatives shall not contact other HHS personnel regarding this RFA.

This restriction (on only communicating in writing by email with the sole point of contact identified above) does not preclude discussions between Applicant and agency personnel for the purposes of conducting business unrelated to this RFA.

Failure of an Applicant or its representatives to comply with these requirements may result in disqualification of the Application.

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7.3 RFA QUESTIONS AND REQUESTS FOR CLARIFICATION

Written questions and requests for clarification of this RFA are permitted if submitted by email to the Sole Point of Contact by the deadline established in **Section 7.1, Schedule of Events**, or as may be amended in Addenda, if any, posted to the HHS Grants RFA websites.

Applicants' names will be removed from questions in any responses released. All questions and requests for clarification must include the following information. Submissions that do not include this information may not be accepted:

1. RFA Number;
2. Section or Paragraph number from this Solicitation;
3. Page Number of this Solicitation;
4. Exhibit or other Attachment and Section or Paragraph number from the Exhibit or other Attachment;
5. Page Number of the Exhibit;
6. Language, Topic, Section Heading being questioned; and
7. Question

The following contact information must be included in the e-mail submitted with questions or requests for clarification:

1. Name of individual submitting question or request for clarification
2. Organization name
3. Phone number
4. E-mail address

Questions or other written requests for clarification must be received by the Sole Point of Contact by the deadline set forth in this Section 7.1, Schedule of Events, or as may be amended in Addenda, if any, posted to the HHS Grants RFA website.

HHSC may review and, at its sole discretion, may respond to questions or other written requests received after the deadline.

7.4 AMBIGUITY, CONFLICT, DISCREPANCY, CLARIFICATIONS

Applicants must notify the Sole Point of Contact of any ambiguity, conflict, discrepancy, exclusionary specification, omission or other error in the RFA in the manner and by the deadline for submitting questions. Each Applicant submits its Application at its own risk.

If Applicant fails to properly and timely notify the Sole Point of Contact of any ambiguity, conflict, discrepancy, exclusionary specification, omission or other error in the RFA, Applicant, whether awarded a Grant Agreement or not:

1. Shall have waived any claim of error or ambiguity in the RFA and any resulting Grant Agreement;
2. Shall not contest the interpretation by the HHSC of such provision(s); and
3. Shall not be entitled to additional reimbursement, relief, or time by reason of any ambiguity, conflict, discrepancy, exclusionary specification, omission, or other error or its later correction.

7.5 RESPONSES TO QUESTIONS OR REQUEST FOR CLARIFICATIONS

Responses to questions or other written requests for clarification will be consolidated and HHSC will post responses in one or more Addenda on the [HHS Grants RFA](#) website. Responses will not be provided individually to requestors.

HHSC reserves the right to amend answers previously posted at any time prior to the deadline for submission of Applications. Amended answers will be posted on the [HHS Grants RFA](#) website in a separate, new Addendum or Addenda. It is Applicant's responsibility to check the [HHS Grants RFA](#) website or contact the Sole Point of Contact for a copy of the Addendum with the amended answers.

7.6 CHANGES, AMENDMENT OR MODIFICATION TO RFA

HHSC reserves the right to change, amend, modify or cancel this RFA. All changes, amendments and modifications or cancellation will be posted by Addendum on the HHS Grants RFA website.

It is the responsibility of each Applicant to periodically check the HHS Grants RFA website for any additional information regarding this RFA. Failure to check the posting website will in no way release any Applicant or awarded Grantee from the requirements of posted Addenda or additional information. No HHS agency will be responsible or liable in any regard for the failure of any individual or entity to receive notification of any posting to the websites or for the failure of any Applicant or awarded Grantee to stay informed of all postings to these websites. If the Applicant fails to monitor these websites for any changes

or modifications to this RFA, such failure will not relieve the Applicant of its obligation to fulfill the requirements as posted.

7.7 EXCEPTIONS AND ASSUMPTIONS

Applicants are highly encouraged, in lieu of including exceptions in their Applications, to address all issues that might be advanced by way of exception or assumptions by submitting questions or requests for clarification pursuant to **Section 7.3, RFA Questions and Requests for Clarification**.

No exception, nor any other term, condition, or provision in an Application that differs, varies from, or contradicts this RFA, will be considered to be part of any Grant Agreement resulting from this RFA unless expressly made a part of the Grant Agreement in writing by the HHSC.

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Section VIII. Application Organization and Submission Requirements

8.1 APPLICATION RECEIPT

Applications must be received by HHSC by the Deadline for Submission of Applications specified in **Section 7.1, Schedule of Events**, or subsequent Addenda. HHSC will date and time stamp all Applications upon receipt. Applications received after the Deadline for Submission of Applications may be ruled ineligible. Applicants should allow for adequate time for submission before the posted Deadline for Submission.

No HHS agency will be held responsible for any Application that is mishandled prior to receipt by HHSC. It is the Applicant's responsibility to ensure its Application is received by HHSC before the Deadline for Submission of Applications. No HHS agency will be responsible for any technical issues that result in late delivery, non-receipt of an Application, inappropriately identified documents, or other submission issue that may lead to disqualification.

Note: All Applications become the property of HHSC after submission and receipt and will not be returned to Applicant.

Applicants understand and acknowledge that issuance of this RFA or retention of Applications received in response to this RFA in no way constitutes a commitment to award Grant Agreement(s) as a result of this RFA.

8.2 APPLICATION SUBMISSION

By submitting an Application in response to this Solicitation, Applicant represents and warrants that the individual submitting the Application and any related documents on behalf of the Applicant is authorized to do so and to binds the Applicant under any Grant Agreement that may result from the submission of an Application.

8.3 REQUIRED SUBMISSION METHOD

Applicants must submit their completed Applications by the Deadline for Submission of Applications provided in the **Section 7.1, Schedule of Events**, or subsequent Addenda, using the approved method identified below. Applications submitted by any other method (*e.g.*, facsimile) will not be considered and will be disqualified.

HHS Online Bid Room: Applicants shall upload the following documents to the Online Bid Room utilizing the procedures in **Exhibit J, HHS Online Bid Room. File Size Limitation:** Restriction to 250MB per file attachment.

- 1) One (1) copy marked as "Original Application" that contains the Applicant's entire application in a Portable Document Format (".pdf") file.
- 2) One (1) copy of the completed **Form C, Requested Annual Budget Template**, in its original Excel format.

- 3) One (1) copy of the complete Application marked as “Public Information Act Copy,” if applicable, in accordance with **Section 12.1, Texas Public Information Act**, in a Portable Document Format (“.pdf”) file.

8.4 COSTS INCURRED FOR APPLICATION

All costs and expenses incurred in preparing and submitting an Application in response to this RFA and participating in the RFA selection process are entirely the responsibility of the Applicant.

8.5 APPLICATION COMPOSITION

All Applications must:

1. Be responsive to all RFA requirements;
2. Be clearly legible;
3. Be presented using font type Verdana, Arial, or Times New Roman, font size 12 pt., with one (1) inch margins and 1.5 line spacing; the sole 12-point font size exception is no less than size 10 pt. for tables, graphs, and appendices;
4. Include page numbering for each section of the proposal; and
5. Include signature of Applicant’s authorized representative on all exhibits and forms requiring a signature. Copies of the Application documents should be made after signature.

8.6 APPLICATION ORGANIZATION

The complete application file .pdf must:

1. Be organized in the order outlined in the **Section XIII, Submission Checklist**, and include all required sections (*e.g.*, “Administrative Information,” “Narrative Proposal,” “Exhibits to be Submitted with Application,” and “Addenda”)
 - a. **Form C, Requested Annual Budget Template**, is to be submitted in its original Excel format.
 - b. Each Application section must have a cover page with the Applicant’s legal name, RFA number, and Name of Grant identified.
2. Include all required documentation, exhibits, and forms completed and signed, as applicable. Copies of forms are acceptable, but all copies must be identical to the original. All exhibits must be submitted and obtained directly from the posted RFA package; previous versions and copies are not allowed or acceptable.

8.7 APPLICATION WITHDRAWALS OR MODIFICATIONS

Prior to the Deadline for Submission of Applications set forth in **Section 7.1, Schedule of Events**, or subsequent Addenda, an Applicant may:

1. Withdraw its Application by submitting a written request to the Sole Point of Contact; or
2. Modify its Application by submitting an entirely new submission, complete in all respects, using the method of submission set forth in this RFA. The modification must be received by HHSC by the Deadline for Submission of Applications set forth in **Section 7.1, Schedule of Events**, or subsequent Addenda.

No withdrawal or modification request received after the Deadline for Submission of Applications, set forth in **Section 7.1, Schedule of Events**, or subsequent Addenda, will be considered. Additionally, in the event of multiple Applications received, the most timely received and/or modified Application will replace the Applicant's original and all prior submission(s) in its entirety and the original submission(s) will not be considered.

Section IX. Application Screening and Evaluation

9.1 OVERVIEW

A three-step selection process will be used:

1. Application screening to determine whether the Applicant meets the minimum requirements of this RFA;
2. Evaluation based upon specific criteria; and
3. Final selection based upon State priorities and other relevant factors, as outlined in **Section 10.1, Final Selection**.

9.2 INITIAL COMPLIANCE SCREENING OF APPLICATIONS

All Applications received by the Deadline for Submission of Applications as outlined in **Section 7.1, Schedule of Events**, or subsequent Addenda, will be screened by HHSC to determine which Applications meet all the minimum requirements of this RFA and are deemed responsive and qualified for further consideration. See **Section 3.2, Application Screening Requirements**.

At the sole discretion of HHSC, Applications with errors, omissions, or compliance issues may be considered non-responsive and may not be considered. The remaining Applications will continue to the evaluation stage and will be considered in the manner and form as which they are received. HHSC reserves the right to waive minor informalities in an Application. A "minor informality" is an omission or error that, in the determination of HHSC if waived or modified, would not give an Applicant an unfair advantage over other Applicants or result in a material change in the Application or RFA requirements. **Note:**

Any disqualifying factor set forth in this RFA does not constitute an informality (*e.g.*, **Exhibit A, HHS Solicitation Affirmations**, or **Form C, Requested Annual Budget Template**).

HHSC, at its sole discretion, may give an Applicant the opportunity to submit missing information or make corrections at any point after receipt of Application. The missing information or corrections must be submitted to the Sole Point of Contact e-mail address in **Section 7.2, Sole Point of Contact**, by the deadline set by HHSC. Failure to respond by the deadline may result in the rejection of the Application and the Applicant's not being considered for award.

9.3 QUESTIONS OR REQUESTS FOR CLARIFICATION FOR APPLICATIONS

HHSC reserves the right to ask questions or request clarification or revised documents for a submitted Application from any Applicant at any time prior to award. HHSC reserves the right to select qualified Applications received in response to this RFA without discussion of the Applications with Applicants.

9.4 EVALUATION CRITERIA

Applications will be evaluated and scored in accordance with the following scoring criteria using **Exhibit I, Evaluation Tool**.

Scoring Criteria: Qualified Applications shall be evaluated based upon:

- a. Community Needs (15%);
- b. Applicant Background and Experience (15%);
- c. Project Execution (60%); and
- d. Proposed Budget and justification (cost effectiveness) (10%).

9.5 PAST PERFORMANCE

HHSC reserves the right to request additional information and conduct investigations as necessary to evaluate any Application. By submitting an Application, the Applicant generally releases from liability and waives all claims against any party providing information about the Applicant at the request of HHSC.

HHSC may examine Applicant's past performance which may include, but is not limited to, information about Applicant provided by any governmental entity, whether an agency or political subdivision of the State of Texas, another state, or the Federal government.

HHSC, at its sole discretion, may also initiate investigations or examinations of Applicant performance based upon media reports. Any negative findings, as determined by HHSC in its sole discretion, may result in HHSC removing the Applicant from further consideration for award.

Past performance information regarding Applicants may include, but is not limited to:

1. Notices of termination;
2. Cure notices;
3. Assessments of liquidated damages;
4. Litigation;
5. Audit reports; and
6. Non-renewals of grants or contracts based on Applicant's unsatisfactory performance.

Applicants also may be rejected as a result of unsatisfactory past performance under any grant(s) or contract(s) as reflected in vendor performance reports, reference checks, or other sources. An Applicant's past performance may be considered in the initial screening process and prior to making an award determination.

Reasons for which an Applicant may be denied a Grant Agreement at any point after application submission include, but are not limited to:

1. If applicable, Applicant has an unfavorable report or grade on the CPA Vendor Performance Tracking System (VPTS). VPTS may be accessed at: <https://comptroller.texas.gov/purchasing/programs/vendor-performance-tracking/>;
2. Applicant is currently under a corrective action plan through HHSC or DSHS;
3. Applicant has had repeated, negative vendor performance reports for the same reason;
4. Applicant has a record of repeated non-responsiveness to vendor performance issues;
5. Applicant has contracts or purchase orders that have been cancelled in the previous 12 months for non-performance or substandard performance; or
6. Any other performance issue that demonstrates that awarding a Grant Agreement to Applicant would not be in the best interest of the State.

9.6 COMPLIANCE FOR PARTICIPATION IN STATE CONTRACTS

Prior to award of a Grant Agreement as a result of this RFA and in addition to the initial screening of Applications, all required verification checks will be conducted.

The information (*e.g.*, legal name and, if applicable, assumed name (d/b/a), tax identification number, DUNS number) provided by Applicant will be used to conduct these checks. At HHSC's sole discretion, Applicants found to be barred, prohibited, or otherwise

excluded from award of a Grant Agreement may be disqualified from further consideration under this Solicitation, pending satisfactory resolution of all compliance issues.

Checks include:

1. State of Texas Debarment and Warrant Hold

Applicant must not be debarred from doing business with the State of Texas (<https://comptroller.texas.gov/purchasing/programs/vendor-performance-tracking/debarred-vendors.php>) or have an active warrant or payee hold placed by the Comptroller of Public Accounts (CPA).

2. U.S. System of Award Management (SAM) Exclusions List

Applicant must not be excluded from contract participation at the federal level. This verification is conducted through SAM, the official website of the U.S. Government which may be accessed at:

<https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf>

3. Divestment Statute Lists

Applicant must not be listed on the Divestment Statute Lists provided by CPA, which may be accessed at:

<https://comptroller.texas.gov/purchasing/publications/divestment.php>

- a. Companies that boycott Israel;
- b. Companies with ties to Sudan;
- c. Companies with ties to Iran;
- d. Foreign Terrorist Organizations; and
- e. Companies with Ties to Foreign Terrorist Organizations.

4. HHS Office of Inspector General

Applicant must not be listed on the HHS Office of Inspector General Texas Exclusions List for people or businesses excluded from participating as a provider:

<https://oig.hhs.texas.gov/exclusions>

5. U.S. Department of Health and Human Services

Applicant must not be listed on the U.S. Department of Health and Human Services Office of Inspector General's List of Excluded Individuals/Entities (LEIE), excluded from participation as a provider, unless a valid waiver is currently in effect:

<https://exclusions.oig.hhs.gov/>.

Additionally, if a Subrecipient under a federal award, the Grantee shall comply with requirements regarding registration with the U.S. Government's System for Award Management (SAM). This requirement includes maintaining an active SAM registration and the accuracy of the information in SAM. The Grantee shall review and update information at least annually after initial SAM registration and more frequently as required by 2 CFR Part 25.

For grantees that may make procurements using grant funds awarded under the Grant Agreement, Grantee must check SAM Exclusions that contain the names of ineligible, debarred, and/or suspended parties. Grantee certifies through acceptance of a Grant Agreement it will not conduct business with any entity that is an excluded entity under SAM.

HHSC reserves the right to conduct additional checks to determine eligibility to receive a Grant Agreement.

Section X. Award of Grant Agreement Process

10.1 FINAL SELECTION

After initial screening for eligibility and Application completeness, and initial evaluation against the criteria listed in **Section 9.4, Evaluation Criteria**, the HHSC may apply other considerations such as program policy or other selection factors that are essential to the process of selecting Applications that individually or collectively achieve program objectives. In applying these factors, the HHSC may consult with internal and external subject matter experts. The funding methodology for issuing final Grant Agreements will include the following identified factors:

1. Application evaluation scores;
2. Prior Applicant performance, with a preference given to existing Clubhouse Program grantees with demonstrated success;
3. Geographic distribution of funding and services represented by Applications; and
4. Grant Projects that minimize duplication of effort and maximize existing resources in service areas with an emphasis on addressing service gaps.

HHSC will make final funding decisions based on Applicant eligibility, evaluation rankings, the funding methodology above, and other relevant factors.

All funding recommendations will be considered for approval by the HHSC Program Deputy Executive Commissioner, or their designee.

10.2 NEGOTIATIONS

After selecting Applicants for award, the HHSC may engage in negotiations with selected Applicants. As determined by HHSC, the negotiation phase may involve direct contact between the selected Applicant and HHS representatives by virtual meeting, by phone and/or by email. Negotiations should not be interpreted as a preliminary intent to award funding unless explicitly stated in writing by HHSC and is considered a step to finalize the application to a state of approval and discuss proposed grant activities. During negotiations, selected Applicants may expect:

1. An in-depth discussion of the submitted Application and Requested Budget; and
2. Requests from the HHSC for revised documents, clarification or additional detail regarding the Applicant's submitted Application. These clarifications and additional details, as required, must be submitted in writing by Applicant as finalized during the negotiation.

Final funding amounts and Grant Agreement provisions are determined at the sole discretion of HHSC.

10.3 DISCLOSURE OF INTERESTED PARTIES

Subject to certain specified exceptions, Section 2252.908 of the Texas Government Code, Disclosure of Interested Parties, applies to a contract of a state agency that has a value of \$1 million or more; requires an action or vote by the governing body of the entity or agency before the contract may be signed; or is for services that would require a person to register as a lobbyist under Chapter 305 of the Texas Government Code.

One of the requirements of Section 2252.908 is that a business entity (defined as "any entity recognized by law through which business is conducted, including a sole proprietorship, partnership, or corporation") must submit a Form 1295, Certificate of Interested Parties, to the HHSC at the time the business entity submits the signed contract.

Applicant represents and warrants that, if selected for award of a Grant Agreement as a result of this RFA, Applicant will submit to the HHSC a completed, certified and signed Form 1295, Certificate of Interested Parties, at the time the potential Grantee submits the signed Grant Agreement.

The Form 1295 involves an electronic process through the Texas Ethics Commission (TEC). The on-line process for completing the Form 1295 may be found on the TEC public website at: <https://oig.hhs.texas.gov/exclusions>.

Additional instructions and information to be used to process the Form 1295 will be provided by the HHSC to the potential Grantee(s). Grantee may contact Sole Point of Contact or designated Contract Manager for information needed to complete Form 1295.

If the potential Grantee does not submit a completed, certified and signed TEC Form 1295 to the HHSC with the signed Grant Agreement, the HHSC is prohibited by law from

executing a contract, even if the potential Grantee is otherwise eligible for award. The HHSC, as determined in its sole discretion, may award the Grant Agreement to the next qualified Applicant, who will then be subject to this procedure.

10.4 EXECUTION AND ANNOUNCEMENT OF GRANT AGREEMENT(S)

HHSC intends to award one or more Grant Agreements as a result of this RFA. However, not all Applicants who are deemed eligible to receive funds are assured of receiving a Grant Agreement.

At any time and at its sole discretion, HHSC reserves the right to cancel this RFA, make partial award, or decline to award any Grant Agreement(s) as a result of this RFA.

The final funding amount and the provisions of the grant will be determined at the sole discretion of HHSC.

HHSC may announce tentative funding awards through an “Intent to Award Letter” once the HHSC Program Deputy Executive Commissioner and relevant HHSC approval authorities have given approval to initiate and/or execute grants. Receipt of an “Intent to Award Letter” does not authorize the recipient to incur expenditures or begin project activities, nor does it guarantee current or future funding.

Upon execution of a Grant Agreement(s) as a result of this RFA, HHSC will post a notification of all grants awarded to the [HHS Grants RFA](#).

Section XI. General Terms and Conditions

11.1 GRANT APPLICATION DISCLOSURE

In an effort to maximize state resources and reduce duplication of effort, the HHSC, at its discretion, may require the Applicant to disclose information regarding the application for or award of state, federal, and/or local grant funding to the Applicant or subgrantee or subcontractor (*i.e.*, organization who will participate, in part, in the operation of the Project) within the past two (2) years to enhance recovery-based outreach, services, and programming to support individuals living with mental health challenges.

11.2 TEXAS HISTORICALLY UNDERUTILIZED BUSINESSES (HUBS)

In procuring goods and services using funding awarded under this RFA, Grantee must use HUBs or other designated businesses as required by law or the terms of the state or federal grant under which this RFA has been issued (See *e.g.*, 2 CFR 200.321). If there are no such requirements, HHSC encourages Applicant to use HUBs to provide goods and services.

For information regarding the Texas HUB program, refer to CPA’s website: <https://comptroller.texas.gov/purchasing/vendor/hub/>.

Section XII. Application Confidential or Proprietary Information

12.1 TEXAS PUBLIC INFORMATION ACT – APPLICATION DISCLOSURE REQUIREMENTS

Applications and resulting Grant Agreements are subject to the Texas Public Information Act (PIA), Texas Government Code Chapter 552, and may be disclosed to the public upon request. Other legal authority also requires HHSC to post grants and applications on its public website and to provide such information to the Legislative Budget Board for posting on its public website.

Under the PIA, certain information is protected from public release. If Applicant asserts that information provided in its Application is exempt from disclosure under the PIA, Applicant must:

1. **Mark Original Application:**
 - a. Mark the Original Application, at the top of the front page, with the words “CONTAINS CONFIDENTIAL INFORMATION” in large, bold, capitalized letters (the size of, or equivalent to, 12-point Times New Roman font); and
 - b. Identify, adjacent to each portion of the Application that Applicant claims is exempt from public disclosure, the claimed exemption from disclosure (NOTE: no redactions are to be made in the Original Application);
2. **Certify in Original Application – HHS Solicitation:** Certify, in the designated section of the **Exhibit A, HHS Solicitation Affirmations**, Applicant’s confidential information assertion and the filing of its Public Information Act Copy; and
3. **Submit Public Information Act Copy of Application:** Submit a separate “Public Information Act Copy” of the Original Application (in addition to the original and all copies otherwise required under the provisions of this RFA). The Public Information Act Copy must meet the following requirements:
 - a. The copy must be clearly marked as “Public Information Act Copy” on the front page in large, bold, capitalized letters (the size of, or equivalent to, 12-point Times New Roman font);
 - b. Each portion Applicant claims is exempt from public disclosure must be redacted (blacked out); and
 - c. Applicant must identify, adjacent to each redaction, the claimed exemption from disclosure. Each identification provided as required in **Subsection (3) of this section** must be identical to those set forth in the Original Application as required in **Subsection 1(b)**, above. The only difference in required markings and information between the Original Application and the “Public Information Act Copy” of the Application will be redactions – which can only be included in the “Public Information Act Copy.” There must be no redactions in the Original Application.

By submitting an Application under this RFA, Applicant agrees that, if Applicant does not mark the Original Application, provide the required certification in Exhibit A, HHS Solicitation Affirmations, and submit the Public Information Act Copy, the Application will be considered to be public information that may be released to the public in any manner including, but not limited to, in accordance with the Public Information Act, posted on HHSC's public website, and posted on the Legislative Budget Board's public website.

If any or all Applicants submit partial, but not complete, information suggesting inclusion of confidential information and failure to comply with the requirements set forth in this section, the HHSC, in its sole discretion, reserves the right to (1) disqualify all Applicants that fail to fully comply with the requirements set forth in this section, or (2) to offer all Applicants that fail to fully comply with the requirements set forth in this section additional time to comply.

No Applicant should submit a Public Information Act Copy indicating that the entire Application is exempt from disclosure. Merely making a blanket claim that the entire Application is protected from disclosure because it contains any amount of confidential, proprietary, trade secret, or privileged information is not acceptable, and may make the entire Application subject to release under the PIA.

Applications should not be marked or asserted as copyrighted material. If Applicant asserts a copyright to any portion of its Application, by submitting an Application, Applicant agrees to reproduction and posting on public websites by the State of Texas, including the HHSC and all other state agencies, without cost or liability.

HHSC will strictly adhere to the requirements of the PIA regarding the disclosure of public information. As a result, by participating in this RFA, Applicant acknowledges that all information, documentation, and other materials submitted in its Application may be subject to public disclosure under the PIA. HHSC does not have authority to agree that any information submitted will not be subject to disclosure. Disclosure is governed by the PIA and by rulings of the Office of the Texas Attorney General. Applicants are advised to consult with their legal counsel concerning disclosure issues resulting from this process and to take precautions to safeguard trade secrets and proprietary or otherwise confidential information. HHSC assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by Applicants.

For more information concerning the types of information that may be withheld under the PIA or questions about the PIA, please refer to the Public Information Act Handbook published by the Office of the Texas Attorney General or contact the attorney general's Open Government Hotline at (512) 478-OPEN (6736) or toll-free at (877) 673-6839 (877-OPEN TEX). To access the Public Information Act Handbook, please visit the attorney general's website at <http://www.texasattorneygeneral.gov>.

12.2 APPLICANT WAIVER – INTELLECTUAL PROPERTY

SUBMISSION OF ANY DOCUMENT TO ANY HHS AGENCY IN RESPONSE TO THIS SOLICITATION CONSTITUTES AN IRREVOCABLE WAIVER, AND AGREEMENT BY THE SUBMITTING PARTY TO FULLY INDEMNIFY THE STATE OF TEXAS AND HHS FROM ANY CLAIM OF INFRINGEMENT REGARDING THE INTELLECTUAL PROPERTY RIGHTS OF THE SUBMITTING PARTY OR ANY THIRD PARTY FOR ANY MATERIALS SUBMITTED TO HHS BY THE SUBMITTING PARTY.

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Section XIII. Submission Checklist

HHSC, in its sole discretion, will review all Applications received and will determine if any or all Applications which do not include complete, signed copies of these exhibits and/or addenda, will be disqualified or whether additional time will be permitted for submission of the incomplete or missing exhibits. If additional time is permitted, Applicants will be notified in writing of the opportunity to provide the missing documentation by a specified deadline. Failure by an Applicant to submit the requested documentation by the deadline WILL result in disqualification. Applications that do not include Exhibit A, HHS Solicitation Affirmations (completed and signed), and Form C, Requested Annual Budget Template (completed), will be disqualified. See Section 9.2, Initial Compliance Screening of Applications for further detail.

This Submission Checklist identifies the documentation, forms and exhibits that are required to be submitted as part of the Application.

The Application must be organized in the order below and include each required section and the forms and exhibits identified within a section:

1. Administrative Information

- a. Form A: Applicant Information _____
- b. Form B: Administrative Information _____
- c. Form B-1: Governmental Entity, if applicable _____
- d. Form B-2: Nonprofit Entity, if applicable _____

2. Budget, Financial Controls, and Narrative Proposal, (Use the titles below for each required section.)

- a. Form C: Requested Annual Budget Template _____

This Requested Annual Budget Template is mandatory and must be submitted with the Application, in the original format (Excel), for the Application to be considered responsive. Applications received without the completed Requested Annual Budget Template will be disqualified.

- b. Form D: Financial Controls _____
- c. Form E: Proposed Project Summary _____
- d. Form F: Community Needs _____
- e. Form G: Applicant Background and Experience _____
- f. Form H: Project Execution _____

3. Indirect Cost Rate Questionnaire

- a. Form I: Indirect Costs Rate Questionnaire _____

4. Exhibits to be Completed, Signed, and Submitted with Application

- a. Exhibit A – HHS Solicitation Affirmations _____

Per Section 3.2, Application Screening Requirements, Exhibit A is mandatory and must be completed, signed and submitted for the Application to be considered responsive. Applications received without Exhibit A or with an unsigned Exhibit A may be disqualified.

- b. Exhibit C-3 – Security and Privacy Inquiry (SPI), Attachment 2 to DUA _____
- c. Exhibit D – Exceptions Form (If applicable) _____
- d. Exhibit F – Assurances – Non-Construction Programs _____
- e. Exhibit G – Certification Regarding Lobbying _____
- f. Exhibit H – Federal Funding Accountability and Transparency Act (FFATA) Certification Form _____

5. Addenda: Each Addendum, if any, must be signed and submitted with the Application. _____

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Section XIV. List of Forms and Exhibits Attached to RFA

Exhibits

Exhibit A – HHS Solicitation Affirmations v. 2.6

Exhibit B – HHS Uniform Terms and Conditions – Grant, Version 3.5

Exhibit C – HHS Data Use Agreement v.8.5

Exhibit C-1 – HHS Data Use Agreement v.8.5 – Governmental Entity Version

Exhibit C-2 – HHS Data Use Agreement v.8.5 – Community Center Version (LMHA, LA, LIDDA)

Exhibit C-3 – Texas HHS System - Data Use Agreement - Attachment 2, Security and Privacy Inquiry (SPI)

Exhibit D – Exceptions Form

Exhibit E – Additional Provisions – Grant Funding, Version 1.0

Exhibit F – Assurances – Non-Construction Program

Exhibit G – Certification Regarding Lobbying

Exhibit H – Federal Funding Accountability and Transparency Act (FFATA) Certification Form

Exhibit I – Evaluation Tool

Exhibit J – Online Bid Room

Forms

Form A, Applicant Information

Form B, Administrative Information

Form B-1, Governmental Entity – Authorized Officials

Form B-2, Non-Profit Entity – Authorized Officials

Form C, Requested Annual Budget Template

Form D, Financial Controls

Form E, Proposed Project Summary

Form F, Community Needs

Form G, Applicant Background and Experience

Form H, Project Execution

Form I, Indirect Cost Rate Questionnaire

Attachments

Attachment A-1, Project Expenditure Report

Attachment A-2, Cost Sharing Certification Form