

§ 52b.7

the most effective use of available federal funds to further the purposes of the applicable provisions of the Act.

§ 52b.7 How is the grantee obligated to use the facility?

(a) The grantee shall use the facility (or that portion of the facility supported by a grant under this part) for its originally authorized purpose so long as needed for that purpose, or other period prescribed by statute, unless the grantee obtains advance approval from the Director, in the form and manner as the Director may prescribe, to use the facility for another purpose. Use for other purposes shall be limited as prescribed in § 52b.9(c)(2).

(b) The Director, in determining whether to approve an alternative use of the facility, shall take into consideration the extent to which:

(1) The facility will be used by the grantee or other owner for a purpose described in § 52b.9(c)(2); or

(2) There are reasonable assurances that alternative facilities not previously used for NIH supported research will be utilized to carry out the original purpose as prescribed in § 52b.9(c)(1).

(c) *Sale or transfer.* In the form and manner as the Director may prescribe, the grantee may request the Director's approval to sell the facility or transfer title to a third party eligible under § 52b.3 for continued use of the facility for an authorized purpose in accordance with paragraphs (a) and (b) of this section. If approval is permissible under the Act or other federal statute and is granted, the terms of the transfer shall provide that the transferee shall assume all the rights and obligations of the transferor set forth in 45 CFR part 74, the regulations of this part, and the other terms and conditions of the grant.

§ 52b.8 How will NIH monitor the use of facilities constructed with federal funds?

NIH may monitor the use of each facility constructed with funds awarded under this part to ensure its continued use for the originally authorized research purpose, by means of reviewing periodic facility use certifications or

42 CFR Ch. I (10-1-00 Edition)

reports, site visits, and other appropriate means.

§ 52b.9 What is the right of the United States to recover Federal funds when facilities are not used for research or are transferred?

(a) If the grantee plans to cease using the facility for the particular biomedical research or training purposes for which it was constructed as required by § 52b.7 (or alternate use authorized under § 52b.7(a) or paragraph (c) of this section), or the grantee decides to sell or transfer title to an entity ineligible for a grant under § 52b.3, the grantee shall request disposition instructions from NIH in the form and manner as the Director may prescribe. Those instructions shall provide for one of the following alternatives:

(1) The facility may be sold and the grantee or transferee shall pay to the United States an amount computed by multiplying the federal share of the facility times the proceeds from the sale (after deducting the actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). The sales procedures must provide for competition to the extent practicable, and be designed to provide the highest possible return;

(2) The grantee may retain title and shall pay to the United States an amount computed by multiplying the current fair market value of the facility by the federal share of the facility; or

(3) The grantee shall transfer the title to either the United States or to an eligible non-federal party approved by the Director. The grantee shall be entitled to be paid an amount computed by multiplying the current fair market value of the facility by the nonfederal share of the facility.

(b) The grantee or transferor of a facility which is sold or transferred, or the owner of a facility the use of which has changed, as described in paragraph (a) of this section, shall report that action in writing to the Director not later than 10 days from the date on which the sale, transfer, or change occurs, in the form and manner as the Director may prescribe.

(c) In lieu of disposition of a facility pursuant to the provisions of paragraph (a) of this section, the Director may, for good cause, supported by assurances provided by the grantee or transferee, approve one of the following alternatives:

(1) Transfer of the remaining usage obligation to facilities of substantially comparable or greater value or utility, to carry out the biomedical research or training purpose for which the grant was awarded. In this event, the remaining usage obligation shall be released from the original facility constructed with grant funds and transferred to the new facility, and the grantee shall remain subject to all other requirements imposed under this part with respect to the new facility; or

(2) Use the facility for as long as needed, in order of priority, for one of the following purposes:

(i) For other health related activities consistent with the purposes of one or more of the activities of the awarding institute as authorized under title IV or other provisions of the Act;

(ii) To provide training and instruction in the health fields for health professionals or health related information programs for the public; or

(iii) Other health related purposes consistent with one or more of the purposes authorized under the Act.

(d) The right of recovery of the United States set forth in paragraph (a) of this section shall not, prior to judgment, constitute a lien on any facility supported in whole or in part by a federal grant, including a construction grant under this part.

(e) Any amount required to be paid to the United States under this section will be paid to the awarding institute for disposition as required by law.

(Approved by the Office of Management and Budget under Control Number 0925-0424; expires November 30, 2001)

§ 52b.10 What are the terms and conditions of awards?

In addition to any other requirement imposed by law or determined by the Director to be reasonably necessary to fulfill the purposes of the grant, each construction grant shall be subject to the terms and conditions and the grantee assurances required by this

section, supported by such documentation as the Director may reasonably require. The Director may, by general policy or for good cause shown by an applicant, approve exceptions to these terms and conditions or assurances where the Director finds that the exceptions are consistent with the applicable provisions of the Act and the purposes of the particular program:

(a) *Title.* The applicant must have a fee simple or other estate or interest in the site, including necessary easements and rights-of-way, sufficient to assure for the estimated useful life of the facility, as determined by the Director, undisturbed use and possession for the purpose of the construction and operation of the facility.

(b) *Plans and specifications.* Approval by the Director of the final working drawings, specifications, and cost estimates must be obtained before the project is advertised or placed on the market for bidding. The approval must include a determination by the Director that the final plans and specifications conform to the minimum standards of construction and equipment as set forth in § 52b.12.

(c) *Relocation assistance.* An applicant with an approved project which involves the displacement of persons or businesses shall comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601 *et seq.*) and the applicable regulations issued under that Act (45 CFR part 15; 49 CFR part 24).

(d) *Approval of changes in estimated cost.* Unless approved by the Director, the applicant shall not enter into any construction contracts for the project or a part of the project, the cost of which exceeds the estimated cost approved in the terms of an award for that portion of the work covered by the plans and specifications. Exceptions shall be requested in the form and manner as the Director may prescribe.

(e) *Completion responsibility.* The applicant must construct the project, or cause it to be constructed, to final completion in accordance with the grant application, the terms and conditions of the award, and the approved plans and specifications.