COMMUNITY IS KEY

PCEF Grant Committee Meeting

January 19, 2021, 6:00 – 8:00 p.m.

PORTLAND
CLEAN ENERGY
COMMUNITY BENEFITS
FUND

Bureau of Planning and Sustainability

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Virtual Participation Check
Guidelines for public participation

- Committee meetings open to the public
- Public invited to comment at around 6:05 p.m.
- Public invited to participate in conversation during break at 7:00 p.m. Must join via Zoom to participate.
- Opportunities for public engagement in other forums/meetings

➡ **Guidelines applied to virtual meeting:**

Chatbox: open for introductions and public comment. All other times, host-only chats (PCEF Staff).

Raise Hand: used by Committee only.

Video: on for Committee only.

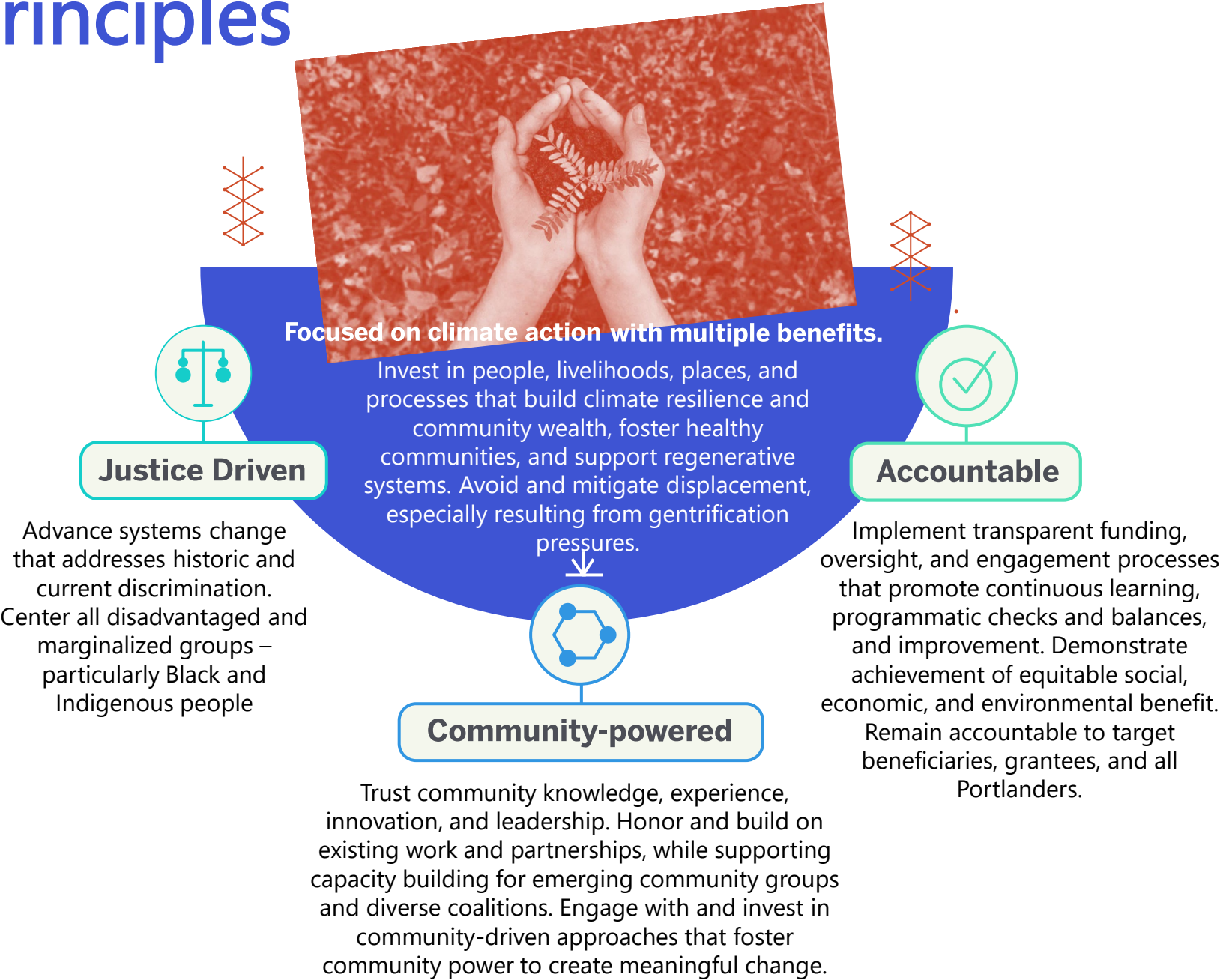**Microphone:** public members muted unless giving public comment or invited to participate.

Recording: this meeting is being recorded.

Captioning: this meeting is being captioned; settings > show subtitles.

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Guiding Principles

Focused on climate action with multiple benefits.

Invest in people, livelihoods, places, and processes that build climate resilience and community wealth, foster healthy communities, and support regenerative systems. Avoid and mitigate displacement, especially resulting from gentrification pressures.

Justice Driven

Advance systems change that addresses historic and current discrimination. Center all disadvantaged and marginalized groups – particularly Black and Indigenous people

Accountable

Implement transparent funding, oversight, and engagement processes that promote continuous learning, programmatic checks and balances, and improvement. Demonstrate achievement of equitable social, economic, and environmental benefit. Remain accountable to target beneficiaries, grantees, and all Portlanders.

Community-powered

Trust community knowledge, experience, innovation, and leadership. Honor and build on existing work and partnerships, while supporting capacity building for emerging community groups and diverse coalitions. Engage with and invest in community-driven approaches that foster community power to create meaningful change.

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Introductions

Public comment

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Agenda

6:00   Introductions

6:05   Public comment

6:15   Program updates

6:20   RFP 2 applications – additional review

6:55   Break

7:00   Committee member/community conversation

7:15   *RFP 2 applications – additional review, cont'd
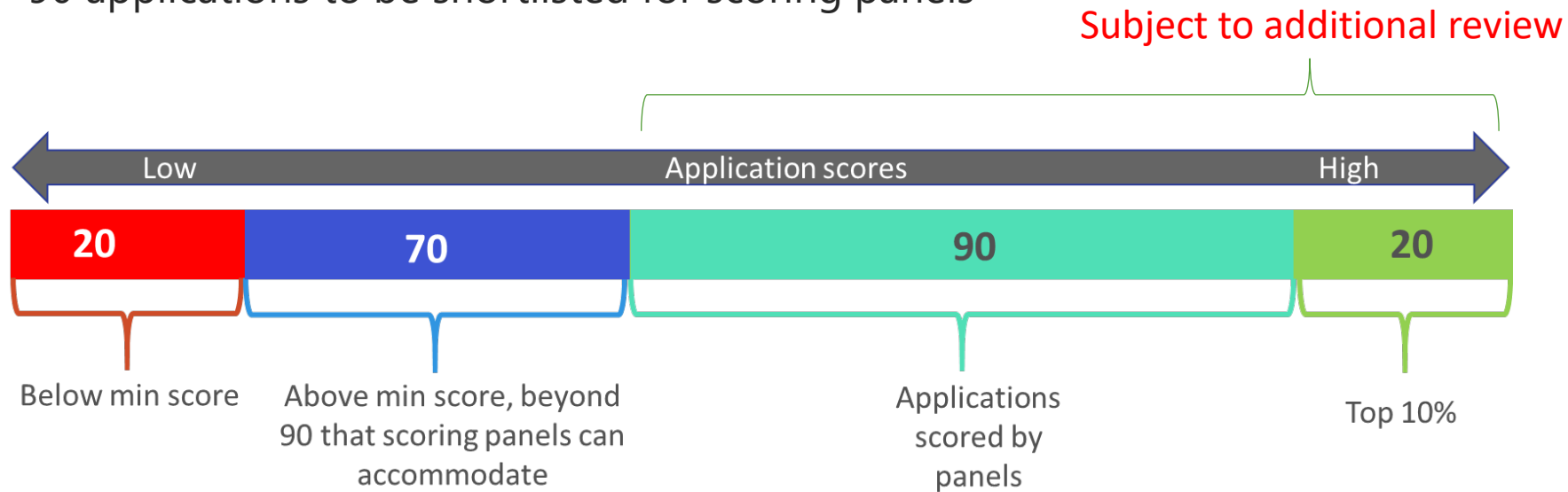
7:55   Committee member comments

8:00   Meeting close

* If time allows the Committee may return to discussion of performance metrics

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Program updates

RFP #2 application, additional review

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Timing for additional review

- RFP #2 closed November 30, 2021

- Eligibility, technical, and threshold review to be completed by end of January
    - ~90 applications to be shortlisted for scoring panels

Subject to additional review

Low   Application scores   High

20	70	90	20

Below min score   Above min score, beyond 90 that scoring panels can accommodate   Applications scored by panels   Top 10%

- Anticipate additional review taking 6 weeks, based on anticipated information requests and proposal modifications, award recommendations at earliest in May 2022.

- Modify RFP #3 solicitation based on learnings from risk assessment and evaluation in Spring 2022.

Additional review process objectives

1. Support successful project implementation

2. Provide more structured support for new, emerging, and growing organizations

3. Protect the long-term viability of the PCEF program

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Steps in draft additional review process for RFP 2

1. Screen for proposals that meet defined criteria for additional review

2. Identify risks for each proposal selected for additional review

3. Request additional information from organizations selected for additional review

4. Review responses from organizations, characterize risk and advise a path forward

5. Respond to applicant organization indicating whether:

   (1) the proposal will advance in the scoring process as originally proposed

   (2) the proposal will require modifications/conditions to advance in the scoring process, or

   (3) the proposal will not advance in the scoring process.

Step 1: RFP 2 proposals screened for additional review

Proposals that pass the staff threshold review are screened for additional review if they meet any of the following criteria:

a) Are requesting annualized grant funds over **$100k** that exceed **two** times the average of their previous three years of revenues;

b) Are requesting annualized grant funds over **$100k** for area where organization and/or key staff have limited experience that is relevant to proposed project;

c) Were first designated a 501c nonprofit organization by the IRS after **11/30/2018**;

d) Budget review raises significant concern; or

e) Financial review raises significant concern.
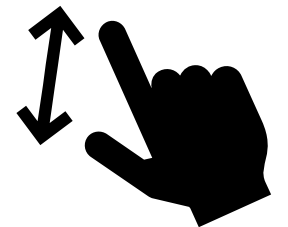
Step 2: Identify risks

Step 3: Request additional information

Performance risk

- Examples of work that is similar in scope, complexity, and/or size
  - For both organization and lead project staff
  - Including references that can verify work, timelines, budget, and completion

Financial management risk

- Information related to board governance, including:
  - By-laws, meeting minutes, and/or other information that can help staff understand whether there is an active, independent and engaged board with appropriate governance structure/roles and financial oversight. Confirmation to include conversation with board chair and/or treasurer/finance officer.

Step 4: Characterize risk and recommend path forward

A. **Recommend proposal advance in the scoring process as originally proposed.**

B. **Recommend additional risk mitigation measures/adjustments as a condition of advancing in the grant review:**

1. Require firm stage gates in Grant Agreement that include performance and/or financial review before proceeding to next step;

2. Reduce percent of total budget that can be received as an advance payment or prohibit advance payments allowed in Grant Agreement;

3. Require relevant additional third-party oversight for duration of the grant (e.g., owner's rep, third party financial management);

4. Down-scope project and/or modify budget; and/or

5. Shift proposal to a planning grant.

C. **Recommend the proposal not advance in the scoring process.**

1. This path forward would only be recommended if a significant and documented misrepresentation exists in the proposal.

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# Step 4: Characterize risk and recommend path forward

	Example 1	Example 2	Example 3	Example 4
Type	Small established org	Small established org	Small established org	Small established org
FTE	2.0 FTE	2.0 FTE	1.5 FTE	1.5 FTE
Average 3-year revenues	$185k, variable	$185k, variable	$210k, trending stable	$210k, trending stable
Programming/ one-time infrastructure	Clean energy, one-time infrastructure	Clean energy, one-time infrastructure	Green infrastructure programming	Green infrastructure programming
Annual request	$900,000	$900,000	**$450,000**	**$1,200,000**
Total request	$900,000 over 1 year	$900,000 over 1 year	**$1.35 million over 3 years**	**$3.6 million over 3 years**
Risk	Performance: staff and organization experience and capacity	Performance: staff and organization experience and capacity	Performance: >250% staff growth to 4 FTE in year 1	Performance: >500% staff growth to 8 FTE in year 1
Experience	**Engaged board member with PM experience, experienced general contractor**	**No relevant experience on board or staff, no contractor identified**	Similar scopes, smaller budgets	Similar scopes, smaller budgets
Characterization	Manageable risk	Considerable performance risk	Manageable risk	Considerable performance risk
Path forward	Proposal proceeds as proposed	Require project manager approval of general contractor SOW and general contractor as condition of grant	Proposal proceeds as proposed	Down scope proposal by reducing project sites for implementation, scaling FTE growth over 3 years

Step 4: Characterize risk and recommend path forward

|	Example 5	Example 6	Example 7	Example 8
Type	Medium established org	Medium established org	New organization	New organization
FTE	14.0 FTE	14.0 FTE	0 FTE	0 FTE
Average 3-year revenues	$1.2 million, growing gradually	$1.2 million, growing gradually	$0	$0
Programming/ one-time infrastructure	Workforce development, programming	Workforce development, programming	Workforce development, programming	Regenerative agriculture, land acquisition and programming
Annual request	**$450,000k**	**$2,000,000**	$600,000	$800,000 average
Total request	**$1.8 million over 4 years**	**$8 million over 4 years**	$3 million over 5 years	$2.4 million over 3 years
Risks identified	Performance: staff and organization experience	Performance: staff and organization experience	Performance and financial management	Performance and financial management
Experience	Similar budgets, little workforce dev. experience	Smaller budgets, little workforce dev. experience	Smaller scopes as individual, smaller budgets as individual, moderate board governance.	Smaller scopes as individual, smaller budgets as individual, strong board governance.
Characterization	Manageable risk	Considerable performance risk	Considerable performance and financial mgmt risk	Considerable performance and financial mgmt risk
Path forward	Proposal proceeds as proposed	Down scope proposal by reducing number of workforce trainees	Down scope proposal reducing number of trainees, include stage gates for curriculum review and staff hiring plan.	Down scope proposal to leasing similar acreage for regenerative agriculture programming.

Some additional context

Number of applications by grant size ($)

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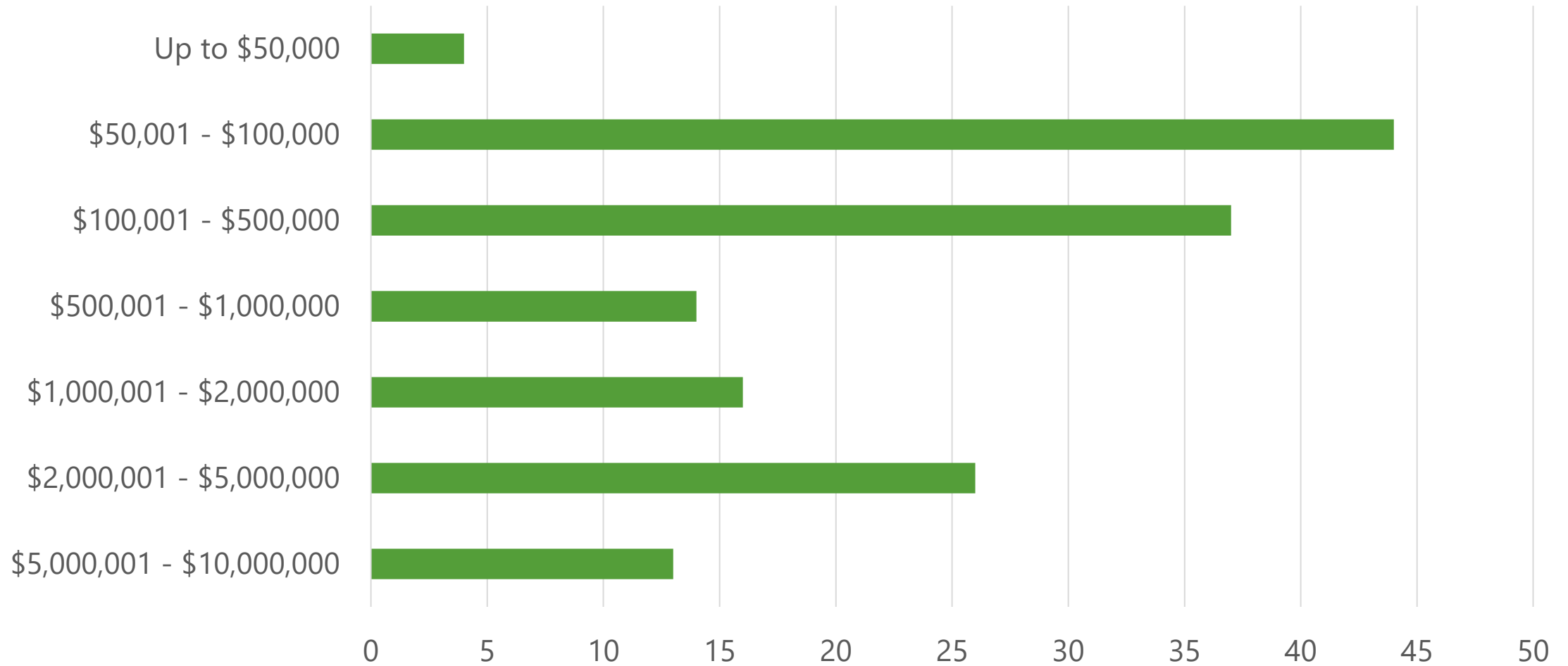
Some additional context, cont'd

Number of applications from orgs <3 years by grant size ($)

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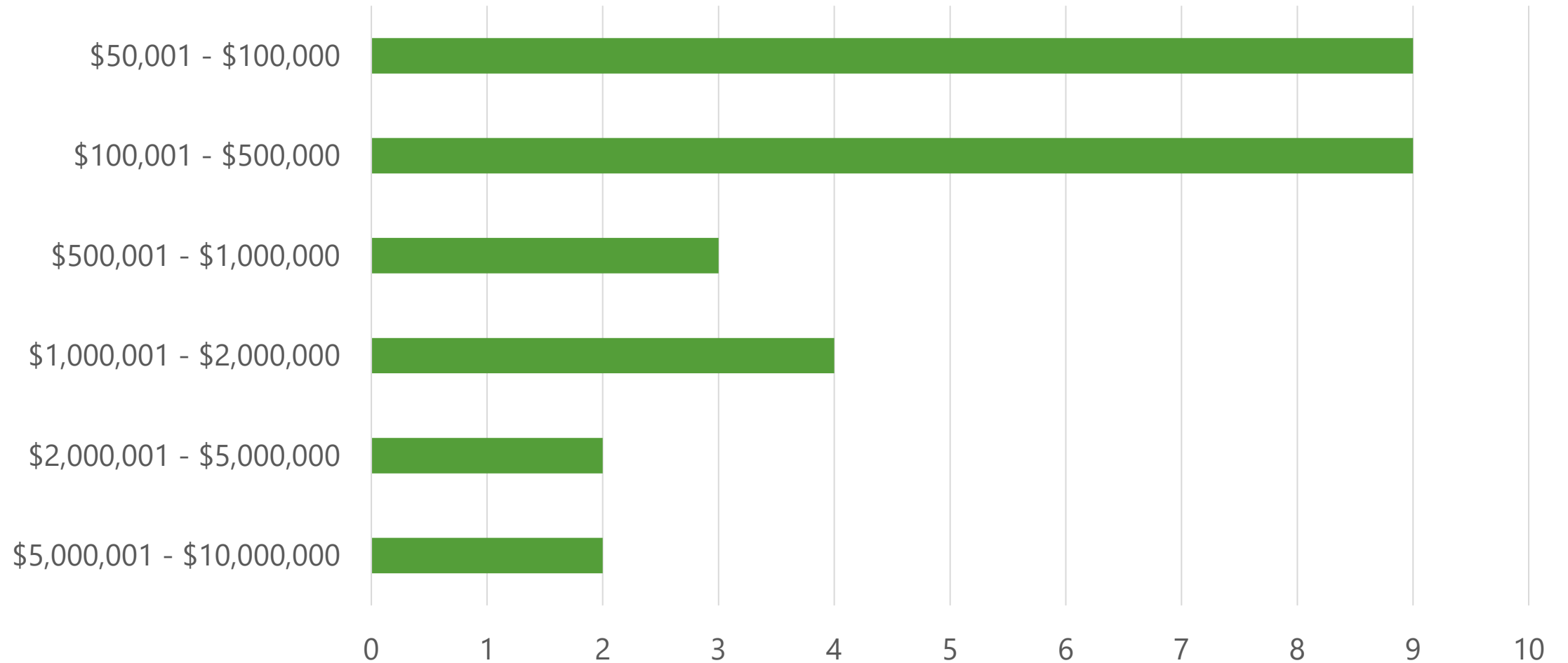
Committee engagement related to additional review

- Audit subcommittee weekly check-ins during the additional review phase

- Scoring panel members notified which proposals were modified including rational

- Overall statistics to be provided to the Committee:
  - #'s of proposals screened in for additional review
  - # of proposals advancing as proposed
  - # of proposals requested to be modified, including generalized rationale's
    - # of applicants who submit modified proposals
  - # of proposals that do not progress to scoring panels as a result of the additional review

- Other ways the Committee would like to be updated?

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Break (20 min)

Until 7:15pm

Members of the public joining via Zoom are able to participate in conversation with Committee members

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Committee member comments

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A program by City of Portland,
Bureau of Planning and Sustainability
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Existing application review process

Eligibility Review

- Nonprofit registered as active via Oregon Secretary of State
- Federal IRS EIN to ensure tax-exempt declaration
- Organizational attestation that it has or will acquire required insurance and does not have any tax liens.

Technical Review

- Appropriateness of the technology for the proposed purpose.
- Appropriateness of size and scope of project for proposed purpose.
- Budget directly related to the proposed technology (physical improvement or installation) is feasible and appropriate.
- Ability to meet requirements for permits, site access, compliance with relevant regulations, etc.
- Review whether technical knowledge for successful implementation exists on team

Financial Review

- Assessment of financial health of organization.
- Variables considered in financial review include:
- How long the organization has been operating;
- Variances in income and expenditures across years;
- Net income;
- Net assets;
- Board oversite;
- Process for approving expenditures;
- Financial policies and procedures and controls;
- External audit findings.

Scoring

- Organizational background
- Project scope
- Project team
- GHG/environmental benefits
- Workforce/contractor equity benefits
- Budget

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Reporting and evaluation subcommittee discussion questions

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Reporting & Evaluation Subcommittee

The Reporting and Evaluation Subcommittee exists to support the PCEF Grant Committee in meeting its legislative mandate regarding reporting on program effectiveness (7.07.050.E.5, 7.07.050.E.6, 7.07.040.D) and its commitments to accountability and continuous improvement.

The Subcommittee will:

1. Develop, and update as necessary, the reporting and evaluation process. This includes consideration of *program achievements* (high level program metrics and grantee outputs and outcomes) and *processes* (what worked well in delivering our program and how we might improve).

2. Provide guidance to implementation of the reporting and evaluation process. This includes high level guidance to evaluation elements and workplan.

3. Review performance and identify items to bring to the full Committee for consideration of implications.

This subcommittee is expected to be a standing subcommittee as reporting and evaluation are a regular part of the Committee's work.

Questions for the Committee

- What are your initial impressions about this approach?

- Do you feel the draft metrics meet our legislative requirements and align with our guiding principles?

- Is there anything you feel is important to add, delete, or amend to better communicate PCEF program effectiveness or align with our guiding principles?

Modified consensus decision making process

- **Proposal** – put forth for consideration by Committee member
- **Temperature check** – each Committee member indicates how comfortable they are with making an affirmative decision
- **Discussion** – additional discussion if needed
- **Amendments** – Committee members can offer amendments to the original proposal
- **Decision** – each Committee member can 1) affirm the proposal, 2) stand aside, or 3) indicate that "no" they do not support the proposal. Note that standing aside is counted as a decision to affirm for the purposes of approving a proposal.

The following minimum number of affirmative decisions is required for a decision to represent the position of the PCEF Committee.

- When 6 or 7 Committee members are present : 5 Affirmative decisions
- When 8 or 9 Committee members are present : 6 Affirmative decisions