



Bureau of Planning and Sustainability

Date: April 12, 2021
To: Portland Clean Energy Fund Committee
From: PCEF Staff
Subject: April 14, 2020 Committee meeting background memo

As the PCEF Committee looks ahead past a successful inaugural funding round, it is important we outline key decision points that lie ahead while also understanding the evolution of PCEF from program design and development to program implementation. The intent of our April 14th meeting is to provide a brief overview of program implementation efforts and staffing, before outlining key areas of Committee input and decisions necessary to design the next requests for proposals (RFPs), followed by an overview of evaluation efforts.

Program implementation update

Shortly after City Council approval of the inaugural funding recommendations, our grants management team began coordinating onboarding meetings with our 38 grantees (with 45 projects amongst them). This is an exciting time in the program's implementation, but also the first of many onboardings to come. We have begun using several new templates and forms for our reporting, project management, fund disbursement, and grant agreements with grantees. At the same time, we are working with Dulles Technology Partners to design and develop our long-term grants management platform which we anticipate deploying in winter 2021/2022.

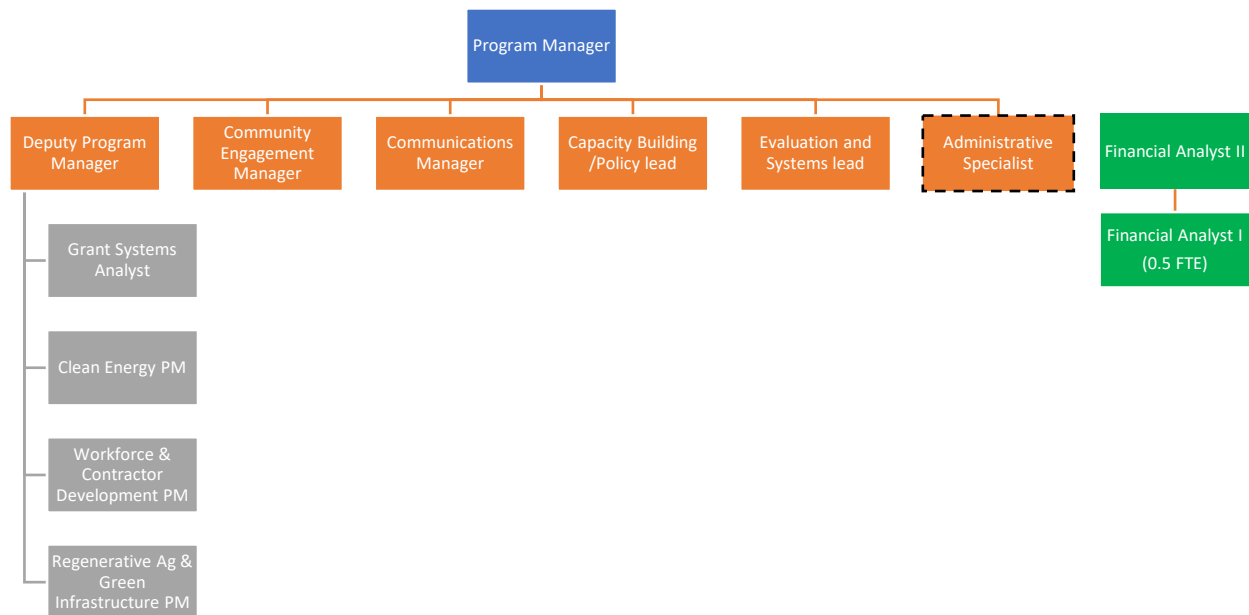
While significant grants management capacity is focused on new grantees, we also continue to meet with applicants that were not funded in order to prepare them for success in future funding rounds. This will include providing technical assistance as well as access to capacity building opportunities, such as trainings and workshops around organizational development, grant writing, and specific PCEF subject areas.

Capacity building within PCEF takes place in many forms and is also central to our community engagement efforts. Leading up to the second RFP, we will deliver community-centered workshops for nonprofits to develop a deeper understanding of what PCEF can fund and how it can support community-driven innovation. Specifically, PCEF staff is working with studio b:ask to offer workshops that provide participants a space to learn more about areas relevant to PCEF funding and to work through guided activities to develop their ideas. These capacity building offerings are aimed at preparing potential applicants to develop a PCEF proposal and will be delivered starting in next month. Workshops will be offered in several formats: two targeted small cohorts of up to 16

organizations each, two workshops open to the general public, and workshop material available online for the general public.

For communities that do not know about PCEF or do not see themselves in the program, PCEF will be launching an outreach cohort in Fall 2021, which is a complimentary strategy to our workshops intended to engage hard-to-reach PCEF priority populations by extending the program’s outreach efforts through a small cohort of six community connectors. Cohort members will be a bridge to connect their communities to the benefits of PCEF. Each will receive a stipend and be tasked with designing and organizing culturally relevant PCEF-related community events. These community connectors may also be ideal candidates for community reviewers for the third PCEF RFP.

None of these efforts would be possible without dedicated and talented staff. Starting early May, the team will consist of 11.5 FTE as our financial analyst joins the team. The staff are now organized into three work areas consisting of grants management, outreach/communications/capacity building, and evaluation. While the staff roles continue to take shape, the diagram below outlines our current team structure with general functions and roles.



We have one administrative specialist position remaining unfilled and plan to recruit for the position shortly. Our budgeted 12.5 FTE reflects a fully staffed program. We anticipate remaining at this staffing level unless and until there is a reevaluation and amendment of our administrative cost cap. As we implement PCEF, it will be important that the program and Committee continue to deepen its understanding of implementation efforts, capacity (e.g., current staffing levels), and the community’s desired level of service.

Next RFP planning

Timeline:

Pending City Council approval, PCEF's funding availability for FY21-22 is \$60m. Staff propose these funds be awarded in two identical funding solicitations given the significant feedback in 2020 in support of multiple funding rounds. The timeline below is based on these two factors in addition to program development experience to date.

April – June 2021	four Committee meetings to <u>approve FY22 RFP (#2 and #3) criteria for public comment</u>
June 2021	21-day public comment
July 2021	two Committee meetings to revise the scoring criteria in response to public comment, <u>approve RFP release</u>
August 2021	release RFP #2 for 60 days
October – January 2022	RFP #2 review period, awards in February 2022
November 2021	release RFP #3 for 60 days
January – April 2022	RFP #3 review period, awards in May 2022

Committee decisions points and critical input:

Each PCEF request for proposal moving forward will build on the successes and shortcomings of previous solicitations. Changes will be based on evaluation and Committee input. We have identified critical points for Committee input below with some guiding questions to help frame the conversations that will happen in our April and May meetings. This input, along with findings from evaluation activities, will allow staff to develop an improved application process which will ultimately be approved by the Committee in two steps; first through approval of scoring criteria to be released for public comment and second through approval of the request for proposal.

Critical input points:

- Threshold scores and review:
 - Should there be a minimum number of points required (overall or in certain sections) for an application to be advanced to a scoring panel?
 - Should an initial review eliminate a portion of the lowest scoring applications from consideration by scoring panels? (e.g. applications up to total funding request 1.5 times RFP amount is advanced to scoring panels). If staff does this review, an audit and quality assurance process would need to be established to ensure that this preliminary scoring exercise is not removing desired projects and applicants from consideration in the scoring panels.
 - Note that minimum score and threshold review are not mutually exclusive and that there is a relationship between how the Committee participates in scoring and the need to reduce the number of applications that is moved to scoring

panels. Committee members spent ~40 to 50 hours in the last round of application scoring- as we move forward with more than one RFP per year, this amount of time may not be manageable for each RFP.

- Community and Committee scoring:
 - Will **all** Committee members sit on scoring panels moving forward? Recognizing that each member needs to make a decision about how to best use the time they give to PCEF, the group should consider the implications of some members actively participating in scoring while others are more active in other pieces of PCEF work.
 - Community scorer options may include:
 - Option 1: add community reviewers to RFP #2 in a faster onboarding process with a more transactional pay for service model, then leverage outreach cohort (noted earlier) with greater onboarding investment for RFP #3
 - Option 2: forgo community reviewers for RFP #2 and leverage outreach cohort (noted earlier) with greater onboarding investment for RFP #3
 - Option 3: a combination of options 1 and 2 that draws from organizations familiar with PCEF recognizing potential challenges with the perception of conflicts of interest.
- Grant cap:
 - Large grants were capped at \$1 million last round, what cap makes sense now?
- Workforce training grants
 - Is there an ideal ratio of projects training people for job placement and other types of training including K-12 education/summer camps? Is one given higher priority than the other?
- Innovation
 - What does this category mean? Is this where all transportation projects go? If it is an "other" category should the name be changed? If it is for innovation should the RFP publish intended funding levels?
- Anti-displacement
 - With higher grant size comes a need to ensure these investments do not contribute to displacement. Staff has recommended that grants over a certain size be required to work with staff within the Bureau of Planning and Sustainability who are focused on anti-displacement to develop an anti-displacement plan for their grants. Is there guidance the Committee would like to offer that should be incorporated into this work?

Improvements on process, scoring criteria, and applications

Areas for improvement are identified through evaluating process and outcomes and then evaluating impacts of recommended changes. To that end, staff has been evaluating the last RFP through interviews with those involved in all parts of the process (applicants and reviewers), analysis of

scoring data, and evaluation of outcomes. The findings from this evaluation inform improvements to the process, scoring criteria and application(s) in the next RFP cycle.

- Example: Organization financial health/ability to manage funds criterion
 - Finding: several scoring panel members expressed lack of familiarity with financial documents and discomfort with evaluating them.
 - Recommendation: Establish indicators using financial ratios in combination with narrative about management practices for evaluation. Separate review of financial documents from scoring panels, use folks with greater expertise in this sort of review.
 - Finding: there was a lot of variability in the types and completeness of financial documentation received with applications making it sometimes challenging to perform review.
 - Recommendation: Adjust documentation and review requirements for criterion related to organizations ability to manage funds effectively. E.g. for smaller grants allow 990s instead of audited or other financial documents. For larger grants require more thorough review with comprehensive set of financial documents.