Date: July 19, 2021

To: Portland Clean Energy Fund Committee

From: PCEF Staff

Subject: PCEF RFP #1 evaluation findings and recommendations

In line with PCEF's commitment to accountability and continuous improvement, staff have engaged in a comprehensive evaluation of the inaugural request for proposals (RFP) in order to identify potential improvements to future RFPs – a particularly critical effort since the program is still in its infancy. The evaluation focused on elements of the RFP process and does not address outcomes associated with funded grants. Evaluation of program outcomes will begin as projects reach completion, with progress reports provided in the interim.

The evaluation process was guided by the Reporting and Evaluation Subcommittee. The evaluation process included qualitative and quantitative elements (i.e., interviews with staff, review panelists, Committee members, applicants, and analysis of application data). Findings were shared in a community forum on June 22nd with feedback sought regarding potential improvements.

This memo summarizes key findings regarding the application content and process, along with staff recommendations. Additionally, the memo provides a deeper dive into particular areas that may be of greater interest to Committee members. Some of the recommendations touch on topics discussed by the Committee in its May, June, and July Committee meetings given their relevance to the findings.

Summary

The evaluation identified a tremendous amount to celebrate regarding PCEF's inaugural request for proposals (kudos to the PCEF Committee, staff, and all our stakeholders). There were no major flaws in the application and review process, and appreciation was expressed for the Committee and staff's commitment to engagement, transparency, responsiveness, and equity. Folks also appreciated the resources (webinars and grants) that were made available to help organizations apply, the feedback loop during application reviews, and the application serving a mix of project and organization types. While there were many successes, areas of improvement to application content and process were also identified.

A number of items were identified that may improve the applicant experience and support diverse organizations to successfully apply and implement their grants. These include extensions or modifications to existing capacity building and RFP information sharing efforts as well as

revisions to the review process. Many of the findings regarding application content can be addressed with minor changes to wording or formatting while a few merit more substantive discussion and are addressed below. Examples of items that can be addressed with minor changes to wording and formatting include the following:

- consolidate and refine demographic questions
- clarify instructions
- reformat the budget sheet, and
- create unique applications for some funding types.

These minor improvements respond to a desire to ensure that the application yields high quality information while being simpler, clearer, and less "chunky."

Through the evaluation process, we identified a number of dualities – for example, some applicants thought the process was easy while others thought it was difficult, some applicants appreciated the information shared while others felt there was too much, some thought the application and process were clear and others did not. These findings are a reminder that PCEF serves a broad array of organizations with varying levels of experience and capacity as well as individuals with varying preferences. One finding of note, in line with our Guiding Principles, BIPOC-led organizations provided a higher overall rating of PCEF's inaugural RFP than non-BIPOC led organizations in the interview process. BIPOC-led organizations also scored higher in the RFP, on average, and were awarded funds at a higher rate.

Deeper Dives

In addition to minor modifications to wording or formatting, staff identified a number of substantive revisions to the RFP that the Committee may wish to discuss. The findings and staff recommendations in this section include the following:

1. **Financial Review**
2. **GHG Emissions Impact**
3. **Employee Benefits**
4. **Organization is Reflective of Community Served and Project Benefits Priority Population**
5. **Workforce and Contractor Utilization Questions**
6. **Workforce and Contractor Development Proposals**
7. **Holistic Approach to the Assessment of the Project Story**
8. **Application Support Resources**

1. Financial Review

Findings:

- Financial information was often missing or incomplete in applications.

- Some reviewers were not confident in their ability to assess financial documents and organization financial health.
- The "ability to manage funds" criterion may be a slight disadvantage for small or emerging organizations.
- Grant type did not appear to impact this score. On average, applicants that were recommended for funding for planning, small, and large grants scored only slightly better (10 to 12% higher for funded projects) on this criterion than the overall pool. There were a few projects that scored low on this criterion that were selected for funding.

Staff Recommendations:

- Remove financial review from panel scoring. Have financial review performed by person(s) with expertise that results in a designation of green, yellow, or red. Financial review findings will be shared with scoring panel members for context in evaluating application but will not be part of the score. Financial review will evaluate financial documents and narrative answers, and will consider intangibles like management and longevity as well as financial health:
  - Green = if project funded, no extra supports or management required.
  - Yellow = if project funded, attention to specific areas of concern should be addressed with technical assistance, management, etc.
  - Red = if project funded, grantee may have more reporting requirements and financial controls as well as capacity building through technical assistance and increased program oversite.

2. GHG Emissions Impact

Findings:

- Indirect GHG was not well understood and generally scored lower than other criteria. Workforce and contractor development applications particularly struggled.
- Some applicants expressed confusion/frustration with conducting GHG impact calculations (for direct emissions), though it was not clear how/why this was a pain point as staff conducted the calculation.
- Awarding points based on quintiles will nearly always deliver clean energy proposals at the top and regenerative agriculture (RA) or green infrastructure (GI) proposals at bottom.
- Urban small-scale RA and GI project GHG emissions impact cannot really be modelled with accuracy (outside of tree/shrub planting).
- Embedded carbon was not fully accounted for which would be valuable particularly for new construction projects.

Staff Recommendations:

- Be more explicit about what is considered an indirect GHG benefit and ask about those things specifically. Include education and outreach, behavior change efforts, land

management/planning project siting that reduces need for driving, training maintenance personnel or building technicians in efficient practices and design, etc. Remove question on indirect GHG emissions reductions for workforce and contractor development applications

- Simplify form for applicants to submit inputs needed to calculate GHG emissions impact score. Use average baseline energy use from existing datasets to estimate savings when actual baselines are unknown. If a proposed project includes new construction, embedded carbon will be an additional consideration in assessing GHG impact. Staff will continue to score this criterion but will develop communication tools so that applicants understand how the inputs they provide are used to calculate their score.
- Remove RA/GI projects from current GHG emissions impact method which ranks all projects based on GHG reduced/PCEF $ and then assigns points based on quintiles. This method remains for clean energy projects. New approach for RA/GA will calculate a GHG emissions reductions score using applicant provided inputs.

3. Employee Benefits

Finding:

- Criteria related to employee benefits did not work as an incentive or a screen; all applicants with more than 6 employees got these points.

Staff Recommendation:

- Remove this criterion for small and large grants. Raising the scoring bar on types of benefits would increase applicant burden and require quality information about current standard practices in order to define appropriate scoring rubric.

4. Organization is Reflective of Community Served and Project Benefits Priority Population

Findings:

- It is difficult for some organizations to provide staff and board figures regarding persons with disability and/or low income and in some cases may not be reasonable to expect high figures for these groups (which affects scoring).
- Demographic questions might need to be adjusted to accommodate very large organizations (e.g., one had 6,000 staff).
- There was some frustration with what felt like redundancy to these questions.
- Projects that result in benefits to the general population, especially those with physical improvements to public spaces, were not able to get full points for serving PCEF priority populations due to general Portland demographics. This particularly impacted green infrastructure or neighborhood focused projects.
- Interest by some staff and Committee to see finer grain detail regarding demographics while balancing applicant concerns (e.g., might not have complete demographic

information, extra application burden) as well as legal constraints (i.e., limits on use of information in scoring).

Staff Recommendations:

- Most of these findings are being addressed with changes in wording (e.g., more clearly define beneficiary populations for planning grants).
- Staff are consulting organizations that serve the disability community regarding appropriate measure for board and staff representation.
- Application is being refined to consolidate information and reduce redundancies.
- Staff are working on language that can provide a more nuanced understanding of the project beneficiaries and how the organization reflects the project beneficiaries.

5. Workforce and Contractor Utilization Questions

Findings:

1. Questions regarding contractor and workforce commitments were not viewed as viable.
2. Workforce and contractor equity are not currently considered for regenerative agriculture and green infrastructure (except for construction related components of those projects).

Staff Recommendations:

- Adjust application so that applicants are not required to identify their contractor. Level of detail on project contractors, subcontractors and workforce is reduced for large projects. This recognizes that some folks won't be able to secure contractors during the proposal development phase or secured contractors may end up backing out (thus, awarding points erroneously). Applicants with a contractor secured may still earn full points, however, applicants without a contractor may equally earn full points based on their contractor recruitment strategy.
- Equity in contracting is scored for all contracts, not just those for construction. This is consistent with conversations happening in the Fair Contracting Forum and in alignment with items we are already tracking in our grant reports.
- Projects over a defined threshold are required to meet defined diverse contractor and workforce (including apprentices) utilization goals and apprenticeship utilization goals.

6. Workforce and Contractor Development Proposals

Findings:

- Some workforce development and contractor support applicants had to answer questions that did not fit their situation which affected scoring.

- There are issues associated with lumping into the same category projects that focus on training for job placement or business assistance and those that focus on more "upstream" exposure to career opportunities.
- It was not always clear whether proposed programs were focused on climate related jobs and business opportunities.

Staff Recommendations:

1. Create a separate WCD grant application.
2. Refine questions to ensure applicant provides a description of how the program contributes to development of a workforce and/or business that addresses climate change.
3. Create one question that asks whether the project has additional social and environmental benefit.
4. Include a question about the focus of the proposed project in order to prioritize investment in training for job placement or business assistance, followed by programs that provide "upstream" exposure to climate-related career opportunities.

7. Holistic Approach to Assessment of the Project Story

Findings:

- There is interest in having the application feel more streamlined and supportive of storytelling.
- Reviewers felt they were able to score project components well but did not feel they had the opportunity to score the project as a whole.
- Interest in options for non-written communication in grant application and/or clarifying questions.
- Request for more opportunities for applicant communication during evaluation.

Staff Recommendations:

- Refine application wording and format to streamline and promote more cohesive "story" of the proposed project.
- Add criterion that scores the project as a whole. For example: How well does the project align with PCEF Guiding Principles.
- Allow supplemental audio/video submissions to support application. Establish parameters around length, editing, etc. to ensure a more level playing field.
- Allow reviewers to ask a wider range of questions to applicant to facilitate understanding of the proposal. Expand opportunity for applicants to provide feedback to be more expansive in nature, supporting understanding. Add formal point of applicant feedback for eligibility, technical and financial review.

8. Application Support Resources

Findings:

- Some found webinars too simple, while others found them too much.
- Recordings were utilized, however, usability could be improved
- Some sponsors and applicants are not fully aware of/prepared for the fiscal sponsorship commitment.
- Some would like to talk through specific project ideas with staff.

Staff Recommendations:

- Provide differentiated informational content to meet diverse needs. Including: small/large organizations, project type, and affinity groups.
- Create shorter videos of key content, including a "table of contents" with time stamps for full recordings.
- Provide capacity building related to fiscal sponsorship, including better messaging about what this entails.
- Provide staff office hours for application questions/assistance. Also provide access to contracted technical assistance resources.