

ACTION

December 20, 2018

Subject: Transformative Climate Communities Program: Post-Award Negotiation Period Policies

Reporting Period: December 2018

Staff Lead: Saharnaz Mirzazad, TCC Program Manager

Recommended Action:

Approve staff recommendation of internal policies governing the post-award negotiation period for TCC Implementation Grants.

Background:

The TCC Program Guidelines provide for a Post-Award Consultation phase after the Council makes implementation grant awards. This consultation phase is an opportunity for TCC Program Staff to address the parties concerns about the draft grant agreement and to ensure that all accompanying attachments will comply with administrative, statutory, and TCC Program requirements. The internal policies proposed here stem from staff experience negotiating changes to Round 1 implementation grants.

Proposed Policies:

The following policies would govern TCC Program Staff in finalizing the grant agreement terms of each awarded application during the Post-Award Consultation Phase as described in Section II.H of the 2018-2019 TCC Program Guidelines. All changes to proposed projects from the awarded application – including changes to proposed project scopes, activities, and associated budgets – would be reviewed by TCC Program Staff and SGC legal counsel for consistency with the relevant TCC Program Guidelines and this document.

- 1) Ineligible project costs must unconditionally be eliminated from the proposed scope of work for TCC funding. SGC cannot provide grant funds for ineligible costs.
- 2) Ineligible project costs may be reallocated to other, eligible costs within the *same originally-proposed project*, up to the total amount of the original budget request for that project, upon written approval of TCC program staff.
 - a) Example: Project A proposed \$100 in project-related costs, \$10 of which are ineligible costs. Project A must eliminate all \$10 of ineligible program activities from the proposed scope of work, but may identify up to \$10 in additional, eligible costs *for the same project*. The total budget for Project A would then remain \$100.

- 3) Reallocated budget items within the same project must be for project costs within the *same Project Type* as the originally-proposed project.
 - a) Example: Project B proposes to fund a Low-Income Weatherization Project, but includes \$10 of ineligible costs. Project B may not reallocate these \$10 to fund Urban Greening activities within the same project because that is a different Project Type than the original proposed project.
- 4) The budget for the ineligible costs in one project may be transferred to other projects, upon written approval of the TCC Program Manager.
 - a) Example: Project A has \$10 in ineligible costs. If Project A eliminates the ineligible costs from Project A's budget, \$10 could be added to the budget request for Project B, upon TCC Program Manager approval on a case-by-case basis. Project A's budget would then be \$10 less than the original budget request and Project B's budget would be \$10 more than the original budget request.
- 5) Each project with ineligible costs shall be given equal opportunity to reallocate project funds within the project.
 - a) Example: Project A and Project B both contain ineligible costs. If Project A eliminates its ineligible costs and reallocates the associated budget to new, eligible costs within the project, Project B must have the opportunity to do the same.
- 6) Upon written consent of the Grantee, Project Lead, and the SGC Executive Director, eligible project costs associated with any project may be reduced or eliminated prior to signing the Grant Agreement. The foregoing notwithstanding, no project may be eliminated that is needed to remain eligible for TCC funding per the relevant TCC Program Guidelines.
 - a) Example: Project D originally proposed to plant 10 trees for a total cost of \$100. The Project Lead for Project D no longer has the capacity to plant all ten trees, so agrees to modify the project prior to the signing of the Grant Agreement to plant 8 trees for a total of \$80.
- 7) The remainder of this document notwithstanding, SGC Council approval shall be required for any change to project costs that affects the competitiveness of an applicant's proposal by reason of changes to the applicant's greenhouse gas reduction score.
- 8) SGC Council approval shall be required for any new projects added to the Grant Agreement.

