



Oversight Board Meeting



Kingsessing Recreation Center
November 2017

Building stronger communities – **one park, recreation center & library at a time.**



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Rebuild Oversight Board Role

Role of the Oversight Board

The Oversight Board will:

- Receive and evaluate reports on Rebuild’s performance and progress;
- Provide recommendations for course corrections and operational changes; and
- Provide a forum for members of the public to ask questions and express concerns and issues.

Board members will be asked to review information critically, ask questions, discuss progress and challenges, offer ideas and alternatives, and make informal suggestions and formal recommendations, as appropriate.

Oversight Board Meetings

The Rebuild Oversight Board will meet quarterly. The first meeting will provide an introduction to the initiative. At subsequent meetings, information provided to the Oversight Board will include the following:

- a. *Project progress report*: addressing highlights of budget, schedule, design, and physical progress at Rebuild sites;
- b. *Diversity and inclusion report*: addressing the apprentice-ready program (PHL Pipeline), business supports program, and workforce and contract participation rates;
- c. *Community engagement report*: addressing progress at Rebuild sites, results of diverse community engagement approaches, impacts of community input on design, capacity-building efforts, and post-project results;
- d. *Financial report*: addressing revenues by source and expenditures by program (inception-to-date, budget, and projected), budget variances and adjustments, and contracts;
- e. *Report from the Integrity Office and Office of the Inspector General* (as needed);
- f. *Development report*: summarizing fundraising efforts and impacts; and
- g. *Report from the Rebuild Executive Director* (if necessary to cover other items or issues).



Excerpts from the Rebuild Ordinance, Exhibit B Respective Roles of the Rebuild Office, the Rebuild Oversight Board, the EOP Oversight Committee, and the Design Excellence Sub-Committee; Project Delivery Methods

The Rebuild Office (p. 23)

The Rebuild office, under the supervision of the Managing Director, will have the day-to-day responsibility for project management. The Rebuild office will work in coordination with City departments, including the Office of the Director of Finance, Philadelphia Parks & Recreation (“PPR”) or the Free Library of Philadelphia (“FLP”), and other staff as appropriate and determined by the Managing Director. Project management includes responsibilities in the areas of Rebuild project delivery, Rebuild project monitoring, financial controls, diversity and inclusion, and community engagement.

Oversight Board (p. 23)

A Rebuild Oversight Board will be established comprising the following standing members or their representatives: two members appointed by the Council President; the Chair of Council’s Committee on Parks and Recreation; the Managing Director; Commissioner of Parks and Recreation; Free Library of Philadelphia President; Director of Planning and Development; Director of Finance; and Chief Integrity Officer. The Oversight Board will also include the following members: the EOP Oversight Committee chair; two community/civic leaders; and up to five experts in design and construction, workforce development and/or M/W/DBE/DSBE support, community engagement or philanthropy. The Oversight Board will receive and evaluate reports on project performance and progress, as well as provide a forum for members of the public to address Project concerns and issues. The Oversight Board will also provide recommendations for operational changes to the project.

EOP Oversight Committee (p. 33)

Members of the EOP Oversight Committee will include Councilmembers, City department representatives and nongovernmental experts in workforce development and development of M/W/DBE/DSBEs. The EOP Oversight Committee shall oversee the performance of the project diversity and inclusion goals, including EOPs, supports provided to M/W/DBEs/DSBEs, and activities pursuant to the Rebuild Memorandum of Understanding with the Building Trades, if any. The EOP Oversight Committee shall select one or more persons or organizations to monitor compliance with the Rebuild Plan.



Design Excellence Sub-Committee (pp. 30-31)

The design of Rebuild projects will be subject to Art Commission review, as required for all City properties. In addition, Rebuild projects that involve significant changes in facility appearance or in user experience, or are issued as “design challenges” intended to apply to multiple sites across the system, will receive an extra level of review through an Art Commission sub-committee specifically created to ensure high quality design on these projects. This Rebuild Design Excellence Sub-Committee is anticipated to consist of a minimum of two Art Commission members and two to three volunteer non-art commission members who are from a design or design-related field. The fields include architecture, landscape architecture, interior design, city planning, and related fields. Members should be individuals who are regularly involved in the design of the physical environment. Two of the non-art commission members shall be appointed by the Council President.

Project Delivery Methods (p. 23)

Rebuild projects will be delivered by Project Users except when the District Councilmember where the project is located chooses an alternative project delivery method. Such alternatives may include PPR’s skilled trades “capital squad,” PPR or Department of Public Property (“DPP”) capital projects staff, or the Philadelphia Redevelopment Authority.





Updates: Physical Improvements

Project Users. The first Request for Qualifications for Project Users, nonprofit entities who will deliver Rebuild capital projects, was due on September 29th. Qualifications were established in the Rebuild Ordinance passed in June. Four public information sessions were held, with over 200 attendees. An RFQ review committee was established and includes individuals from Commerce, Planning and Development, OEO, Philadelphia Parks and Recreation (PPR), Public Property, the Chief Administration Office, and two representatives from City Council, Matt Stitt and the Honorable Wilson Goode, Jr. The committee is meeting this week to discuss responses with the intent to determine qualified Project Users in the next week or two.

Rebuild Project Statement. The Rebuild team submitted a preliminary project statement (a forward-looking plan for Rebuild investments), budget and site list for the first 18-months of Rebuild to City Council in September, 60-days before the final project statement as required by authorizing legislation. The final project statement will be introduced in City Council formally in November. If approved before City Council recesses for the winter break, Rebuild projects could begin as soon as January 2018.

The site selection process drew heavily on a planning process that mapped data in order to identify neighborhoods needing investment; neighborhoods in transition; priorities identified in previous planning processes; and co-located civic assets. Rebuild staff also worked closely with City Council members and staff on project prioritization, as well as multiple City agencies including PPR, FLP, the Office of Sustainability, Office of Transportation and Infrastructure Systems (OTIS), Planning and Development, Commerce Department, Office of Diversity and Inclusion, Water Department, the Mayor's Office of Education and others.

Preparing to Begin Projects. Rebuild staff have been working on creating various operational procedures and mechanisms to enable the implementation of Rebuild design and construction work once legislation is passed. These include:

- Working with PPR staff to help establish design standards to be used by Project Users and others in an effort to promote efficiency and simplify maintenance across facilities;
- Planning for the orientation/ training of Project Users to prepare them properly for the multiple responsibilities of Rebuild projects;
- Creating a grant application process to enable Project Users to apply to work and receive funding for Rebuild eligible sites; and
- Coordinating with the Philadelphia Redevelopment Authority (PRA) and PPR skilled trades to prepare for any projects not implemented by Project Users.



Updates: Diversity & Inclusion

Business Supports

- Vendor Information Sessions Conducted
 - 09/13 – Samuel Recreation Center
 - 09/20 – Community College of Philadelphia Northwest Regional Campus
 - 09/27 – MED Week panel
 - 10/03 – Councilman Jones MED Week Event
 - 10/10 – YMCA 52nd and Chestnut
 - 10/11 – Vare Recreation Center
 - 10/18 – Rivera Recreation Center
 - 10/23 – Roxborough Hospital
 - 10/25 – LaSalle University
 - 11/02 - (scheduled) – Mayfair Community Center
- First survey of Office of Economic Opportunity (OEO) registered vendors completed.
 - Common barriers for vendors validated
- Second survey of businesses completed (businesses not registered with OEO)
 - “Rebuild Ready” database created
- Initial service providers identified for “Concierge” services for Rebuild vendors
- Preliminary meeting with Risk Management conducted regarding insurance requirements and Owner-Controlled Insurance Program (OCIP)
- Preliminary meetings conducted with OEO to develop the “Emerging Vendors Program”
- EOP Oversight Committee being formed.
- Next steps:
 - Continue development of support structures for insurance, bonding, prompt payments and back office support.
 - Research and understand the true cost of apprenticeship and formulate an incentive structure to facilitate contractors meeting our participation goals
 - Work closely with Talson Consulting to make sure the message of D&I is paramount.

Workforce

- Initial meetings held to better understand the Penn Assist model and to begin coordination with the Philadelphia Area Labor Management Committee (PALM)
- Grounding philosophy and logic model for PHL Pipeline developed; implementation timeline for 2017-2019 and initial mind map created; strategic planning begun
- Next steps:
 - Develop, refine and vet a set of baseline KSAs necessary for success in the targeted trades occupations, based on needs assessments done with pre-apprenticeship providers, skilled trades unions and contractors.



Updates: Community Engagement

Community Outreach

- Since October 2016, we have provided numerous in-person updates to a variety of groups to keep stakeholders up-to-date on how the Rebuild is progressing. These groups include but are not limited to:
 - Parks Friends Network;
 - Philadelphia Recreation Advisory Councils;
 - Friends of the Free Library;
 - Library Community Councils; and
 - Neighborhood Advisory Councils (citywide meeting).
- Our staff has also made radio appearances (e.g., WURD, WHYY, etc.) to provide periodic updates on how the program is progressing.
- Next steps: hold outreach meetings across the City after sites are selected to inform community members about Rebuild, what to expect, and how to get involved.

Business Outreach

- See Diversity and Inclusion updates.

Rebuild Engagement Guidelines

- Since winter 2016, Rebuild has held meetings with City staff to garner input during the development of community engagement standards and guidelines that will apply to the entire program. The conversations have also focused on how best to coordinate to avoid duplication of efforts and “engagement fatigue” for communities.
- The immediate result of these efforts is an agreed upon set of goals, values, and expectations for all Rebuild community engagement efforts (see Community Engagement section of Rebuild plan).
- Next steps:
 - Complete Rebuild engagement toolkit and provide orientation for Project Users.
 - Release a “Call for Interest” to identify organizations and firms with expertise in community engagement processes and tools that are interested in partnering with Project Users for Rebuild projects. This will result in a diverse list of partners and tools that Project Users can explore when creating engagement plans customized to the communities and populations they plan to work with.



Updates: Finance and Administration

Integrity and Transparency. Rebuild has held regular planning meetings the offices most directly involved in establishing the framework for program integrity and transparency, including:

- The offices of the **Chief Integrity Officer (CIO) and Inspector General (IG)**, which are drafting a Rebuild “rulebook” that will be used in Project User training and as a compliance reference for all parties;
- **Office of the City Controller**, which will serve as the independent fiscal monitor for all Rebuild funds expended by the City or that flow through PAID;
- **Office of the Director of Finance**, which will oversee the issuance of Rebuild bonds (through PAID) and is helping the Rebuild Office establish budgeting and payment processing practices consistent with existing City policies and best practices; and
- **PIDC/PAID**, which will serve as the financing conduit for the Rebuild program, will process most Rebuild financial transactions (including payments to Rebuild vendors), and will establish a Rebuild financial database and reporting system that will be accessible to the Rebuild Office, Controller’s Office, and the Office of the Director of Finance.

Project User Qualification. The Rebuild office received 31 responses to the Project User RFQ. RFQ reviews involved:

- Review of financial documents (through a contract with an outside accounting firm);
- Review of campaign disclosure statements and outstanding tax obligations;
- Reference checks;
- Review of workforce and contracting participation data and diversity and inclusion plans;
- Review of project experience data and narratives; and
- Review of community engagement efforts related to capital projects.

Next Steps:

- Finalize the Rebuild “rulebook” in conjunction with the CIO and IG;
- Provide mandatory training for all Project Users with assistance from several departments;
- Finalize agreements with the Controller’s Office to carry out financial reviews through the life of the initiative (in the form of Agreed-upon Procedures);
- Finalize the form of Rebuild sub-grant agreements and establish requirements for contract and invoice processing; and
- Through PIDC/PAID, complete build-out of the Rebuild financial system and database and design standard financial reports to be provided on a quarterly (and as-needed) basis to the Rebuild Oversight Committee, City Council, other City departments, and the general public.



Tentative Timeline

June 2017	<ul style="list-style-type: none"> ▪ City Council passes the Rebuild Ordinance, allowing bonds to be issued for Rebuild and establishing conditions for the expenditure of bond proceeds and for the implementation of Rebuild projects.
July 2017	<ul style="list-style-type: none"> ▪ RFQ for Project Users issued (based on qualifications established in the Rebuild Ordinance).
September 2017	<ul style="list-style-type: none"> ▪ Responses to Project User RFQ received.
October 2017	<ul style="list-style-type: none"> ▪ Rebuild Oversight Board members announced.
November 2017	<ul style="list-style-type: none"> ▪ First meeting of Rebuild Oversight Board held. ▪ Rebuild EOP Oversight Committee members to be announced. ▪ First cohort of Project Users to be announced. ▪ First project statement, budget, and list of sites to be leased introduced in City Council.
December 2017	<ul style="list-style-type: none"> ▪ Potential City Council approval of project statement, budget, and list of sites to be leased. Documents will cover December 2017-June 2019.
January 2018	<ul style="list-style-type: none"> ▪ First Project User grant applications open. ▪ Rebuild projects to be implemented by the Philadelphia Redevelopment Authority or by the City of Philadelphia could begin. ▪ Second quarterly meeting of Rebuild Oversight Board held. ▪ Design Excellence Sub-Committee members announced.
Spring 2018	<ul style="list-style-type: none"> ▪ First Project User grant applications approved; Project Users begin to implement projects.
Fall 2018	<ul style="list-style-type: none"> ▪ Project User qualification re-opens (annual process).
Spring 2019	<ul style="list-style-type: none"> ▪ Second project statement, budget, and list of sites to be leased introduced in City Council (to be an annual process going forward).

Note: All future dates are tentative and subject to change. Rebuild planning and funding is dependent upon the Philadelphia Beverage Tax being upheld by the Pennsylvania State Supreme Court.

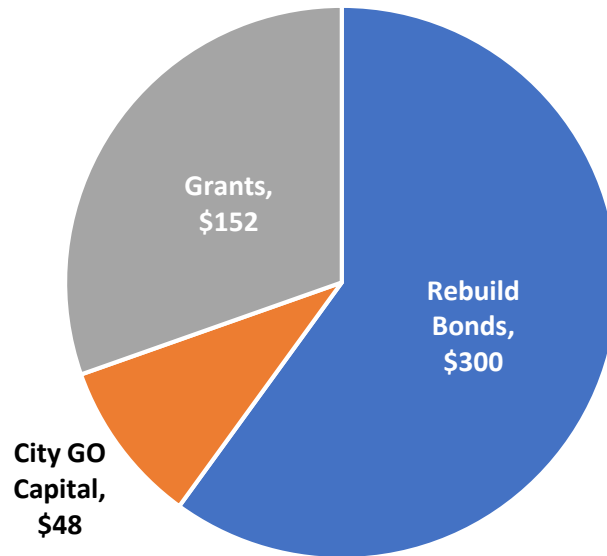


Rebuild Funding Overview

Rebuild will be funded by both public and private sources, and is made possible by the Philadelphia Beverage Tax (PBT). Dedicated funding for Rebuild will include \$300 million in bonds, \$48 million in City of Philadelphia (City) capital funding, and \$152 million of grants and contributions from other sources, more than \$100 million of which has already been raised. These sources are summarized in the table below.

Total Projected Rebuild Funding Sources

Source	Amt (\$M)
Rebuild Bonds (Issued by PAID)	\$300.0
City GO Capital Funds	\$48.0
Grants – (Philanthropic, State/Federal)	\$152.0
TOTAL	\$500.0





Rebuild Bonds

- Rebuild bonds are expected to be issued in three tranches of \$100 million.
- The first tranche would be issued shortly after favorable resolution of the ongoing PBT litigation; the other two tranches are expected to be issued at two-year intervals, although timing will be subject to adjustment based on the rate of spending of proceeds.
- Rebuild bonds may be used for purposes that are eligible under applicable bond covenants – generally, for construction and related design services. Proposed expenditures are subject to a review by the Office of the Director of Finance and the Office of the City Controller to verify capital eligibility under current guidelines¹.

City GO Capital Funds

- The \$48.0 million in City of Philadelphia General Obligation (GO) capital funds will come from annual appropriations in the capital budgets each year from FY2017 to FY2023.
- These funds are designated for Rebuild in the capital budgets of Philadelphia Parks and Recreation and the Free Library of Philadelphia.

Grants

To date, Rebuild has received the following conditional grant commitments:

- From the William Penn Foundation (\$4.8 million to launch the program, \$95.2 million contingent on the issuance of \$300 million in bonds), to be used for purposes consistent with the Rebuild Plan;
- From the Surdna Foundation: \$450,000 (over 3 years) for community engagement;
- From the Scattergood Foundation: in-kind contribution of professional program evaluation services.

Efforts are underway to obtain additional grant commitments for the initiative. A \$20.2 million portion of the \$95.2 million referenced above will be matching funds – \$1 of match for every \$2 commitment – as an incentive for donors and foundations. In addition, the William Penn Foundation is coordinating with the Philanthropy Network of Greater Philadelphia to establish a Donor-Advised Fund at the National Philanthropic Trust. This is intended to help streamline fundraising efforts and ensure maximum financial oversight.

Uses of Funds

Rebuild bond proceeds and City GO Capital funds will be used exclusively for capital improvements at City of Philadelphia libraries, parks and recreation centers. Community engagement work and diversity and inclusion efforts (workforce development programming and supports for small, local businesses) will be funded by grant funds. Grant funds will also be used for capital improvements.

¹ Please refer to City of Philadelphia Capital Eligibility Guidelines Effective March 21, 2014.