



Oversight Board Updates



June 28, 2018

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



Updates: Projects and Physical Improvements

Recap

- The first cohort of 21 “Project Users,” non-profit entities that will deliver Rebuild capital projects, was announced in November, 2017.
- A draft Project Statement outlining a proposed budget and site list for Rebuild was submitted to City Council in late September, and the document was formally submitted in late November. Rebuild staff coordinated with Council members and staff on the content of the Project Statement throughout the fall and winter.
- Parks and Recreation Department design standards are under development and are expected to be complete when the first Rebuild projects begin.

Legislative Updates

We are delighted to announce that City Council approved Rebuild’s first Project Statement and lease ordinance on Thursday, June 7th! Once Philadelphia Beverage Tax litigation is resolved in the City’s favor and the City issues bonds, we will be able to move forward with bond-funded improvements in addition to work funded with City capital funds.

The final Project Statement includes a few site changes from what was proposed last fall, and increases spending authority to reflect the full amount of funding that is projected to be available through June 2019. The list of the first 64 approved sites is attached below for your reference and can also be accessed, along with the data that informed site selection, on [Rebuild’s website](#).

Site Announcements

The first Rebuild sites were announced this past month and include Vare Recreation Center, Olney Recreation Center, Parkside Fields, and Frank Glavin Playground. Work on these sites will begin with available City capital funds. We anticipate announcing at least one additional site in the coming weeks.

Next steps include:

- First sites continue to be announced throughout the summer
- Grant applications open for sites that have been announced
- All contract opportunities get posted on Rebuild website
- Project Users form teams and develop grant applications
- Grant applications reviewed by City Council and the administration
- Project Users begin work after grant applications have been approved

Any projects being implemented by PRA or PPR could begin as well. Our goal is to begin the process of launching 5-11 projects in calendar year 2018.



Rulebook and Resource Guide

A Rulebook and Resource Guide for Project Users is nearing completion. This resource is being developed by Rebuild in cooperation with the Chief Integrity Officer, the Office of the Inspector General, and other City departments. It will cover information about economic opportunity plans, design standards, reporting requirements, community engagement guidelines, contracting and invoicing requirements, and other necessary information for Project Users to apply for grants and successfully implement Rebuild projects.

Program Manager RFP

Rebuild issued a RFP for a Program Management services for a consultant who will help Rebuild staff review grant applications, design documents, construction progress, and invoices. CH2M Hill/ Jacobs was recently selected by a review committee including representatives from the Office of Economic Opportunity, Commerce, City Council, Public Property, and Parks and Recreation and we are moving forward with the contracting process.



Updates: Diversity and Inclusion

Recap

Efforts to ensure a high level of participation of minority-owned businesses (MBEs), women-owned businesses (WBEs), and disabled-owned businesses (DSBEs) in Rebuild projects include:

- Letting businesses know how to access Rebuild contract opportunities
- Centralized posting of all contract opportunities
- Prompt payments
- Requiring fair, open and transparent contracting processes
- Providing technical assistance to M/WBEs

On the workforce side, Rebuild will work with the City's Office of Workforce Development, Philadelphia Works, the Philadelphia Area Labor Management (PALM), General Building Contractors Association (GBCA), and the Philadelphia Redevelopment Authority (PRA) on Rebuild's workforce development programs, called PHL Pipeline and the PRA Talent Development Pipeline. These programs will not launch until Philadelphia Beverage Tax litigation is successfully resolved and Rebuild bonds are issued.

MOU with the Building Trades and the PRA

The City of Philadelphia, the Building Trades, and the PRA executed a Memorandum of Understanding in May, 2018 that will serve as the foundation of the PRA Talent Development Pipeline. This program provides a pathway for experienced construction workers to become members of a building trade by completing 3,000 hours of work on Rebuild projects as employees of the PRA (about 1.5 years). The PRA and the trades will jointly assess skills when participants enter the program, and determine what level of tradesperson the person will be when they complete their 3,000 hours (e.g., 4th year apprentice or journeyman).

Emerging Vendors Program

Rebuild and the Office of Economic Opportunity (OEO) continue to prepare to launch the Emerging Vendors Program (EVP). Rebuild projects will serve as pilots for this program intended to provide an incentive for businesses to become certified as M/W/DSBEs and for Project Users to partner with diverse businesses. Approved participants will be eligible to be counted toward Project Users' contract participation goals while going through the certification process. They may be counted toward contract participation goals on one or more contracts with an aggregate value of no more than \$150,000 over the course of one year. EVP businesses will have 18 months to become certified.

A software system used by OEO, called B2Gnow, will be used to process incoming applications for the EVP and serve as a directory of EVP businesses. B2Gnow is currently used by OEO for its registry of certified businesses and for verification of payments to certified businesses. B2Gnow is being modified to create the additional functionality for the EVP.

Business Technical Assistance RFP

On June 6, 2018, the City posted a RFP for technical assistance services for businesses. The



scope of work has two parts: helping EVP businesses become certified as M/W/DSBEs, and providing technical assistance to businesses including the following elements:

- Business assessment and development plans with milestones
- One-on-one technical assistance (may also include group TA, mentor program, and/ or peer support)
- Assistance accessing capital, bonding, & insurance
- Assistance competing for and performing on Rebuild contracts

Proposals are due on July 17. The target date for selecting a service provider is August 14.

Rebuild EOP Oversight Committee

The Rebuild EOP Oversight Committee will provide oversight over all the diversity and inclusion efforts of Rebuild, including business development efforts, PHL Pipeline, the PRA Talent Development Pipeline, EOP compliance, and contract and workforce participation. The members of this committee are as follows:

- Judi Rhee Alloway: Founder of Imagine Leadership LLC and the Women’s Business Co-op, Certified Professional Coach and Business Consultant
- Steve Alexander: Business Agent, Iron Workers Local 401
- Celeste Corrado: Director, Wharton Small Business Development Center, University of Pennsylvania
- Carol de Fries: Vice President, Workforce and Economic Innovation, Community College of Philadelphia
- Perritti DiVirgilio: Director of Labor Standards, City of Philadelphia
- Marla Hamilton: Vice President for Client Engagement, Philadelphia Industrial Development Corporation (PIDC)
- Iola Harper: Deputy Commerce Director, Head of the Office of Economic Opportunity (OEO), City of Philadelphia
- Lisa Ashton Mattioli: Diversity and Community Manager, Intech Construction, LLC
- Mary Stitt: Deputy Chief Diversity & Inclusion Officer, City of Philadelphia

One additional Committee member is yet to be named by the President of City Council. One of the Committee members will be named chair and will represent the Committee on the Rebuild Oversight Board.

The Rebuild EOP Oversight Committee held a first orientation meeting on June 7. In the next month, the Rebuild EOP Oversight Committee will begin work on its first task, which is to select an Economic Opportunity Plan Monitor through a RFP process.

Rebuild Deputy for Diversity & Inclusion

From an initial pool of over 180 applications, six finalists have been identified. The goal is to name the new Deputy for Diversity & Inclusion before August 1.



Updates: Community Engagement and Outreach

Recap

- Now that City Council has passed the Project Statement, Rebuild will begin conducting outreach to community members to educate them on how Rebuild will work and what to expect.
- Rebuild will also continue to provide updates to community stakeholders through standing meetings (e.g., Parks and Recreation Commission, Philadelphia Recreation Advisory Council, etc.), email, and social media.
- Before applying to work on projects, Project Users will receive a full resource guide on how to operate within Rebuild. This guide will include guidelines for community engagement best practices. This will help ensure that community engagement efforts on Rebuild projects are inclusive and provide residents with an accessible and meaningful opportunity to shape the improvements to their community facility
- The Call for Interest that was released has been successful in identifying potential partners for Project Users to contract with. To date, 276 entities have shared their information and expressed interest in working on Rebuild, which includes contractors, professional services firms, suppliers, community organizations, consultants, artists, etc. The two Call for Interest forms can be found on the Rebuild website:
 - [Community engagement professionals](#) (e.g., community based organizations, artists, consultants, etc.)
 - [Design and construction professionals](#) (e.g., architects, landscape architects, engineers, contractors, suppliers, etc.)

Updates

Rebuild has begun working with the PPR, the FLP, and their nonprofit partners to boost efforts to support parks friends groups, library friends groups, and recreation advisory councils.

Both departments and their partners already support the work of these groups and Rebuild creates an opportunity to invest additional resources in these efforts. This program will also provide professional development opportunities for front line staff that work with community members at PPR and FLP facilities every day.

Areas of focus may include fundraising, financial management, running effective meetings, community outreach, and volunteer recruitment.

The hope is that by investing in the people who help maintain, program, and fundraise PPR and FLP sites in their community, in addition to investing in the actual facility, Rebuild can have an even greater and longer lasting impact.



Updates: Finance and Administration

Recap

- The PA Supreme Court issued an expeditious schedule for the appeal of the Philadelphia Beverage Tax (PBT) case and heard oral arguments in May.
- In this year's proposed budget, revenue from the PBT is projected at \$79M, 85% of original projections. This is not surprising, since it's difficult to project revenues for a new tax. We are planning for lower debt service for Rebuild bonds as a result of the revenue projections, but the impact on borrowing amounts will depend on market conditions at the time of the borrowing.
- The Office of the City Controller will provide independent fiscal oversight of Rebuild. The Office of the City Controller and Rebuild are in the process of establishing oversight procedures to ensure accurate financial reporting and that all Rebuild funds are spent properly and as intended.
- Rebuild has raised a total of \$825,000 in the past year. This is in addition to the historic commitment of up to \$100M from the William Penn Foundation. Rebuild will continue efforts to raise additional resources for the program through grants, which is expected to ramp up once bonds are issued.

Updates

- Total spending for Rebuild from inception (September 2016) to mid June, 2018 is \$1,277,572. Of this amount, 93% has been spent on personnel costs for Rebuild staff; 0.4% has been spent on supplies and equipment; and the remainder has been spent on contracts. These costs and activities have supported the planning process for Rebuild in preparation to launch the program.
- 95% of all contract expenditures have been to MBEs.
- Of the contract expenditures, the majority of funds have been spent on Rebuild's consultant for M/WBE support; the balance has been spent on accountant services for Project User RFQ review, small contracts, and equipment lease expenses.
- The financial system for Rebuild, which is being developed by the Philadelphia Authority for Industrial Development (PAID), will be operational later this year. The system will give Rebuild, the Controller's Office, the Finance Director's staff, the Inspector General, and the Chief Integrity Officer access to comprehensive up-to-date financial information at any time.



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. ▪ City Council received draft project statement, budget, and list of sites to be leased.
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. ▪ First cohort of Project Users announced.
January 2018	<ul style="list-style-type: none"> ▪ Second quarterly meeting of Rebuild Oversight Board held.
May 2018	<ul style="list-style-type: none"> ▪ Vane Recreation Center and Olney Recreation Center announced as the first Rebuild sites to start using City capital funds. ▪ EOP Oversight Committee members appointed.
June 2018	<ul style="list-style-type: none"> ▪ City Council approval of project statement, budget, and list of sites to be leased for FY18-FY19.
Summer/ Fall 2018	<ul style="list-style-type: none"> ▪ First round of Project User grant applications open. ▪ Prepare to launch any projects to be implemented by the Philadelphia Redevelopment Authority or by the City of Philadelphia.
Fall 2018	<ul style="list-style-type: none"> ▪ First Project User grant applications approved; Project Users begin to implement projects. ▪ Second round of Project User grant applications open.
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.



Summary Information About Diversity & Inclusion in Rebuild

Overview

- For Rebuild to be a success, it is critical that the people and businesses working on Rebuild projects reflect the diversity of Philadelphia.
- The Administration has negotiated with the trades to get unprecedented commitments, in writing, to create programs that will allow more minorities and women to enter the trades through Rebuild.
- If the commitments are not kept, City Council can hold contractors, Project Users, and Rebuild accountable by not passing a Project Statement in future years.

Goals

- Rebuild’s goal of having minorities represent 45% of the workforce on Rebuild projects is higher than any other City project.
- Rebuild’s goal of having minority owned businesses represent 30%-35% of all contracts for Rebuild is also higher than any other City project.

<u>Contracting</u>	<u>Workforce</u>
<ul style="list-style-type: none"> • Professional Services contracts 25-30% minority and 15-20% women • Construction contracts 30-35% minority and 15-20% women 	<ul style="list-style-type: none"> • Total minority laborer and skilled workforce hours 45% • Total women laborer and skilled workforce hours 5%

Getting minorities and women into the trades:

- To support Rebuild’s diversity efforts, the City has agreed to two memoranda of understanding with the building trades.
- Each agreement commits the trades to diversity and participation goals and establishes a workforce program to provide minorities and women with career opportunities within the trades.
- PHL Pipeline will provide Philadelphians who don’t have experience in construction with training and support so they can pass an apprentice exam and become an apprentice in one of the unions.
- PRA program will focus on individuals who already work in construction but are not in a union and want to join. These individuals can be hired by PRA to work on Rebuild projects and receive union benefits as soon as they’re hired. After 3,000 hours, which is about 1.5 years of steady work, they will become card carrying union members.



- The trades have committed to both programs in writing, making the commitment for Rebuild unprecedented.

Supports for businesses

- Rebuild has conducted outreach to businesses across Philadelphia to make sure they are aware of the opportunities that will be coming and how to take advantage of them.
- Rebuild is working with the City's Office of Economic Opportunity to develop the Emerging Vendors Program (EVP), which will allow firms that are owned by women or minorities but are not yet certified to work on Rebuild projects while they go through the process of becoming certified.
- Rebuild is also developing a set of supports to help smaller minority, women, and disabled-owned businesses become more competitive for work on Rebuild projects, including help with accounting, cash flow, insurance, bonding, and access to capital.

Monitoring

- To ensure that goals are being met and commitments are being upheld, Rebuild will hire a consultant to monitor projects and help ensure that Economic Opportunity Plan goals are achieved.
- This monitor will be selected by the Rebuild Economic Opportunity Plan Oversight Committee, which includes appointees from both City Council and the Mayor.
- The fact that every project in Rebuild will have a 3rd party monitor for diversity makes it different than other City initiatives.

Enforcement

- If contractors or organizations are misreporting participation on a project, not providing adequate information, or not meeting their goals, Rebuild can take the following steps:
 - Withhold payment to the contractor or organization
 - Stop work on a project until the issue is resolved
 - Terminate a contract
 - Temporarily or permanently disqualify a contractor or organization from working on Rebuild
 - Recommend debarment from City contract opportunities
- Participation on projects will be shared publicly to promote transparency and accountability.
- City Council needs to pass legislation every year for Rebuild to continue. If Rebuild is not achieving its goals, Council can hold Rebuild and the trades accountable by not passing future legislation for Rebuild.



Frequently Asked Questions

Project FAQs

- What does it mean if my site is on the list?
 - The approved sites in the Project Statement are guaranteed to receive Rebuild investment as long as the Philadelphia Beverage Tax is upheld by the courts and remains in effect.
- What if my site is not on the list?
 - Every year, Rebuild will propose a new group of sites.
 - Sites not selected in Year 1 can still be selected in future years.
- When will projects start?
 - Projects will start in phases.
 - A small number of projects will begin the process of launching this year using money from the City's capital budget.
 - Most projects will have to wait until the Beverage Tax is upheld by the courts.
- Who decides what happens at our site?
 - The types of improvements for each site will depend on the physical needs of the facility, input from the community, and availability of funds.

Rebuild Funding FAQs

- How will the adjusted PBT revenue projections impact bond borrowing amounts?
 - We are planning for lower debt service as a result of the revenue projections, but the impact on borrowing amounts will depend on market conditions at the time of the borrowing.
- Does this mean that sites selected for Rebuild will receive more modest improvements?
 - Not necessarily. When we work on a Rebuild site, we will make sure we address its physical needs. For example, if we have a site that has a leaking roof and a heating system that doesn't work, we would still address both of those issues.
- The other PBT-funded initiatives (Pre-K and Community Schools) are spending money; why hasn't Rebuild started spending PBT funds?
 - Pre-K and Community Schools have been limited in their rollout because of PBT, so they are impacted by the litigation.
 - Rebuild hasn't spent any PBT revenues because we'll be borrowing money for Rebuild, which is different than Pre-K and Community Schools because it represents a long term financial commitment of the City of Philadelphia. It would be irresponsible to commit to paying 20 years of debt service if we aren't certain we'll have PBT revenue to repay those obligations.