# AGENDA ITEM REPORT

**Resolution 23-018, A Resolution of the City Council of Homer, Alaska Authorizing a Task Order to HDR Engineering in an Amount Not to Exceed $63,070 for Grant Writing Services for a FY2023 Federal Port Infrastructure Development Program (PIDP) Grant to Support Replacing Float Systems in Homer's Small Boat Harbor and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Port Director.**

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|---|---|
| **Item Type:** | Resolution |
| **Prepared For:** | Mayor & City Council |
| **Meeting Date:** | 27 Feb 2023 |
| **Staff Contact:** | Jenny Carroll, Special Projects & Communications Coordinator |
| **Through:** | Rob Dumouchel, City Manager |

## Issue

The purpose of this Memorandum is to recommend a Task Order to HDR Engineering to assist with a FY23 Federal PIDP Grant application, ***pending*** Council approval of Ordinance 23-12, which appropriates Port & Harbor Reserve Funds for this effort.

## Background

Ordinance 22-39, adopted by City Council in August 2022 appropriated $125,000 to support development and submission of grant applications under the Federal Infrastructure Investment and Jobs Act (IIJA). Some of these funds were used initially to develop an IIJA program strategic plan with HDR Engineering, which provided recommendations on pre-positioning and selecting IIJA opportunities for City projects based on grant competitiveness.

The PIDP was identified for the Harbor Float System Replacement Project. The application period for the FY 2023 PIDP Federal grant program opened at the end of January with an application due date of April 28, 2023. The window of availability of IIJA is an opportunity to leverage Federal funds for this important project.

A Resolution approving a Task Order to HDR Engineering is before you for consideration. The Tasks include conducting a Benefit Cost Analysis (a required element in the grant application) and, depending on the BCA outcome, develop a PIDP grant application for the Harbor Float Replacement project.

The scope of work (attached) is estimated not to exceed $63,070 based on time and effort. Should Council approve, the Task Order will be negotiated with HDR based on staff capacity to take on any of the tasks.

- Conducting a BCA and determining if a PIDP application is a go or no-go;
- Developing the project, workplan, timeline, budget, and deliverables in consultation with the City;
- Managing the application process, including support letter solicitation and templates;
- Writing the narrative and appendices;
- Filling out forms required for application;
- Graphic design including custom images as needed;
- Several rounds of review of the application with City staff and HDR subject matter experts;
- Application debrief to garner lessons learned from funder's review, if necessary.

HDR's expertise in Federal transportation grants and their BCA technical know-how will benefit staff capacity.  We anticipate City staff working with HDR will include Harbor administrative staff and Special Projects Coordinator, Jenny Carroll.

If City Council approves Ordinance 23-12 and this Resolution, staff will begin developing funding applications to the State Municipal Harbor Facilities Grant program, and potentially the Denali Commission to leverage additional match funds for the project.

**Staff Recommendation:**

Adopt Resolution 23-018 to authorize the City Manager to negotiate and execute a Task Order to HDR Engineering to assist with a FY23 PIDP Grant application in support of replacing Harbor Float Systems in critical and serious condition.

**Attachments:**

Resolution 23-018

Draft Task Order 23-01 - PIDP Application & BCA - HDR

1      **CITY OF HOMER**
2      **HOMER, ALASKA**
3      City Manager/
4      Port Director
5      **RESOLUTION 23-018**
6
7      A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
8      AUTHORIZING A TASK ORDER TO HDR ENGINEERING IN AN
9      AMOUNT NOT TO EXCEED $63,070 FOR GRANT WRITING SERVICES
10     FOR A FY2023 FEDERAL PORT INFRASTRUCTURE DEVELOPMENT
11     PROGRAM (PIDP) GRANT TO SUPPORT REPLACING FLOAT
12     SYSTEMS IN HOMER'S SMALL BOAT HARBOR AND AUTHORIZING
13     THE CITY MANAGER TO NEGOTIATE AND EXECUTE THE
14     APPROPRIATE DOCUMENTS.
15
16     WHEREAS, Homer Harbor Float Replacement is a Legislative Priority project in the City
17 of Homer FY24 Capital Improvement Plan; and
18
19     WHEREAS, Resolution 22-061 authorized a Task Order to HDR Engineering to develop
20 an overall IIJA program strategic plan, which, when completed, recommended conducting a
21 Benefit Cost Analysis (BCA) of the Homer Harbor Float Replacement Project and, if positive,
22 applying for Federal PIDP funds in support of the project; and
23
24     WHEREAS, City Council adopted Ordinance 23-12 appropriating Port and Harbor
25 Reserve funds for professional and technical assistance in support of securing nationally
26 competitive Federal IIJA funds to help replace float systems in Homer Small Boat Harbor that
27 are in critical and serious condition; and
28
29     WHEREAS, The three-month application period for the FY 2023 PIDP grant program
30 opened in late January 2023 with an application deadline of April 28, 2023; and
31
32     WHEREAS, HDR Engineering has expertise with transportation infrastructure project
33 analysis and developing Federal grant applications; and
34
35     WHEREAS, Administration requested a proposal from HDR Engineering for FY2023 PIDP
36 grant writing support.
37
38     NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska authorizes a
39 Task Order to HDR Engineering to assist the City with developing and writing a FY23 PIDP grant
40 for the Homer Harbor Float Replacement project for an amount not to exceed $63,070 and
41 authorizes the City Manager to negotiate and execute the appropriate documents.
42

43         PASSED AND ADOPTED by the Homer City Council on this 27th day of February, 2023.

44

45                                            CITY OF HOMER

46

47                                            _____

48                                            KEN CASTNER, MAYOR

49 ATTEST:

50

51 _____

52 RACHEL TUSSEY, CMC, ACTING CITY CLERK

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54 Fiscal Note: Ordinance 23-12

# TASK ORDER #<mark>22-01</mark>
## IIJA Grant Assistance

This Task Order pertains to an Agreement by and between the City of Homer, ("OWNER"), and HDR Engineering Inc., ("ENGINEER"), dated <mark>February ____</mark>, 2023, ("the AGREEMENT"). Engineer shall perform services on the project described below as provided herein and in the Agreement.

PART 1.0    PROJECT DESCRIPTION

> Conduct a benefit cost analysis (BCA) on Homer Harbor projects and manage production of and application for a fiscal year (FY) 2023 Port Infrastructure Development Program (PIDP) application.

PART 2.0    SCOPE OF SERVICES TO BE PERFORMED BY ENGINEER

## Subtask 1: BCA for One Grant Application

Certain USDOT and Federal Emergency Management Agency (FEMA) grants require a detailed BCA. HDR economists will compare discounted benefits against discounted costs, with the goal of achieving a benefit-cost ratio of 1.0 or higher, summarizing its cost-effectiveness with a BCR and an estimate of net benefit that would arise from it. This BCA will match the project package to grant criteria. HDR's local experts will advise on adjusting costs to account for Alaska's short construction season, high mobilization costs, and other Alaska-specific factors.

### 1.1: BCA

Generally, HDR proposes a five-step process for this economic analysis:

**STEP 1: DEFINE BASELINE AND ALTERNATIVE SCENARIOS**
BCA guidance for many grants require that project benefits be estimated relative to a no-build scenario that factors in fewer capital-intensive improvements than the project being considered. Under this step, HDR will work with the City to clarify the baseline condition and the small number of possible alternatives for consideration.

**STEP 2: IDENTIFY PUBLIC BENEFIT CATEGORIES**
This step formalizes the public benefit categories to be evaluated. Public benefit categories will be mapped to long-term outcomes that relate directly to the grant scoring criteria.

Included in this step is a strategy session led by HDR, during which the various components of the project will be discussed to fully define which elements should be included in the project scope to maximize the probability of a grant award.

**STEP 3: DEVELOP AND CODE BENEFIT-COST MODEL LOGIC**
For each of the benefit categories identified in Step 1 above, HDR will develop logic models that represent the methodology used to monetize each project benefit. The logic model will be populated with

the most up-to-date information available. HDR will collect model inputs from a variety of sources, including the federal guidance and other project documentation.

**STEP 4: PRODUCE BENEFIT-COST RESULTS, TEST SENSITIVITY OF RESULTS AGAINST KEY VARIABLES**
In this step, HDR will flag key variables for testing, re-run the model, and generate results based on key material events (e.g., delay in implementation, significantly lower than anticipated traffic volumes, or changes in project costs).

**STEP 5: ISSUE RESULTS**
In this step, HDR will draft materials for inclusion in the grant application and in support of the findings described in the economics section of the application. Typically, a short document is drafted with key sections for input directly into the application document, and a second short appendix is drafted that can be posted online and referenced in the text of the document. The appendix describes the evaluation approach, describes the data and assumptions used, and presents the results of the sensitivity analysis conducted.

**DELIVERABLES**
- BCA demonstrating positive public economic outcomes
- BCA narrative and technical appendix
- Recommendation on next steps based on BCA results

## 1.2: Project Management
HDR will host a brief, BCA-focused meeting to discuss projects under review, available data, BCA approach, process of BCA evaluation, and workplan and schedule. This schedule will be used to monitor progress, identify critical path items, meet client deadlines, and document issues and concerns as they arise.

**DELIVERABLES**
- BCA kickoff meeting
- Brief meetings once weekly to coordinate on project progress
- Notes and action items from calls/meetings
- File management and online collaboration
- Monthly invoices and progress reports
- QA/QC

# Subtask 2: PIDP Application

Provided the BCA supports application for PIDP funds, this scope describes HDR's approach to preparing a PIDP Planning Grant application to the FY 2023 funding opportunity.

We propose to coordinate and lead The City's PIDP application development process while working closely with City staff to agree on key strategic decisions. At least three rounds of review will confirm that the application captures the essence of The City's needs, plans, and expected impacts, and aligns with federal grant program priorities.

HDR's approach to grant writing can be summarized as follows:

## 2.1 Kick-Off Meeting, Grant Program Requirement Checklist, and Application Management

Working closely with The City's staff, HDR will discuss project selection and develop a unique work plan and schedule to address the specific application requirements, including grants.gov sign-up and all supporting documentation, data, and analyses. This schedule will be used to monitor progress, identify critical path items, meet client deadlines, and document issues and concerns as they arise.

HDR will hold a kickoff meeting to:
- Discuss project definition
- Address project benefits, drawbacks, and relevant documents; identify needed documentation and data; and potential for alignment with the program's merit criteria
- Confirm the approach to matching funds
- Prepare a project timeline and determine potential weaknesses in terms of administration federal discretionary grant funds and project definition; discuss these with a goal of identifying any actions that can be undertaken quickly to address potential reviewer concerns
- Begin developing the "story" or theme of the project to help it make a strong and memorable impact on reviewers; discuss how the project aligns with the grant program's criteria
- Develop a schedule for grant application; discuss the need to obtain letters of support; identify any actions that The City must quickly undertake to mitigate potential reviewer concerns

**DELIVERABLES**
- Grant application kick-off meeting
- Grant application work plan
- Brief meetings twice weekly to coordinate on grant progress
- Oversight and coordination of tasks required to complete high quality grant application
- Assistance preparing for grants.gov submission

## 2.2 Project Definition

HDR will work with City staff to define the project scope, timeline, budget, deliverables, and work plan to meet grant merit criteria.

This work will build off work performed in Subtask 1 and include a virtual work session with City staff as well as evaluation of existing project development documents.

Discussion will also include strategic recommendations from HDR for consideration by City staff related to applicable project development activities and match.

**DELIVERABLES**
- Work session
- Project scope, schedule, budget, and workplan for use in the application

## 2.3 Grant Application Narrative

HDR will develop an outline that summarizes each required section of the application, key themes for the project relative to that section, and excerpts from the NOFO to ensure that the narrative persuasively covers key grant scoring criteria. Our grant writing team will produce the narrative and supporting data analyses and guide The City in gathering relevant project documentation.

Concurrently, HDR's graphic designer will develop an application template that includes an attractive visual theme and will work with The City to develop appropriate maps, graphics, and photos that will create a lasting impression with design, images, and color.

Our team will deliver a draft version of the Application Narrative in MS Word for review and a final version of the Application Narrative in PDF for submission, including the Work Plan appendix and letters of support. We will work with The City to prepare for final submission at least a day before the application deadline, when City staff will upload the documents onto the grants.gov web portal.

**DELIVERABLES**
- Draft and final versions of a clear, concise, and complete narrative that answers all grant evaluation metrics
- Draft and final layout templates
- Up to 7 maps and graphics to support the narrative

## 2.4 Stakeholder and Legislative Outreach and Support
HDR will also support The City in outreach to key stakeholders and legislators to garner and document strong, specific support for the selected project. HDR will identify key stakeholders and assist The City in drafting support letters from the Congressional Delegation, state legislators, the Governor, and/or other stakeholders as requested.

**DELIVERABLES**
- List of key stakeholders
- Template letter of support with separate letters customized for each supporting entity

## 2.5 Post-Application Debrief
HDR will support The City in reaching out to the grant agency for an application debrief to garner lessons learned from the funder's project review.

**DELIVERABLES**
- Attendance at debrief meeting and a summary of lessons learned

## PART 3.0    OWNER'S RESPONSIBILITIES

Owner shall provide:

1) Financial documentation
2) Project information and data
3) Liaison staff
4) PIDP application certification and submission

## PART 4.0    DELIVERABLES AND SCHEDULE

Deliverables are detailed in subtasks above.

In HDR's experience, it typically takes between 400 and 500 hours to produce a competitive grant application and BCA.

HDR will perform the BCA (subtask 1) and most application (subtask 2) activities between February XX, 2023 and the PIDP grant submission deadline of April 28, 2023. This task order will conclude after the application debrief, which is anticipated by November 30, 2023.

PART 4.0    PAYMENTS TO ENGINEER

Fee will be based on a not to exceed T&M contract price of $ _____.

This Task Order is executed this _____ rd day of February, 2023.

**City of Homer**                                    **HDR Engineering, Inc.**
"OWNER"                                                "ENGINEER"

By:  Rob Dumouchel                          By:  Matthew Stone, PE



Signature: _____      Signature:_____
Title:       City Manager                      Title:       Alaska Area Manager/Vice President