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Request for Approval for the Proposition 1 Grant Program Project Amendment Process

Staff Report

REQUEST FOR APPROVAL

Staff recommends that the Board approve the amendment process described below for use in the Proposition 1 Ecosystem and Water Quality Grant Program.

AMENDMENTS BACKGROUND

Delta Conservancy staff is now in the process of executing its first round of grant agreements. To prepare for requests from grantees to amend their grant agreements, staff would like to formalize a grant agreement amendment process for three factors:

- Extending the term of grant agreement,
- Changing the scope of work, and/or
- Changing the budget.

As proposed, requests for changes to one or more of these factors would follow the process outlined below for all of the factors for which an amendment is being requested. To the extent possible, as time allows and within the process described below, amendment requests for changes to scope and budget will be presented to the Board for consideration before execution. Staff will provide the Board with information about all amendments to active grants. A template for presenting amendment requests to the Board is included at the end of this report.

The proposed amendment process outlined below describes how to amend grants for the three factors discussed above. In drafting the process, staff consulted other Proposition 1 Chapter 6 granting agencies regarding their Prop 1 amendment processes; the proposed process is based most closely on the processes followed by the California Department of Fish and Wildlife and the Sierra Nevada Conservancy.

Grantees will be required to submit all amendment requests to the Conservancy in writing. The Grant Project Manager, Proposition 1 Program Manager, Proposition 1 Grant Manager, and Executive Officer will review all amendment requests. For requests to extend the term of grant agreement, staff recommends that amendment decisions be made at the staff level. Staff will continue to track the timeframe for spending encumbered funds and will not extend a grant term beyond allowable timeframes. For scope of work changes that do not significantly alter the project's intent, deliverable, and/or outputs and outcomes, staff recommends that amendment decisions be made at the staff level. To maintain the integrity of the Delta Conservancy's competitive grant program, requests for significant changes to the scope of work will not be considered. For changes to budget, the terms of the grant agreement state "changes to the line-item budget within a specific task may be made

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without formal amendment (not to exceed 10% and no more than \$5,000 of line item(s) to be reduced or increased).” Outside of these line item budget adjustments, and when exceptional unanticipated circumstances warrant, staff recommends that amendment approvals be made at the staff level –by the Executive Officer – for any budget increase that is 10 percent or less of the total budget, not to exceed \$50,000 or the maximum solicitation amount as stated in the Grant Guidelines. Requests for budget amendments that exceed this limit will be presented to the Board for review.

Grant Agreement Amendment Process

Changes to one or more of the factors (term, scope, and/or budget) will be required to follow the process outlined below.

- 1) **Request.** Grantee submits formal, justified amendment request in writing to Project Manager.
- 2) **Review.** Amendment request is reviewed and approved or denied by Grant Project Manager, Proposition 1 Program Manager, Proposition 1 Grant Manager, and Executive Officer using the attached routing sheet.
- 3) **Approval.**
 - a) The Board will consider approval on the consent calendar for:
 - i) budget amendments that exceed 10 percent of the total budget or \$50,000, or any budget amendments that are not time sensitive; and
 - ii) any amendments to scope that are not time sensitive.
 - b) Staff will determine approval for:
 - i) time sensitive budget amendments that are 10 percent or less of the total budget, not to exceed \$50,000;
 - ii) time sensitive amendments to scope; and
 - iii) all amendments to grant term.
- 4) **Execution.** Upon receiving appropriate authorizations, Proposition 1 Grant Manager will draft and route amendment agreement for execution.
- 5) **Reporting.** Once executed, the amendment will be presented at the succeeding Board meeting.

BACKGROUND

The Delta Conservancy’s Proposition 1 (Prop. 1) Ecosystem Restoration and Water Quality Grant Program is focused on restoring Delta ecosystems, improving water quality, and enhancing agricultural sustainability. The Grant Program identifies projects to protect and restore California rivers, lakes, streams, and watersheds that may be paid for with Prop. 1 funding (Sec. 79732 *et seq*). Both Prop. 1 and the Delta Conservancy’s enabling legislation emphasize focusing on projects that use public lands and that maximize “voluntary landowner participation in projects that provide measurable and long-lasting habitat or species improvements in the Delta.”

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During the 2015-2016 fiscal year, the Delta Conservancy ran its first grant cycle for the Prop. 1 Grant Program. The Delta Conservancy anticipates administering at least one grant cycle each fiscal year for five years. The Grant Program is a two-part competitive program, with a concept proposal solicitation open to the public, and a full proposal solicitation open to qualifying concept proposal applicants. Full proposals are subject to a rigorous scoring and evaluation process by both staff and an external review panel, and are recommended based upon score and funding availability.

BUDGET

Proposition 1 identified \$50 million for the Delta Conservancy “for competitive grants for multibenefit ecosystem and watershed protection and restoration projects in accordance with statewide priorities (Sec. 79730 and 79731).” For the 2015-2016 fiscal year, \$9.3 million was allocated to the Delta Conservancy for the Ecosystem Restoration and Water Quality grant program. For the 2016-2017 fiscal year, \$9.3 million will be available for the grant program.

Contact Person

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**Prop 1 Grant Program
Amendment Request for Board Review**

Project Title			
Applicant			
Project Number		Category	
Award Year		Original Award Amount	\$
County		Amended Request Amount	\$
Amendment Request	<input type="checkbox"/> Term	<input type="checkbox"/> Scope	<input type="checkbox"/> Budget

Recommendation to the Board

Summarize staff recommendation to the Board.

Amendment Description and Basis of Recommendation

Describe the proposed amendment and any important considerations.

- *Type of amendment (term, scope, budget)*
- *The authority of the Conservancy to make this amendment*
 - *Is the extended term reasonable given encumbrances on the funding source?*
 - *Is the new scope similar to the original scope and intent of the project?*
 - *Will a budgetary increase put the project over the funding cap for the grant cycle through which it was originally proposed?*
- *How the proposed amendment impacts the project as it was originally proposed to the Conservancy*
- *How the proposed amendment impacts the grant program (e.g., capacity needs, impact to funding resources, progress toward performance measures)*
- *Summary of comments expressed during routing*
- *The risk of executing versus the risk of not executing the agreement*
- *Justification for recommended action*

- Amendment routing sheet attached
- Amendment justification attached

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Amendment Routing Sheet

Project Title			
Applicant			
Project Number		Category	
Award Year		Original Award Amount	\$
County		Amended Request Amount	\$
Amendment Request	<input type="checkbox"/> Term	<input type="checkbox"/> Scope	<input type="checkbox"/> Budget

I. Amendment Request

Formal, justified amendment request from grantee attached
Date Received:

II. Review by Project Manager

Project Manager Name:
Date Reviewed:

Comments:

Note how this request will impact the delivery of the project as it was originally proposed, whether the amendment would significantly alter the project's intent, deliverables or output/outcomes, and any concerns about the grantees' performance to date.

Recommendation and Justification:

Recommend a course of action and justify your recommendation.

Approved Approved with modifications Not approved

III. Review by Program Manager

Program Manager Name:
Date Reviewed:

Comments and Recommendations:

Note how this request will impact the delivery of the grant program, including capacity demands, funding concerns, or progress toward programmatic performance measures, whether a funding increase will put the project over the funding cap for the grant cycle through which it was originally funded, and whether the amendment would significantly alter the project's intent, deliverables or output/outcomes.

Recommendation and Justification:

Recommend a course of action and justify your recommendation.

Approved Approved with modifications Not approved

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IV. Review by Grant Manager

Grant Manager Name:
Date Reviewed:

Comments and Recommendations:

Note if the Conservancy has the authority to enter into this amendment: Is the extended term reasonable given encumbrances on the funding source? Does the Conservancy have the funding to accommodate the request? Will the Conservancy have the capacity to manage the grant if the term is being extended?

Recommendation and Justification:

Recommend a course of action and justify your recommendation.

Approved Approved with modifications Not approved

V. Review by Executive Officer

Executive Officer Name:
Date Reviewed:

Comments and Recommendations:

Note the legal, financial, reputational, and ecological risk of executing versus the risk of not executing the amendment.

Recommendation and Justification:

Recommend a course of action and justify your recommendation.

Approved Approved with modifications Not approved