



Pennsylvania
Office of the Budget

Unlocking Redevelopment Opportunities: A Practical Guide to the Redevelopment Assistance Capital Program (RACP) for Brownfield Projects

Session 4C

Nina Gabbidon, Tetra Tech
George Leach, PA Office of the Budget
Ryan Nornhold, PA Office of the Budget

I. Introductions



NINA GABBIDON

Program Manager

Tetra Tech

nina.gabbidon@tetratech.com



RYAN NORNHOLD

Senior Grant Analyst

Office of the Budget

rnornhold@pa.gov



GEORGE LEACH

Senior Grant Analyst

Office of the Budget

geleach@pa.gov

II. Program Description & RACP Basics

What is the Redevelopment Assistance Capital Program (RACP)?

A grant program administered by the Office of the Budget for the acquisition and construction of regional **economic, cultural, civic, recreational,** and **historical** improvement projects.

Projects have a regional or multi-jurisdictional impact and generate substantial increases or maintain current levels of **employment, tax revenues, or other measures of economic activity.**



Over the years, RACP grant awards went to an array of projects, such as:

- ✓ Brownfields
- ✓ Hospitals, Medical Centers, Rehabilitation Centers, Shelters, Senior Centers, etc.
- ✓ Educational Institutions
- ✓ YMCA & YWCA
- ✓ Museums, Theaters, and Studios of the Arts
- ✓ Office/Commercial Development
- ✓ Multi-purpose facilities and Convention Centers
- ✓ Parks, Stadiums, Arenas, Athletic Fields, etc.
- ✓ Business and Industrial Parks
- ✓ Green-space
- ✓ **Many many more!!!**

What is the Redevelopment Assistance Capital Program (RACP)?

To be eligible for a RACP grant, the project must...

- Be authorized in a Capital Budget Project Itemization Act
- Be at least \$1 Million in total eligible project costs
- At least 50% of the RACP total project cost to be paid by non-state funding sources.
- At least 50% of RACP eligible match expenses.
- Must not be a completed project at the time of the e-RACP Application submission process.
- Cannot be located in & eligible for benefits of a City Revitalization and Improvement Zone (CRIZ).

What is the Redevelopment Assistance Capital Program (RACP)?

Additionally, HOUSING PROJECTS may be eligible for RACP funds as long as they...

- Support and generate economic activity
- Are NOT the only focus of the project
- Are part of a COMMUNITY REVITALIZATION PLAN



See Act 77 of 2013 for authorization of these project.

How to Apply for a RACP Grant



Funding Rounds are opened to receive e-Applications at the Governor's discretion.

We utilize the Commonwealth's Electronic Single Application (ESA) for the submission of e-Applications. A \$500 fee is collected at submission via Credit Card.

Needed items to submit an e-Application:

- Keystone Log In
- Project Description
- Eligible itemization
- Completed RDA forms(budget)
- Signed Statement of Compliance
- Signed Worker Protection Form
- Community or Legislative Letters of Support (optional)

Step by step instructions are on the RACP website.

What Will RACP Reimburse?

- Construction
- Interest During Construction
- Permits
- Equipment
- Land Acquisition

Combined acquisition (land/property) AND equipment cannot exceed 30% of the awarded RACP grant

Key Players In Your Process

Office of the Budget – administers the RACP Grant Program

Sub-Grantee/Grant Recipient – end receiver of the grant dollars. Can be a Grantee but can also be a Sub-Grantee

Grantee – eligible entity contracted with the Commonwealth for the RACP process

RACP State Assigned Consultant – collects documentation, monitors project activities, and reports on compliance

III. Project Examples

Bellwether SPRING

Philadelphia County



The Bellwether District's 1,300-acre industrial campus will host e-commerce, logistics, life-science, and innovation leaders, delivering flexible, high-performance space in a strategically connected location. RACP funds were used for earthwork and remediation.

P&LE McKees Rocks Brownfield Site

Allegheny County



The site was previously a railroad maintenance and repair complex. RACP funds were used for the first phase of a multiphase project consisting of stormwater drainage systems, demolition, clearing, and grubbing.

Damascus-Bishop Brownfield

Mercer County



This project consists of two phases: Phase 1 will focus on demolition and remediation activities at the former industrial plant. Phase 2 will involve constructing two industrial buildings on the former metals scrapyards site.

Redevelopment of the IAC Brownfield Site

Cumberland County



The site was previously an automotive carpet manufacturing facility. RACP funds were used for phase three of the site's overall redevelopment, which included grading, utility infrastructure, and stormwater conveyance piping.

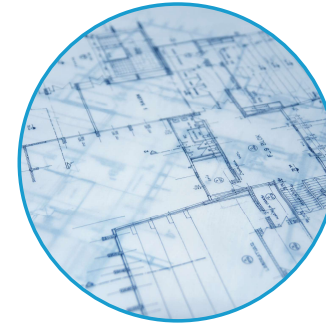
IV. RACP Phases & Compliance Requirements

Two Phases of RACP



1. Pre Grant Agreement

Project Management Proposal
(PMP) Review and Scope
Development



2. Post Grant Agreement

Construction Monitoring
Review and Payment
Processing





1. Pre Grant Agreement

PMP Review

Consultant for the Office of the Budget works with project representatives to review all areas of the submitted RACP PMP and include additional information for project scope development.

Key Milestones:

- PMP Review Entrance Meeting
- Scope Approval from Office of the Budget
- PMP Review Exit Meeting
- Drafting of Grant Agreement



2. Post Grant Agreement

Construction Monitoring Review

Periodic project status meetings with Office of the Budget, consultant, and project representatives. Review of Grant Special Conditions, compliance items, and project invoices.

Key Milestones:

- Construction Monitoring Meetings
- Compliance Review
- Special Condition Satisfaction
- Reimbursement

Two
Phases
of
RACP

RACP COMPLIANCE



Program compliance requirements include, but are not limited to, the following:

- Bidding – solicitation of a minimum of 3 written bids
- Steel Products Procurement Act
- Pennsylvania Prevailing Wage Act
- Trade Practices Act
- Insurance (Worker's Compensation, General Liability, Property Damage, Flood, etc.)
- Americans with Disabilities Act
- Public Works Contractors' Bond Law (Performance and Payment Bonds)
- Fidelity Bonds
- Article 8 (Restrictions on Government Entities Selling RACP Projects)

RACP Handbooks & Forms



Pennsylvania
Office of the Budget

Pre-Award, Post-Award, and other RACP Program forms and documents.

Office of the Budget

- About the Office of the Budget >
- Contact the Office of the Budget >
- Programs and Services >
 - For People Doing Business with the Commonwealth >
 - For Vendors
 - For Customers
 - For Grantees and Subrecipients
 - For Borrowers
 - For Commonwealth Agencies & Employees >
- Publications and Reports >
- Resources >
- Newsroom
- Budget Search

Pre-Award Items

- [e-RACP Online Application](#) [↗](#) (KEYSTONE LOGIN)
- [e-Application Instructions](#) (PDF)
- [RDA-300, RDA-301, and RDA-302 Forms](#) (XLSX)
- [Statement of Compliance Acknowledgement Template](#) (DOCX)
- [Pre-award Flowchart](#) (PDF)

Post-Award and Reimbursement Items

- [Grantee Selection and Partner Portal Assignment Worksheet](#) (DOCX)
- [Partner Portal User Guide](#) (PDF)
- [Project Management Proposal Handbook](#) (PDF)
- [Project Management Proposal Template](#) (DOCX)
- [RDA-300, RDA-301, and RDA-302 Forms](#) (XLSX)
- [Cash Flow Schedule with Example](#) (XLSX)
- [Reimbursement Handbook](#) (PDF)
- [Payment Request \(PR\) Forms](#) (XLSX)

RACP

- [RACP Presentations](#)
- [Visit e-RACP Application Search](#)
- [Handbooks & Forms](#)
- [Past & Present RACP Grantee List](#)
- [Submissions, Awards, & Itemizations](#)
- [Frequently Asked Questions](#) (PDF)
- [Program Guidelines](#) (PDF)
- [Key Compliance Guidelines](#) (PDF)

Contact Us by Mail:

Redevelopment Assistance Capital Program
Office of the Budget
Bureau of Redevelopment, Capital, and Debt
555 Walnut Street | 9th Floor
Harrisburg, PA 17101-1921

[email RACP Administrator](#) [↗](#)

NOTE: Requests for information in accordance

RACP Website Handbooks & Forms

KEY COMPLIANCE GUIDELINES

It is suggested that a copy of this complete document be given to your Project, Construction Manager, and/or Architect so that they are fully aware of the RACP requirements related to each. This document should be included in your bid packages and should be made an addendum to any and all construction contracts, plans and specifications related to the RACP project.

Compliance with all RACP requirements, including the key items in these guidelines will be monitored frequently throughout the construction phase of your project and will be reviewed once more during the legislatively mandated close-out audit.

COMPETITIVE BIDDING REQUIREMENTS

The sole and exclusive bidding requirement for RACP projects is in the Capital Facilities Debt Enabling Act (Act 67 of 2004), which states "Notwithstanding any other provision of law, the solicitation of a minimum of three written bids for all contracted construction work on redevelopment assistance capital projects shall be the sole requirement for the composition, solicitation, opening and award of bids on such projects." Unless the terms of the law change, the Office of the Budget cannot grant waivers for bidding requirements to Grantees.

RACP projects are not subject to separation of trades. You are REQUIRED to solicit a minimum of three (3) bids for "all generally contracted work" being performed within the RACP defined scope of work. You are not required to receive three (3) bid responses. However, you should provide documentation to prove that at least three bids were solicited by providing copies of the solicitation letters (preferably on letterhead of the bidding entity) used in the bidding process. You are not required to select the lowest bidder, but if you do not, you will have to provide a brief written justification for your selection. Note: there is NO threshold level under the RACP program regardless of the size or dollar amount associated with the work to be performed. You need to show that you solicited a minimum of three (3) bids for any contract to be eligible for RACP.

Bidding is acceptable at either the general contractor level (described in option a. below) or at the sub-contractor level (described in option b. below):

- **General Contractor (GC) Level** - If you chose to bid at the GC level, please note that the bid should encompass the entire RACP scope of work to be performed including all associated construction work. The dollar amount bid on the project must include 100% of the work to be performed by the GC and the sub-contractors. Bidding at the GC level will require submission of bidding and construction related documents at the GC level only (see Sub-Contractor level below for a distinction)

RACP Key Compliance Guidelines

Competitive Bidding Requirements

MINIMUM 3 WRITTEN SOLICITATIONS

Notwithstanding any other provision of law, the solicitation of a minimum of three written bids for all contracted construction work on redevelopment assistance capital projects shall be the sole requirement for the composition, solicitation, opening, and award of bids on such projects.

Competitive Bidding Requirements

Unless the terms of the law change, the Office of the Budget cannot grant an exception to the bidding requirement.

- You are not required to receive three (3) bid responses. However, you will provide documentation to prove that at least three bids were solicited
- You are not required to select the lowest bidder, but if you do not, provide a brief written justification
- Bidding is acceptable at either the general contractor level or at the subcontractor level

Competitive Bidding Requirements

REMINDER: To be eligible for RACP, you must demonstrate that you solicited a minimum of three (3) written bids **BEFORE** you award the contract.

SUGGESTIONS:

- Stay organized!
- Make a matrix table to organize bid documentation
- If competitive bidding is completed at the subcontractor level, organize your files by trade



PA Prevailing Wage Act (PWA)

WHAT IS IT? PWA law was enacted in 1961 to protect construction workers by mandating that contractors pay the wages that "prevail" in each region on all government construction projects more than \$25,000

PA Prevailing Wage Act (PWA)

- Register your project with PA Department of Labor and Industry (L&I) for a wage determination
- L&I will issue the determination sheet that will list the prevailing wage rates relevant to your project
- The sheet will provide the necessary trade classifications for the project, along with their corresponding hourly wage and hourly fringe rates
- The wage determination should be obtained within 120 days of the award of construction contract(s)
- L&I can issue determinations after construction has begun.

PA Prevailing Wage Act (PWA)

REMINDER: Consultant samples the payroll documentation and compares the employee paid wages to the prevailing wage rate on the L&I determination.

SUGGESTIONS:

- Stay organized!
- Sample on your own
- Use the PA L&I Certified Payroll Certificate form



WEEKLY PAYROLL CERTIFICATION FOR PUBLIC WORKS PROJECTS

Contractor or Subcontractor (Please check one) **ALL INFORMATION MUST BE COMPLETED**

| | | | |
|-----------------------|-------------------------|-----------------------------|------------------|
| CONTRACTOR ADDRESS | | SUBCONTRACTOR ADDRESS | |
| PAYROLL NUMBER | WEEK ENDING DATE | PROJECT AND LOCATION | |
| | | PROJECT SERIAL # | PROJECT # |



| EMPLOYEE NAME | APPR. RATE (%) | WORK CLASSIFICATION | DAY AND DATE | | | | | | | S-TIME 0-TIME | BASE HOURLY RATE | TOTAL FRINGE BENEFITS (C=Cash) (FB=Contributions)* | TOTAL DEDUCTIONS | GROSS PAY FOR PREVAILING RATE JOB(S) | CHECK # | |
|---------------|----------------|---------------------|--------------|--|--|--|--|--|--|---------------|------------------|--|------------------|--------------------------------------|---------|--|
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LLC-25 REV 10-03 (Page 1) *SEE REVERSE SIDE PAGE NUMBER _____ OF _____

THE NOTARIZATION MUST BE COMPLETED ON FIRST AND LAST SUBMISSIONS ONLY. ALL OTHER INFORMATION MUST BE COMPLETED WEEKLY.

*FRINGE BENEFITS EXPLANATION (FB): Bona fide benefits contribution, except those required by Federal or State Law (unemployment tax, workers' compensation, income taxes, etc.)

- Please specify the type of benefits provided and contributions per hour:
- 1) Medical or hospital care _____
 - 2) Pension or retirement _____
 - 3) Life insurance _____
 - 4) Disability _____
 - 5) Vacation, holiday _____
 - 6) Other (please specify) _____

CERTIFIED STATEMENT OF COMPLIANCE

1. The undersigned, having executed a contract with _____ (AWARDING AGENCY, CONTRACTOR OR SUBCONTRACTOR) for the construction of the above-identified project, acknowledges that:
 - (a) The prevailing wage requirements and the predetermined rates are included in the aforesaid contract.
 - (b) Correction of any infractions of the aforesaid conditions is the contractor's or subcontractor's responsibility.
 - (c) It is the contractor's responsibility to include the Prevailing Wage requirements and the predetermined rates in any subcontract or lower tier subcontract for this project.
2. The undersigned certifies that:
 - (a) Neither he nor his firm, nor any firm, corporation or partnership in which he or his firm has an interest is debarred by the Secretary of Labor and Industry pursuant to Section 11(e) of the PA Prevailing Wage Act, Act of August 15, 1961, P.L. 987 as amended, 43 P.S. § 165-11(e).
 - (b) No part of this contract has been or will be subcontracted to any subcontractor if such subcontractor or any firm, corporation or partnership in which such subcontractor has an interest is debarred pursuant to the aforementioned statute.
3. The undersigned certifies that:
 - (a) the legal name and the business address of the contractor or subcontractor are: _____
 - (b) The undersigned is: a single proprietorship a corporation organized in the state of _____ a partnership other organization (describe) _____
 - (c) The name, title and address of the owner, partners or officers of the contractor/subcontractor are:

| NAME | TITLE | ADDRESS |
|------|-------|---------|
| | | |
| | | |
| | | |
| | | |

The willful falsification of any of the above statements may subject the contractor to civil or criminal prosecution, provided in the PA Prevailing Wage Act of August 15, 1961, P.L. 987, as amended, August 9, 1963, 43 P.S. § 165.1 through 165.17.

| | |
|--|----------------------|
| _____ (DATE) | _____ (SIGNATURE) |
| _____ SEAL | _____ (TITLE) |
| Taken, sworn and subscribed before me this _____ Day of _____ A.D., _____ | |

GUIDANCE ON STEEL CERTIFICATION

The following guidance is a clarification from the Office of the Budget (OB) regarding the requirements associated with the Pennsylvania Steel Products Procurement Act (SPPA) relative to the RACP program whose statutes are regulated under Act 1 of 1999, as amended. In the past, many grantees have inquired about specific cases and we were able to provide each individual project with specific directions. Additionally, we had only accepted the ST-4 form that the Department of General Services (DGS) had exclusively devised to address exceptions linked to the requirements of the SPPA in the handling of special cases or exceptions. Please note that cost consideration (or convenience) is not an acceptable justification that the ST-4 form can address. Filled out ST-4 forms premised on cost consideration will not be accepted by OB.

OB accepts two DGS ST forms (ST-2 and ST-3) with some caveats, providing that the forms are properly filled out. The ST-1 form is NOT a valid option and shall NOT be accepted by OB. It is not necessary for the ST-2, ST-3, and ST-4 forms to be notarized. Please, be advised that this guidance is specifically tailored to suit the published and programmatic needs of OB as the overseer of RACP program. This is not a commonwealth-wide policy. Any attempt to impose this guidance on other state agencies is strongly discouraged.

Please, be aware that the aforementioned ST forms are acceptable only in cases where non-structural steel needs to be addressed. The DGS ST forms do not replace the steel certification forms associated with structural steel. It remains the responsibility of the project representatives to provide documented evidence that a non-structural steel product is not domestically produced in sufficient quantities.

OB shall continue to require that steel mill certifications be submitted to demonstrate compliance with the steel requirements. Please, be further advised that OB DOES NOT need to approve the ST forms prior to the start of the construction period. The ST forms need to be submitted to demonstrate that compliance, when and where necessary, has been met. The ST forms exceptions are displayed below. Please submit questions to RA-OBRACP-Steel-Cost@pa.gov.

It is suggested that the certifications be collected at the time any steel for the project is purchased and delivered to ease the collection process.

Since 2013, OB has utilized the DGS Exempt Machinery and Equipment Steel Products listings as part of the RACP steel policy. DGS published a Statement of Policy - Steel Products Procurement in the Pennsylvania Bulletin Volume 43, Number 6 dated February 9, 2013 (See PA Bulletin #43, pages 85-86) that discussed their production of an annual list, based on their analysis of submitted ST-4 forms, which exempts certain steel products not produced domestically in sufficient quantity.

Steel Products Procurement Act

Trade Practices Act



Contractor's Insurance Requirements

Worker's Compensation Insurance

The project shall provide Worker's Compensation Insurance where required and shall accept full responsibility for the payment of premiums for Worker's Compensation Insurance and Social Security, as well as income tax withholding and any other taxes or payroll deductions required by law for its employees who are performing services related to the project.

General Liability & Property Damage Insurance

The project will provide and maintain comprehensive general liability and property damage insurance in the minimum amount of \$250,000.00 per person for injury and death in a single occurrence; \$1,000,000.00 per occurrence for injury or death of more than one (1) person in a single occurrence; and \$500,000.00 for a single occurrence of property damage.

Commonwealth Named

Commonwealth shall be listed as an additional insured.
Grantee may also request to be named.

Project Site Insurance Requirements

Flood Insurance

If the project is wholly or partially within a floodplain, proof of sufficient flood insurance coverage must be provided. In any case, a project is required to provide a copy of a floodplain map of the project area, with the project site being delineated thereon.

Grantee Fidelity Bonds

- Commonly known as "Employee Dishonesty Insurance."
- The minimum level of coverage should equal the average monthly RACP reimbursement amount based on the total grant amount.
- OB recommends a standard \$1M coverage amount for Grantees with multiple active grants.

Grantee Fidelity Bonds

Option 1

Coverage amount meets or exceeds the RACP grant amount.

Option 2

Coverage amount meets or exceeds the monthly project funding schedule contained in Appendix C of the RACP Grant Agreement.

Option 3

Coverage amount is the lesser of either \$1,000,000 or 20% of the RACP grant amount. For the 20% option, capped at \$1M, unless otherwise indicated in Grant Agreement.

Public Works Contractors' Bond Law

Commonly known as "Payment and Performance Bonds"

Payment Bond

100% of the contract amount.

- Protects the General Contractor (or subcontractor) in the prosecution of the work provided and shall be conditioned for the prompt payment of all such material furnished or labor supplied or performed in the prosecution of the work.

Performance Bond

100% of the contract amount.

- Conditioned upon the faithful performance of the contract in accordance with the plans, specifications, and conditions of the contract.
- Protects the entity contracting with the General Contractor (or subcontractor).

RACP COMPLIANCE



Program compliance requirements include, but are not limited to, the following:

- Bidding – solicitation of a minimum of 3 written bids
- Steel Products Procurement Act
- Pennsylvania Prevailing Wage Act
- Trade Practices Act
- Insurance (Worker’s Compensation, General Liability, Property Damage, Flood, etc.)
- Americans with Disabilities Act
- Public Works Contractors’ Bond Law (Performance and Payment Bonds)
- Fidelity Bonds
- Article 8 (Restrictions on Government Entities Selling RACP Projects)

Key Advice



The RACP grant process can be a long, but rewarding, process. Here is some advice to help along the way:

- Include Compliance Requirements in contract documents
- Review certified payroll reports routinely for compliance
- Maintain a file with all project related documents
- Secure adequate interim financing, as RACP reimbursements may take time
- Request a facilitation meeting once your project is starting construction (no fee, RACP comes to you)
- Use official project name AND ME number
- Always include all parties on emails, documents, etc.

V. Questions?

Thank you!

Contact Information:

RACP Resource Account: RA-OB-RACP@pa.gov

George Leach: geleach@pa.gov

Ryan Nornhold: rnornhold@pa.gov

Nina Gabbidon: nina.gabbidon@tetrattech.com