

# PARTNERSHIPS FOR REGIONAL ECONOMIC PERFORMANCE (PREP)

Program Guidelines | August 2018



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## Section I – General

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### A. Statement of Purpose

1. The Partnerships for Regional Economic Performance (PREP) Program is designed to encourage regional coordination of economic development efforts and superior customer service to the business community as part of a comprehensive, statewide economic development delivery strategy.
2. PREP will provide grants to regional networks of economic development service providers to maintain a coordinated and client-focused delivery system that ensures each inquiry or lead from a business or potential entrepreneur is referred to, and acted upon expeditiously by an appropriate service provider(s).

### B. Available Funding

1. The Fiscal Year 2018-19 Pennsylvania budget appropriates funds for the PREP program. DCED will provide details on regional allocations.

### C. Core Service Providers

1. The PREP program is designed to coordinate the delivery system historically served by the following core service providers:
  - a. Industrial Development Organizations (IDOs)
  - b. Local Development Districts (LDDs)
  - c. Small Business Development Centers (SBDCs)
2. The core service providers listed above are organizations which provide specialized economic development services throughout Pennsylvania. Under the program, these organizations will partner in established geographic PREP regions to set forth a comprehensive plan to: (1) inform existing businesses and potential entrepreneurs of the services offered by each regional organization and (2) provide documented referrals and integrated service delivery between and among the partner organizations.
3. At least one of each of the three core service providers must be included in a regional partnership, unless the region is not served by a Local Development District. In those instances, the two remaining organizations must be included in the partnership.
4. Regional partnerships will represent a consortium of service providers listed above, and are strongly urged to include any additional partners deemed pertinent to an integrated and comprehensive regional economic development network. DCED will approve only one consolidated application per region.
5. Each partnership will represent a region of multiple counties. A core service provider may be included in more than one work plan if its service delivery area covers more than one PREP region.



## D. Eligible Uses of Funds

1. Funding is provided to regional networks for the ultimate goal of serving current and potential businesses in good standing across the commonwealth. PREP networks will deliver a wide array of coordinated business development services designed to strengthen the capacity of businesses to compete in the global economy and to encourage the establishment of new businesses.
  - a. Eligible costs include reasonable salary and other personnel expenses, travel, administrative, equipment, supplies, audit and other expenses associated with the delivery of PREP services. Any employee charging time to this grant as salary and other personnel expenses must maintain adequate payroll records documenting such activities.
  - b. Eligible costs associated with service delivery integration may include strategic planning, coordinated marketing and outreach plans, shared services, administrative functions, information technology solutions, co-location expenses, impact studies, etc.
  - c. Funding may be utilized to sustain existing programs as well as to develop new and creative initiatives to meet the evolving needs of the business community. Services should include comprehensive technical assistance to key business sectors including manufacturers, retailers, distributors, tourism/hospitality, technology, healthcare, etc. Assistance should include, but not be limited to, market development and expansion; business financing; entrepreneurial development; business management; economic development marketing; workforce assistance; real estate development and site selection; broadband assistance; plus local and regional economic development projects.
  - d. Funds may be awarded to support programs and training offered by the PA Economic Development Association (PEDA) that directly assist the PREP network. An application may be submitted to DCED for consideration.
2. In addition to continued delivery of services to the business community, PREP activities should continue to emphasize development of the regional network infrastructure and the necessary planning work to continuously improve a fully integrated system.
3. PREP funds may be utilized to support business retention and expansion activities associated with PA's emerging Engage! initiative or efforts to promote and expand products made in PA.
4. The regional PREP network, with approval from DCED, will designate a representative to serve as the regional PREP Coordinator. Regions may allocate an amount not to exceed \$45,000 for PREP Coordinator activities. List the amount of funding allocated for coordination duties in the application. Following are the expectations and roles of the PREP coordinator:
  - Be a regional advocate and supporter of the commonwealth's PREP and Engage! initiatives.
  - Coordinate the submission of the annual PREP work plan and budget.
  - Maintain communications with all regional PREP partners (funded and non-funded) and promptly transmit pertinent information provided by DCED or other sources.
  - Facilitate a minimum of quarterly PREP meetings to keep partners informed of regional activities and for practical information sharing.
  - Oversee the proper implementation and utilization of the PREP Customer Relationship Management (CRM) system – ExecutivePulse. This may include coordination with an assigned PREP CRM coordinator.
  - Develop and manage sub-contracts with PREP partners.

- Manage PREP funds and process invoices from PREP partners.
  - Coordinate special activities/events as requested by DCED.
  - Coordinate the regional impact collection and reporting as requested by DCED.
  - Provide assistance to DCED as requested to promote and market the region in cooperation with the entire PREP network.
  - Actively communicate with DCED regional offices on key network initiatives and activities.
  - Coordinate as necessary with the Next Generation Sector Partnerships supported by DCED and the PA Department of Labor and Industry.
  - Demonstrate that they are associated with an organization that clearly exemplifies both an historical and current willingness to promote regional economic development.
5. Each region shall utilize the standard regional PREP designations (ex: Southern Alleghenies PREP Network) developed by DCED and found at: [dced.pa.gov/prep](http://dced.pa.gov/prep). This will be the primary branding and marketing nomenclature utilized by DCED to promote PREP within and outside of Pennsylvania. DCED will provide each region with ongoing PREP marketing resources (logos, graphics, templates, tag lines, etc.) as our marketing efforts change and evolve. Each PREP region will prominently feature the DCED PREP branding in all pertinent publications, web sites, workshop notices, etc. Regions that have developed ancillary regional brands will ensure that they are complimentary to, and coordinated with, the DCED regional PREP marketing efforts.

## **E. Regional Distribution of Funds**

DCED does not prescribe or mandate a regional PREP funding formula. When developing regional work plans and budget requests, PREP networks should take into consideration:

- a. Client needs and regional priorities
- b. Partner funding needs
- c. Partner program impacts
- d. Previous regional PREP funding levels
- e. Number of regional PREP networks (10)
- f. Unexpended rollover funds from previous year(s)
- g. Availability of matching funds for federally-supported partners
- h. Availability of other public and private resources

The PREP program encourages and supports a process that fosters innovation and investment in our primary job creators – the businesses across Pennsylvania that leverage the valuable assistance and resources available through the PREP partners. To that end, DCED seeks to support our base of economic development partners, and incentivize the creation and implementation of innovative services. Regional networks should consider both base funding needs and network innovation during the budgeting process.

## F. Leveraged Funds

1. PREP work plans should demonstrate the availability and utilization of any additional local, state and federal funds incorporated into the delivery of PREP-related activities. This may include awarded or requested federal funds from the U.S. Small Business Administration, Appalachian Regional Commission, U.S. Department of Commerce, or any other public/private funding source(s). Grants not pertaining to PREP network activities do not need to be included. PREP does not require matching funds and anticipated funds that do not materialize or are subsequently withdrawn or reduced will not impact contract compliance.
2. PREP work plans that demonstrate significant additional public/private leveraged funds and resources are strongly encouraged. To the extent possible, PREP funds should be maximized to leverage additional public and private resources for the purpose of expanding and strengthening the regional partnerships. These are not required matching funds nor subject to DCED compliance and monitoring.

## G. Program Requirements

1. **Nondiscrimination**  
No assistance shall be awarded to an applicant under this program unless the applicant certifies that the applicant shall not discriminate against any employee or against any person seeking employment by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act, which prohibits discrimination on the basis of race, color, religious creed, ancestry, age, sex, national origin, handicap or disability, or in violation of any applicable federal laws. All contracts for work to be paid with grant funds must contain the commonwealth's official nondiscrimination clause.
2. **Conflict of Interest Provision**  
An officer, director, or employee of an applicant who is a party to or has a private interest in a project shall disclose the nature and extent of the interest to the governing body of the applicant, and may not vote on action of the applicant concerning the project, nor participate in the deliberations of the applicant concerning the project.
3. **Project Records**  
The applicant must maintain full and accurate records with respect to the project and must ensure adequate control over related parties in the project. The program office requires access to such records, as well as the ability to inspect all work, invoices, materials, and other relevant records at reasonable times and places. Upon request of the program office, the applicant must furnish all data, reports, contracts, documents, and other information relevant to the project.
4. **Pennsylvania Prevailing Wage Act**  
The Pennsylvania Prevailing Wage Act (43 P.S. §165-1 et. seq.) may be applicable to a project funded under this program. Prevailing Wage requirements are generally applicable to grants for construction, reconstruction, demolition, alterations, repair work, renovations, build-out and installation of machinery and equipment in excess of \$25,000. If applicable, the applicant is responsible for including prevailing wage rates in all bid documents, specifications, and construction contracts pertaining to the project funded under this program. The Department of Labor and Industry (L & I) has final authority to make prevailing wage applicability determinations. Questions may be directed to (717) 787-3681.

## H. Grant Limitations

1. The PREP work plan must cover a one-year period of performance.
2. PREP funds may not be used to procure lobbying services or pay fines or reparations resulting from lawsuits, citations, or regulatory actions.
3. Atypical fringe benefits (ex. gym and warehouse memberships) are ineligible expenses. All fringe benefit categories must be detailed in the budget notes, i.e. health/life insurance benefits, paid leave, retirement plans, etc.
4. PREP funds may not be used for legal costs associated with loan closings or bid protests.
5. Funds allocated for memberships, dues, conferences and subscriptions must reflect a direct connection to PREP services or professional development and should be detailed in the budget narrative. Requests for approval or reimbursement of costs associated with resources not directly benefitting PREP clients or staff will be disallowed.
6. ExecutivePulse is the only client management system eligible to be supported with PREP funding.
7. The only eligible audit expenses are for the PREP program audit.

## I. Impact Measures

Each work plan will forecast, track and report the following minimum program metrics which will also be recorded in the PREP CRM system. Program metrics are those items that reflect the work elements undertaken by program partners (outputs) designed to yield broader economic development impacts (outcomes). Work plans should address the program and process metrics used to measure the success of each regional partnership.

**Program Metrics** – The work plan should project the program measures tracked by the network. Each network will project those impact measures that will quantify the results of the network's collective efforts to integrate the delivery of services. Minimum program metrics are listed below:

### 1. Outputs

- Training workshops
- Workshop attendees
- New clients
- Clients counseled
- Counseling sessions
- Loans closed
- Economic development projects

### 2. Outcomes

- Increased sales
- Jobs created
- Jobs retained
- Private financing secured
- Public financing secured
- Business start-ups
- Client cost savings

*Special note: Networks may forecast, track and report other regional program metrics as deemed appropriate. Please include these in the work plan.*

## J. Evaluation Criteria

DCED will evaluate all work plans in accordance with the following criteria:

1. Does the work plan focus on the priority services needed, available and requested by the business community?
2. Is the toolbox of services inclusive of all core service providers along with complimentary activities and programs delivered by other local, regional or statewide organizations? Please include a listing of all active (funded and non-funded) PREP partners.
3. Does the plan demonstrate a commitment to the required utilization of the PREP CRM system (ExecutivePulse) by each partner for purposes of recording client counseling, partner referrals and impact collection and reporting?
4. Does the program work plan and budget reflect base services, regional priorities and focus on direct client assistance?
5. Is the project budget clearly and accurately aligned with program implementation?
6. Does the work plan demonstrate a prudent use of public funds?
7. Does the work plan clearly demonstrate commitment to the highest standard of customer service and excellence?
8. Does the work plan reflect an effort to address regional opportunities and needs?
9. Do the services offered, and impacts forecasted, demonstrate a significant effort to help clients sustain and create jobs?

## K. Application Procedures

Each regional network will submit one hard copy and one electronic version of the comprehensive work plan and budget describing the activities to be accomplished in FY2018-19. Each partner proposed to receive direct funding from DCED should submit an Electronic Single Application. Work plans should, at a minimum, include the following format and information:

### Section I

List each of the partnering organizations designated to receive PREP funding in this plan. Include the primary point of contact for each participating partner receiving funds and acknowledgement of each point of contact agreeing to all elements contained in the work plan. Describe whether a single organization is acting on behalf of the partnership for contracting purposes or whether a request is being made for DCED to administer separate partner contracts. DCED strongly urges consolidation of contracts where possible as a demonstration of responsible cooperation and coordination.

### Section II

Provide a detailed work plan that addresses the following elements:

1. Summarize services available to new and existing businesses and entrepreneurs. This description should include a direct reference to the primary partner responsible for delivering the service(s).
2. Detail the partnership's efforts to make new and existing businesses aware of all available services.
3. Discuss the process by which the regional partnership evaluates the menu of services available to meet the needs of the partnership's client base.



4. Discuss the capacity of each partnering organization to effectively deliver the service for which they are responsible.
5. Describe the network's process to ensure that all partners have been trained in the use of the PREP CRM system and ensure that all appropriate client activity and impact recording is being documented.
6. Summarize the process for client entrance and referrals, new client identification, and client needs assessments.
7. Discuss the procedures and policies related to the following process activities:
  - a. Client referrals among partners
  - b. Joint client counseling sessions
  - c. Client satisfaction
  - d. Involvement and integration of other participating PREP partners.

### **Section III**

Provide a detailed partnership budget that clearly demonstrates the integration of the partnership as a whole, and also details the individual allocation to network partners. Special attention will be given to reviewing the level of resources dedicated to direct client services versus partnership administration. Each budgetary category must be clearly defined in the work plan narrative. All key personnel supported by PREP funds must be identified by name, annual salary, title, and percentage of time dedicated to PREP activities, on the PREP Personnel Sheet. Vacant positions should be identified as such. All contractual items must be clearly defined, with justification and deliverables included. Each partner must provide an individual budget narrative by line item. Any public/private resources that are leveraged by PREP funds should be identified and included as part of the comprehensive budget and work plan. Please adhere to the budget format included as Appendix I.

Where possible, a single, regional PREP contract is strongly encouraged. If agreed to by the regional PREP network, an eligible SBDC, LDD or IDO may serve as the regional fiscal agent. The regional application should list the amount of funding allocated to PREP Coordinator activities in the budget section (not to exceed \$45,000).

### **Section IV**

Each work plan should include projected impact measures as described in Section I.

#### **Other instructions:**

1. Work plans and budgets are requested to be submitted no later than 30 days after release of guidelines.
2. Each regional network may have one or more grantees. The proposal should identify the partners that are choosing to be grantees for PREP funds.
3. All pages must be numbered.
4. Please include a Table of Contents in the application.

## **L. Procedures for Accessing Funds**

1. Upon approval of a regional funding proposal by DCED, contracts will be issued to appropriate grantees.
2. Following the full execution of a grant agreement, funds will be disbursed to grantees based on the approved budget and submission of invoice.
3. Payments will be distributed on a quarterly cost reimbursement schedule. Other payment schedules may be considered upon request from the grantee. Audit costs may be invoiced in the final quarter.
4. If a partner would like to change or move funds between budget categories they must request a budget modification and have it approved prior to spending the funds. Failure to do this may result in an invoice request rejection as budget categories must match the most recently approved contract or modification.
5. Budget revision requests must be submitted no later than May 15, 2019.

## **M. Project Close-Out and Reports**

1. Each PREP region will maintain records and client files that demonstrate and document the services provided by the regional partnership.
2. Contracts funded with commonwealth funds totaling \$100,000 and over are required to have a Project Audit performed. The Project Audit must be done in accordance with the DCED Audit Guidelines. For contracts funded with commonwealth funds totaling less than \$100,000, a Grant Closeout Report (GCR) must be completed. Both the Audit Guidelines and GCR forms and instructions can be found at [dced.pa.gov/compliance](http://dced.pa.gov/compliance).
3. DCED will provide a standardized template to be utilized by each region to report program and process impacts.

## **N. Contact Information**

Program inquiries, work plans and budgets should be submitted to:

PA Department of Community and Economic Development  
Executive Office  
Attn: Neil Fowler  
Partnerships for Regional Economic Performance (PREP)  
Commonwealth Keystone Building  
400 North Street, 4th Floor  
Harrisburg, PA 17120-0225

Telephone: (717) 214-5395  
Email: [nfowler@pa.gov](mailto:nfowler@pa.gov)

## Appendix I – Budget Format

Please use the following format as a general guideline for budget data to be submitted. Each regional network may submit a spreadsheet or similar documentation provided it contains the following minimum information.

### Section I (Revenue)

Identify the total amount of PREP funds requested along with other federal, state, local and private funds (cash or in-kind) allocated to the network activities.

*Example*

PREP Funds Requested:	\$1,000,000
Federal funds:	\$600,000 (cash)
Other:	\$10,000 (cash/in-kind)
TOTAL:	\$1,610,000

### Section II (Allocations)

Identify the allocation of PREP funds to all core service providers and any additional partners.

*Example*

Core Service Provider #1:	\$300,000
Core Service Provider #2:	\$300,000
Core Service Provider #3	\$300,000
Service Provider #4	\$5,000
TOTAL	\$905,000

### Section III (Comprehensive Partnership Budget)

Provide a comprehensive cost breakdown for all network activities funded by PREP utilizing the following cost categories.

*Example*

Personnel (admin)	\$
Fringe (admin)	\$
Personnel (program)	\$
Fringe program	\$
Travel/Meetings/Conferences/Training	\$
Office Equipment/Supplies	\$
Rent/Mortgage/Moving Expenses	\$
Marketing/Printing/Publications	\$
Website/IT Support/Software	\$
Insurance/Subscription/Membership	\$
Audit (PREP Program Audit only)	\$
Professional Services/Consulting/Legal	\$
Cleaning/Maintenance/Repair	\$
Postage/Utilities/Phone/Copying	\$
SBDC Network Services	\$
Subcontracts to Partners	\$
TOTAL EXPENSES	\$

## **Section IV (Partner Budgets)**

Utilizing the format in Section III above, provide a separate budget breakdown for each core service provider targeted to receive PREP funds.

## **Section V (Budget Narrative)**

Each partner must provide a detailed budget narrative by line item. Using the DCED Personnel Sheet, a list of each employee supported by PREP funding is required with a notation of the annual salary, amount and percentage of salary being supported by PREP.

For the professional services/consulting/legal line item, a description of each contractual item and its deliverables should be included.

All costs must be direct, unless otherwise approved by the department.

DCED may request additional documentation related to proposed expenses to sufficiently review and determine reasonableness of costs. All applicable organizations must be current with IRS Form 990 (Return of Organization Exempt from Income Tax) and other pertinent filings as directed by state and federal statutes.