



FIRST THINGS FIRST

Navajo Nation Regional Partnership Council

- Agenda Item:** 2013 Grant Renewal Process, RFGA Releases and Government Agreements Update
- Background:** The attached document provides information on the timeline and guidelines for renewal of existing agreements, and SFY14 RFGA release and government to government agreement schedules.
- Recommendation:** For informational purposes only



FIRST THINGS FIRST

Ready for School. Set for Life.

Navajo Nation Regional Partnership Council

GUIDELINES FOR RENEWAL OF EXISTING AGREEMENTS

Generally, a one year grant agreement with options to renew may be extended unless there is appropriate justification for the action to not renew. In some cases where changes affecting the provisions of the agreement are considered significant, an agreement cannot be renewed, requiring a new competitive award process or a new grant agreement to be initiated. Each agreement should be reviewed individually to determine what steps should be taken regarding possible renewal.

Three changes, or combination of changes, affect whether a grant agreement could be renewed and thus extended into the next fiscal year:

- When the Scope of Work changes;
- When the amount available for the award increases or decreases significantly; and/or
- When grant performance does not meet the needs of the agency.

Proposed Amendments that Change the Scope of Work

Generally speaking, the Scope of Work, in terms of the intent of the program, cannot be changed without rebidding a grant or renegotiating an agreement. However, there are some modifications within a Scope of Work that do not require rebidding or renegotiation. These include:

- Expanding a current grantee's agreement to include additional elements or components of work that were part of the original Scope of Work, but not implemented under the final service award.
- Expanding a current grantee's agreement to include additional service areas if they were part of the original Scope of Work, but not part of the final award requirements.
- Providing more services to additional children/participants, the added cost of which is no more than 10 percent higher than the existing annualized amount. Changes beyond 10 percent are allowable when justification and documentation strongly support how this action is in the best interest of the community receiving the benefit and that a competitive process would not provide additional benefit or services to the community, or there are not additional quality providers to deliver the service.

The following examples highlight scenarios as well as provide explanations as to why the example is allowable or not allowable.

- Example: A Regional Partnership Council obtains approval of an RFGA to fund programs to implement the Nurse Family Partnerships model of Home Visiting. The grantee was funded based on their application to implement that specific program, but now the Regional Council would like the grantee to implement the Parents as Teachers model instead. This programmatic change would not be allowed as it significantly changes a specific requirement in the RFGA Scope of Work. If the Regional Council wanted to require the Parents as Teachers program, a new competitive process would be necessary.
- Example: An approved RFGA included delivery of parent education- community based literacy, resource distribution. The grantee is currently awarded and implementing only resource distribution (not parent education-community based training). A review of performance and capacity indicates that the grantee would be able to expand to include the parent education. This programmatic change would be

allowable because it includes an expansion of a programmatic element/component that was part of the original RFGA Scope of Work. If the grantee had additional costs that were necessary for this expansion those costs would also be allowable increases for renewal purposes.

- Example: The RFGA that was approved was limited to services being provided only in one city or area of a particular Region (Area A). The Regional Council now wishes to expand services to another area of the region (Area B). Amending existing grants to provide that expansion would not be allowable because other service providers that could have successfully provided services in Area B did not have the opportunity to compete. If the original Scope of Work included all areas of the region or specified both Area A and Area B (or even additional areas) then it would be allowable.

Proposed Amendments that affect the dollar value of grant agreements

Generally speaking, grant agreements cannot be renewed without going back out to bid or without renegotiating the agreement if the dollars awarded under the grant agreement, being considered for renewal, are increased by more than 10 percent. Usually the purpose for a dollar change is that the level of work required or scope of work has changed. The section above provides guidance on when grant agreements may be affected and be required to be rebid under those circumstances. The 10 percent limitation is a rule of thumb. The Arizona State Procurement Office generally considers a “material change” as a 10 percent increase for goods and services in quantity and price. Changes beyond 10 percent are allowable when justification and documentation strongly support how this action is in the best interest of the community receiving the benefit and that a competitive process would not provide additional benefit or services to the community or there are not additional quality providers to deliver the service. Small dollar grants may be able to be renewed at a larger percentage increase than large dollar grants. For example, a grant that is for \$15,000 may be able to be extended above \$16,500 without being rebid or renegotiated, whereas a grant for \$1,000,000 should likely be rebid if an increase over 10 percent is considered and the justification described above is not clear and substantial.

If a grant is for less than a full year, the value of the grant should be annualized to determine if the subsequent year allocation is greater than 10 percent. For example, a grant may require the expenditure of \$50,000 per month to deliver certain services. The grant is only in effect for 8 months of the first fiscal year, for a total of \$400,000. For the second fiscal year, the approved funding level is \$650,000. This grant does not require rebid or renegotiation since the annualized value of the first year grant was \$50,000 per month, which equates to \$600,000 per year. The value of the second year grant will be less than 10 percent of an increase over the annualized amount for the first year ($\$650,000/\$600,000 = 8.3\%$).

In any instance where the dollar amount of the grant agreement has been increased, the justification for the increase must be documented. In addition, the grantee must provide information in the grant renewal packet as to how the additional funds will be used. This information is to be included in both the narrative and budget sections of the renewal packet.

If the amount of the grant agreement is being reduced by a Regional Council, there is no need to rebid or renegotiate unless the organization does not agree to the renewal at a lesser amount.

To renew or not to renew when grantee performance is unacceptable

A review of grantee performance is used in considering whether or not to recommend renewal of a grant agreement. This examination should include available data, narrative and financial reports. If it is determined that grantee performance does not meet expectations, based upon factual evidence under the provisions of the grant, the decision may be made to not renew and to rebid or enter into an agreement with a different governmental entity. Programs may also be renewed based on finding that there are reasonable causes for delays in implementation, or other issues that have been or will be overcome by the grantee in the coming year. Note, based on factual evidence, Regional Councils and the State Board may decide not to submit grant renewal documents to a grantee - thus making the decision to not renew.

If grantee performance is satisfactory under the grant agreement, and if no other changes occur to the Scope of Work or financial value of the grant that would require rebid or renegotiation, the grant should be renewed.

Note, for grantees that are in their first year of implementation of First Things First funded programs, required grantee reporting may only be available for the first quarter and provide limited information.

GRANT RENEWAL PROCESS TIMELINE

All Navajo Nation regional grantees are eligible for grant renewal; exception is grantees that are in their final year of agreement. The timeline is as follows:

- March 8: Renewals packets are sent to grantees
- April 1: Grantee renewal responses are due
- April 2 – 19: Regional staff and/or program staff will review grantee's financial, data and narrative reports and grant renewal responses to determine if any clarifications are needed. Conduct clarifications if necessary.
- May 14: Regional Partnership Council will review, discuss, and take action on grant renewals.
- June 10-12: First Things First State Board to take action on grant renewals.

To develop the renewal package for grantees, several reports will be utilized:

- Existing agreement
- Funding Levels
- Target and Contract Service Unit
- Narrative Reports
- Contract Detail Report

In addition, several standard questions are asked of each grantee in the renewal package. They are asked to provide a brief narrative of the program; to describe modifications from prior year (if any); and to describe data collection, submission and use.

The Regional Partnership Council can determine if additional questions are needed for each grantee to address any circumstances.

RFGA AND GOVERNMENT AGREEMENTS TIMELINE FOR SFY14 FUNDING

The processes for Request for Grant Application (RFGA) and Government Agreements have the same timeline for development of scope of work, release, and close. The Regional Council has two strategies, Scholarships non-TEACH and Home Visitation scheduled for release in round one and two respectively for a July 1st award.

Scholarship non-TEACH Government Agreement Release I – February 1	Home Visitation RFGA Release II – February 1	Activity
January 4 – 23	January 25 – February 18	Region and program staff develops the scope of work.
January 25 – 31	February 22 – 28	Finance integrates scope of work into grant agreement and RFGA template for release.
February 1	March 1	Release of grant agreement and RFGA.
March 15	April 12	Close of grant agreement and RFGA.
March 18 – 22	April 15-19	Regional Director convenes technical and review committees for training and review of applications
March 22 – April 3	April 17 – April 30	Review committees meet and make recommendations on who should receive funding. Conduct any clarifications on selected applicants.
Mid April to early May	Mid April to early May	Accept/reject clarifications. Finance prepares recommendation matrix.
May 14	May 14	Regional Director presents recommendation to Regional Council for approval.
June 10 – 11	June 10 – 11	State Board reviews Regional Council recommendations for approval.
June 11-14	June 11-14	Finance prepares and distributes acceptance and rejection letters.
July 1, 2013	July 1, 2013	Award of new contracts.