SO YOU WON THE MONEY...
NOW WHAT?

Successfully Managing Complicated Grant Projects

April 30, 2024

Renee Moilanen
Momentum

Tim Leong
Port of Oakland

Rose Szoke
Port of Long Beach

Ⓜ MOMENTUM

ABOUT MOMENTUM

Momentum designs, develops, and deploys innovation campaigns for organizations working on transformative water, energy, transportation, and manufacturing technologies.

We have helped seaports and maritime operators secure more than $500 million for advanced technology and infrastructure projects, and we manage more than $1 billion in grants.

www.buildmomentum.io

MOMENTUM

PORT OF OAKLAND
Seaport. Airport.
Everyone's Port.

Port of LONG BEACH
THE PORT OF CHOICE

RENEE MOILANEN

Director of Ports

Momentum

TIM LEONG

Senior Project Manager

Port of Oakland

ROSE SZOKE

Senior Environmental Specialist

Port of Long Beach

OF COURSE, EVERYTHING WILL GO AS PLANNED. (FAMOUS LAST WORDS)

- Schedule delays
  - Contracting
  - Permits
  - Procurement
  - Construction
- Budget overruns
- Technologies do not perform as expected
- Difficulty managing subrecipients (tenants and operators)

AVOIDING PITFALLS

APPLICATION PREPARATION → **POST-SUBMITTAL/ CONTRACTING** → **PROJECT EXECUTION**

APPLICATION PREPARATION - THINK AHEAD

- **Partners.** Do you have trust and confidence in your partners? Do you have their commitments from the highest levels of management? Do they understand the grant terms, such as reimbursement only?
  - Make sure operators can float the expenses.
- **Project Readiness.** Have you completed engineering design or are you well on your way? Do you have permits? Have you cleared NEPA or at least started? Have you talked to the utility? Have the technologies been validated at your port or elsewhere? Is the equipment compatible with the infrastructure?
  - Advanced technology zero-emission projects come with a high degree of uncertainty - do your best.

APPLICATION PREPARATION - THINK AHEAD

- **Schedule.** Have you assumed <u>one year</u> for agency contracting? Have you allotted ample time for procurement (competitive bidding and supply chain delays)? Have you allotted time for utility upgrades?
- **Budget.** Have you included all taxes (if allowed)? Soft costs (if allowed)? Have you considered price escalation? Have you included contingencies commensurate with the uncertainty?
- **Grant Management.** Have you structured scope, milestones, schedule, and budget to make it easier for you on the back end? Have you requested funds for grant management support?

POST SUBMITTAL - KEEP WORKING!

- Continue to progress engineering design and permitting.
- Monitor technology advancements and performance.
- Start drafting Requests for Proposals, bid specifications, etc. so you can competitively bid ASAP.
- Keep your management and Board updated through the process.
- STAY ENGAGED WITH...
  - Project partners - operators and tenants
  - Vendors
  - Other funding programs

CONTRACTING - SET EXPECTATIONS

- Contract with the granting agency
  - Check and re-check all of your budget numbers
  - Check and re-check the schedule
  - Be thoughtful about milestones
    - When do you or your partners need reimbursements or advance payments? How much float can you tolerate?
- Contracts with subrecipients
  - Yes, have them!
  - Pass along grant terms and conditions
  - Include any other provisions that will make your job easier
    - Do you need the subrecipient to help with reporting?
    - Do you want to codify communication protocols or response times?
  - Align subgrant milestones to the master contract

PROJECT EXECUTION - SCHEDULE DELAYS

- Will the schedule delay impact a critical milestone deadline or the contractual project end date?
- Can you make up the time by compressing other milestones or working on activities in parallel?
- Do you need to request a no-cost time extension?
  - Start the process early - it may take time
  - Understand the grant program's **liquidation deadline** (the date by which the agency must expend all funds, often set by statute)

PROJECT EXECUTION - BUDGET OVERRUNS

- Adjust the project scope - remove or reduce elements to cut costs elsewhere
- Look for more funding
  - Other grants
  - Non-grant financing mechanisms, such as tax credits, LCFS
- Pony up more match
  - Prime your leadership for this possibility at the earliest stages

PROJECT EXECUTION - MANAGING SUBRECIPIENTS

- Communication is key
  - **Set expectations for performance**
  - Ensure your partners have the resources to manage the project and grant
- Kick-off meeting
  - Review grant terms and conditions
  - Review project scope, budget, and schedule
  - "Partner toolkit" - Provide standardized templates for reimbursement requests, milestone documentation, reporting, etc. that you know will meet the granting agency's needs (especially if you have multiple partners)
- Regular meetings throughout the project life

If things don't go as planned, you'll work together to fix it.

PROJECT EXECUTION - TECHNOLOGY ISSUES

- OEMs should be part of the project team.
  - Make sure to have the right OEM contacts at the project's start to ensure good communication and customer service - who is the technical lead? who is the grants lead?
- Try to build in the equipment/infrastructure interface during the project development phase.
- Communicate with the granting agency when things don't go as planned.
- Remember, everyone wants the technology to work - you're all part of the team.

PROJECT EXECUTION - AGENCY COMMUNICATION

- Communicate progress in regular reports and meetings so there are no surprises
- When to sound the alarm -
  - Formally communicate <u>when the project is in jeopardy</u> (i.e., you may need a contract amendment)
  - Minor issues that do not critically impact budget, schedule, or scope can be highlighted in regular progress reports
  - Always bring a proposed solution
- The granting agency is part of the team, and it wants the project to succeed.

REAL LIFE LESSONS FROM OUR PANEL

RENEE MOILANEN

Director of Ports

Momentum

renee@buildmomentum.io

TIM LEONG

Senior Project Manager

Port of Oakland

tleong@portoakland.com

ROSE SZOKE

Senior Environmental Specialist

Port of Long Beach

rose.szoke@polb.com