



Redevelopment Assistance Capital Program

Demystifying RACP - A Deeper Dive

PEDA 2023 Fall

Pre-Conference Session



pennsylvania
OFFICE OF THE BUDGET



Introductions



GEORGE LEACH

RACP Specialist 1

Office of the Budget



NINA GABBIDON

Program Manager

Tetra Tech



I. Program Description



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.



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)?

As legislatively mandated, RACP projects must comply with...

- Competitive bidding
- Pennsylvania Prevailing Wage Act
- Steel compliance
- Performance & Payment Bonds
- Insurance

What is the Redevelopment Assistance Capital Program (RACP)?

Additionally, HOUSING PROJECTS can obtain 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.



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

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

Reading RACP Projects

GoggleWorks Center for the Arts is a community art and cultural resource center located in Reading, Pennsylvania. The mission of the GoggleWorks is “to transform lives through unique interactions with art.”

FirstEnergy Stadium is a 10,000-seat baseball-only stadium in Reading, Pennsylvania. The park is home to the Reading Fightin Phils.



Reading RACP Projects

ByHeart infant formula facility will increase capacity and hire more workers with hopes of feeding a half million more babies.

Gingrich Library at Albright College will include a learning commons and café on the plaza level and combine key student success initiatives.



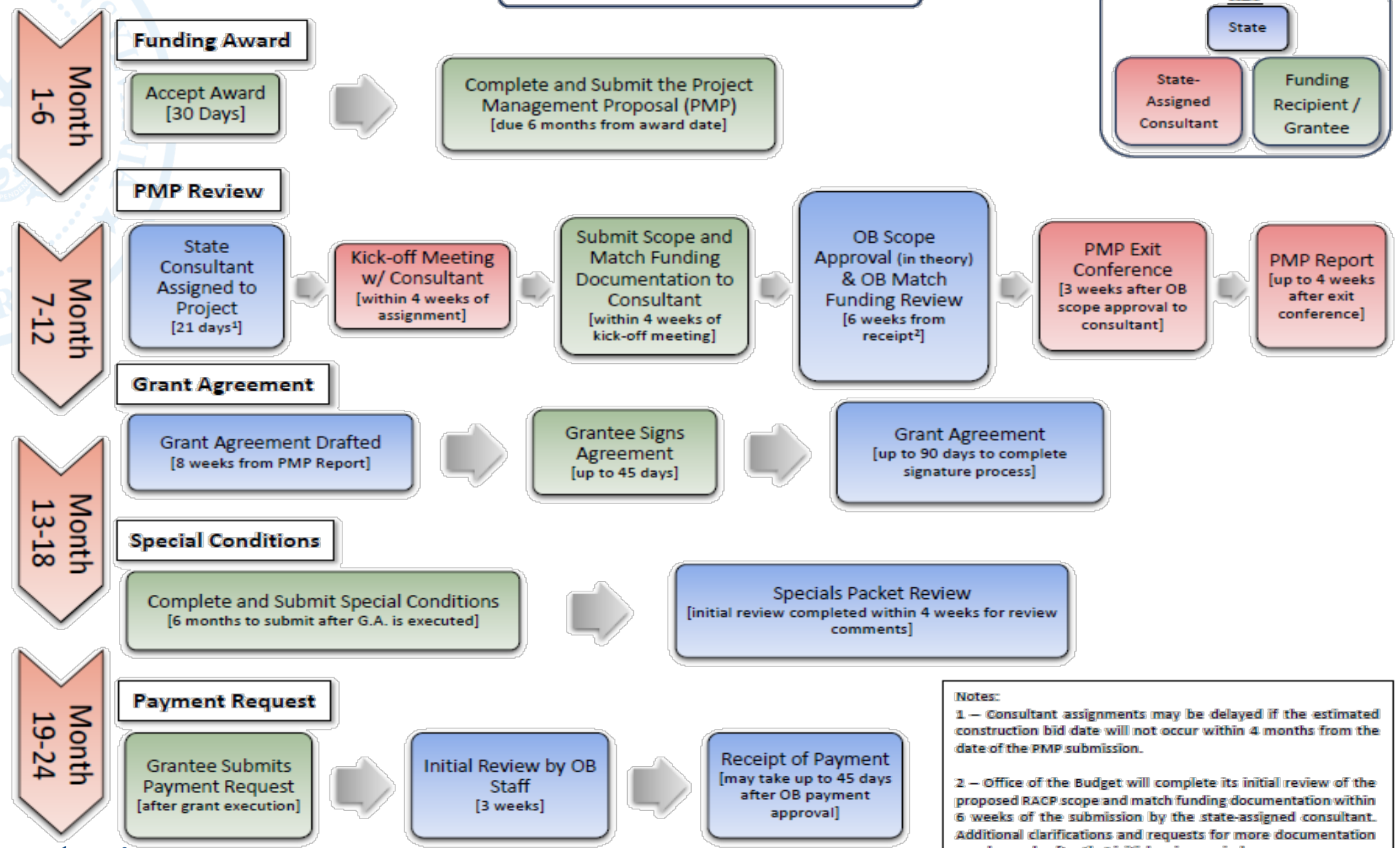
RACP Timing

Itemization Act - Legislators

- Funding Round Windows - discretion of Governor
- Awarding funding - discretion of Governor

- Accepting Award - Project and Grantee Driven
- Post Award Documents - Project and Grantee Driven

RACP Grant Process Timeline



Notes:

- 1 – Consultant assignments may be delayed if the estimated construction bid date will not occur within 4 months from the date of the PMP submission.
- 2 – Office of the Budget will complete its initial review of the proposed RACP scope and match funding documentation within 6 weeks of the submission by the state-assigned consultant. Additional clarifications and requests for more documentation may be made after that initial review period.

Deciding if RACP is right for you.

RACP Fact Sheet

STEPS	DETAIL
<p>Authorize funding in a Capital Budget Itemization Act <i>(Governor and General Assembly)</i></p>	<p>The itemization specifies the type, locale and funding level of the project. RACP Itemizations automatically sunset ten years after enactment. A list of available itemizations is on the RACP website.</p>
<p>Review program eligibility & compliance requirements <i>(Project Representative)</i></p>	<p>To be RACP eligible, a project MUST have:</p> <ul style="list-style-type: none"> • An eligible itemization line item. • Total project costs of at least \$1 million which contains construction. • At least 50% of the RACP total project costs to be paid by a non-state funding source(s). • At least 50% of RACP eligible match expenses. <p>Grant compliance requirements include, but are <u>not limited</u> to:</p> <ul style="list-style-type: none"> • Competitive bidding requirements (3 written solicitations) • Pennsylvania Prevailing Wage Act • Steel Products Procurement Act • Public Works Contractors' Bond Law (payment & performance bonds) • Insurance (worker's comp, general liability, & property)
<p>Complete & Submit an e-Application <i>(Project Representative)</i></p>	<p>A submission period for e-Applications is established at the discretion of the Governor. A link is on the RACP website for Electronic Single Application. There is a \$500 fee to apply at the time of submission.</p> <p>The e-Application must identify a RACP-eligible scope of work. If awarded, the scope <u>will be reviewed and possibly adjusted</u> during the development of a grant agreement (post-award process) to ensure that it meets program requirements.</p>
<p>e- Application review and public comment period <i>(Office of the Budget)</i></p>	<p>Submissions are reviewed for eligibility. Details regarding submissions are published on the RACP website which starts the mandated 30-day public comment period before awards can be made.</p>
<p>Award Process <i>(Governor and Office of the Budget)</i></p>	<p>Awards are determined by the Governor. There is no specific timeline for decisions and notification is sent to projects receiving an award. The notification authorizes the submission of a Project Management Proposal (PMP).</p>



Questions?





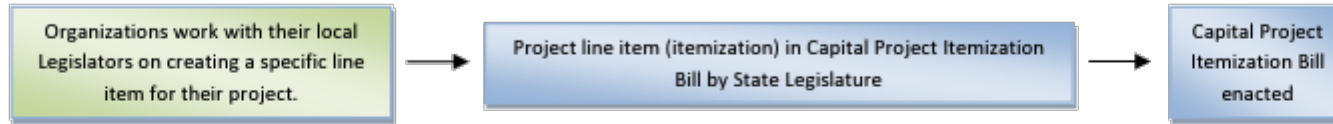
II. RACP Process



Key Players In Your Process

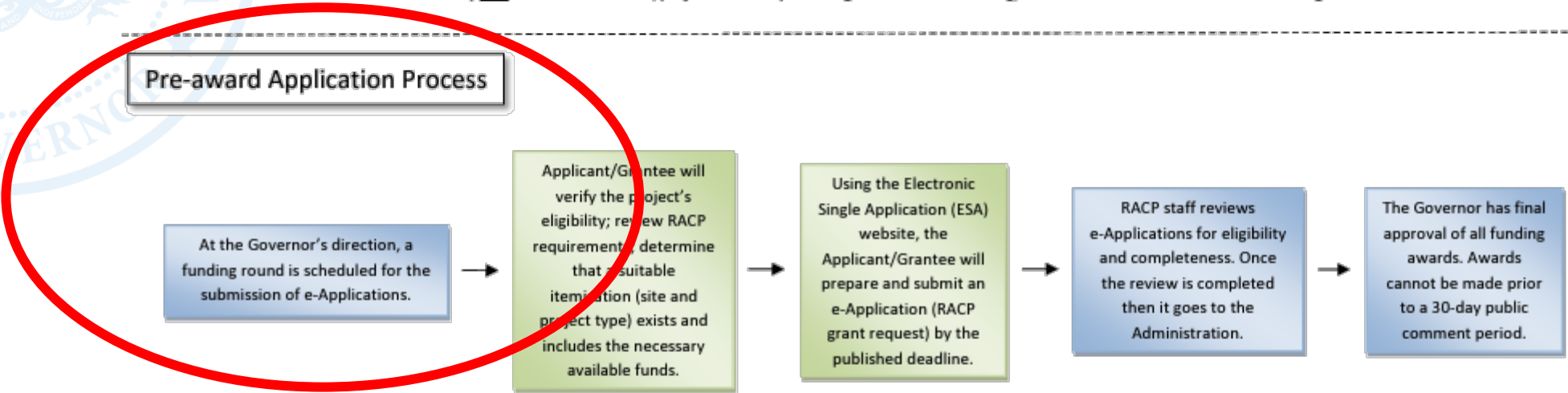
- **Office of Budget** – administers the RACP Grant Program
- **Sub-Grantee/Grant Recipient** – end receiver of the grant dollars. Can be a Grantee but can also be a Sub-Grantee
- **Grantee** – eligible entity contracted with the Commonwealth for the RACP process
- **RACP State Assigned Consultant** – collects documentation, monitors project activities, and reports on compliance

Legislative Process

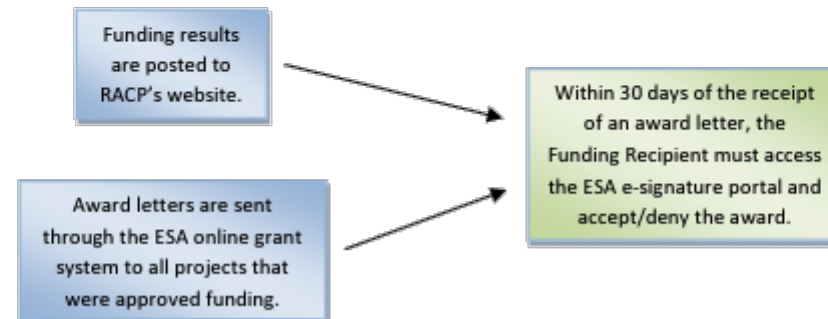


NOTE: Only non-sunset itemizations/projects from Capital Budget Acts with remaining, unused amounts are available for funding.

Pre-award Application Process



Award Notification



KEY

State

Applicant / Grantee

How to Apply for a RACP Grant

- Exact time is at the Governor's discretion.
- We utilize the Commonwealth's Single Application (e-Application). \$500 fee 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 our website.



Selecting an Eligible Itemization

1. County
2. Municipality Column
3. Project Description

Note - all project costs must be paid after the Legislative Authorization Date (LAD)

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

What Can Be Used for RACP Match Costs?

- Any of the Reimbursement Categories
- Architect/Engineer (A/E)
- Legal (Fees for the services of lawyers or solicitors directly related to the RACP scope)
- Administration (As it relates to the construction of the project)

Construction Cost Breakdown (RDA 302)

Note: This is not optional

This document ties to construction line item on the RDA 301. Construction costs only!!

- Supporting Documentation Examples:
 - Schedule of Values
 - Pre-construction Estimate
 - Detailed Construction Costs
 - Most Recent Pay Application

Commonwealth of Pennsylvania
Office of the Budget
Redevelopment Assistance Capital Program

RDA-300 Sources of Funds

PROJECT INFORMATION

ME # 300- 0 ESA ID Project Phase 1 of 1
 Project Name Nina's Food Pantry of Philadelphia Renovations
 Grantee Philadelphia Authority Industrial Development
 Sub-Grantee(s) Nina's Food Pantry of Philadelphia

State Assigned Consultant	County	Municipality	Legislative Districts		RACP Construction Schedule		
			House	Senate	Start Date	End Date	Duration in months
Tetra Tech	Philadelphia	Philadelphia	0	0	00/00/0000	00/00/0000	0

OFFICIAL CONTACT PERSONS

Chief Elected Official or Officer of Grantee		Contact Person (normally the person from the entity at left that is most familiar with the project; enter "Same" if same person & provide email address)	
Federal ID No. <u>Test</u>		Name and Title <u>Test</u>	
Name and Title <u>Test</u>		Organization <u>Test</u>	
Organization <u>Test</u>		Address <u>Test</u>	
Address <u>Test</u>			
Phone <u>Test</u>		Phone <u>Test</u>	
Email Address <u>Test</u>		Email Address <u>Test</u>	

FUNDING SOURCES

Type	Amount	Description	Is the Funding Secured?
Redevelopment Assistance Funds	\$ 500,000		
Total Match Funds	\$ 500,000		
Matching Funds	Local Funds		
	Private Funds	\$ 500,000 Nina's Food Pantry of Philadelphia Cash	
	Land		
	Federal Funds		
	Other		
Total Project Funds	\$ 1,000,000		

Commonwealth of Pennsylvania
Office of the Budget
Redevelopment Assistance Capital Program

RDA-301 Uses of Funds

PROJECT INFORMATION

ME # 300- 0 ESA ID Project Phase 1 of 1
 Project Name Nina's Food Pantry of Philadelphia Renovations
 Grantee Philadelphia Authority Industrial Development
 Sub-Grantee(s) Nina's Food Pantry of Philadelphia

FUNDING USES

LINE ITEM	BUDGET CATEGORY	RACP REIMBURSEMENT	MATCH ONLY	TOTAL
1.	Construction (See RDA-302 for breakdown)	\$ 500,000	500,000	1,000,000
	A. Contingency	Not Applicable		
2.	Permits			
3.	Equipment			
4.	Land (if used, entries A., B., or C. below should reflect the [planned] ownership at commencement of the RACP project construction)			
	A. Grantee owned (value)			
	B. Sub-Grantee owned (value)			
	C. 3rd Party owned (value)	Not Applicable		
5.	Interest During Construction			
6.	Legal	Not Applicable		
7.	Architectural/Engineering			
	A. Feasibility Study	Not Applicable		
	B. Surveys	Not Applicable		
	C. Design	Not Applicable		
	D. Inspection Services	Not Applicable		
8.	Other (Specify & itemize below)			
	A. Operations and Maintenance	Not Applicable		
	B. Administration	Not Applicable		
	C.	Not Applicable		
	D.	Not Applicable		
Total Project Costs		\$ 500,000	\$ 500,000	\$ 1,000,000

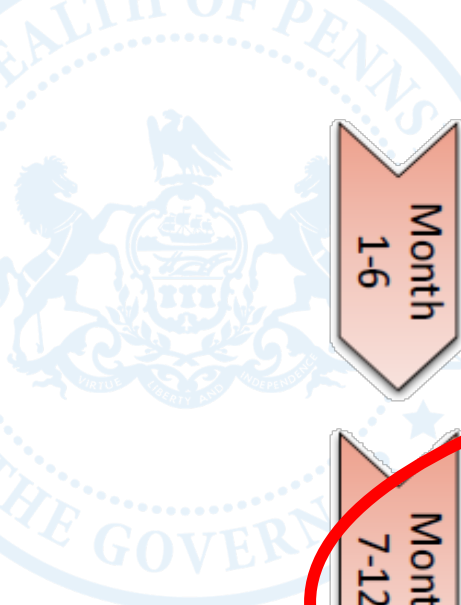
Awards

RACP awards to which project and amount are made at the Governor's discretion.

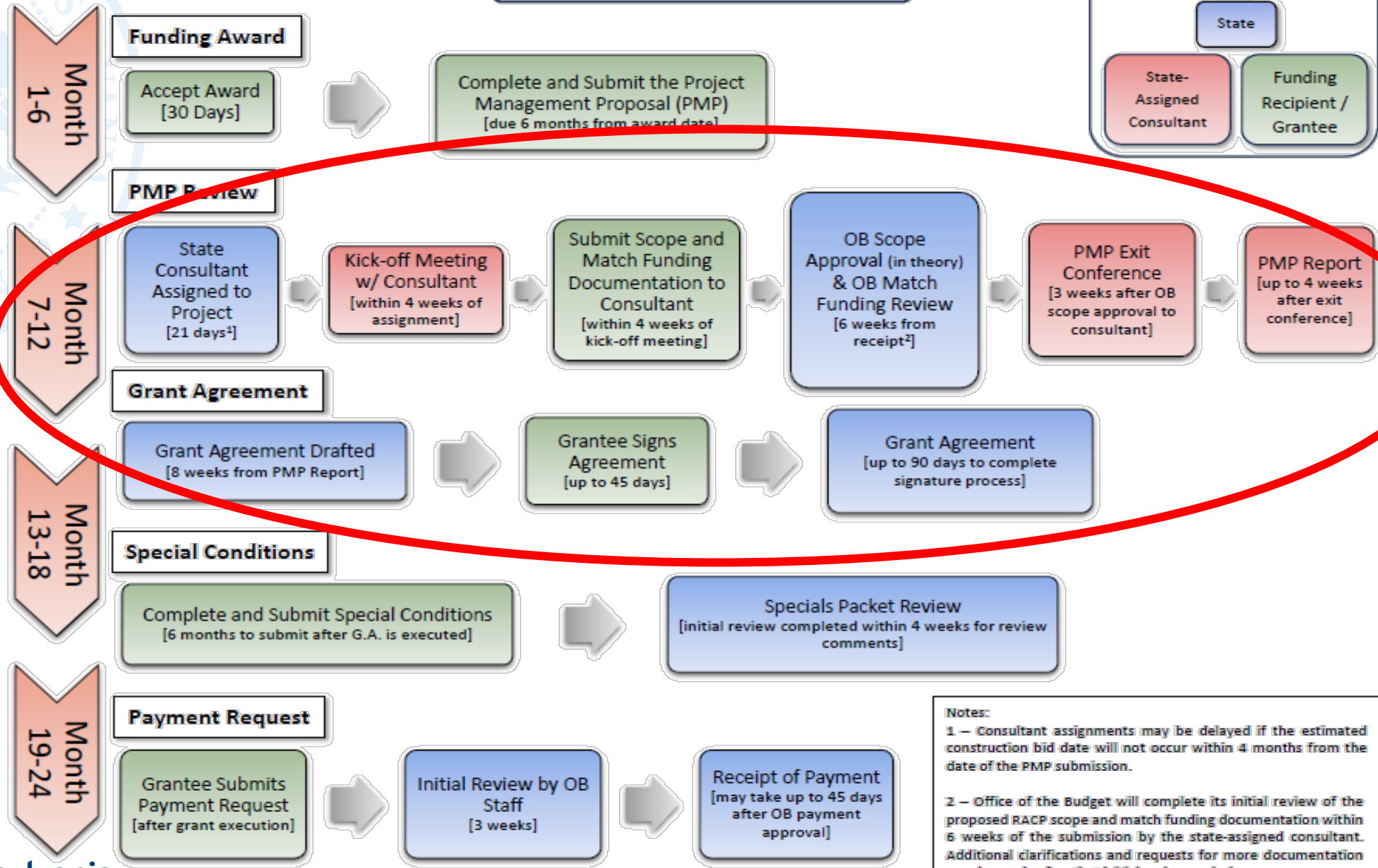
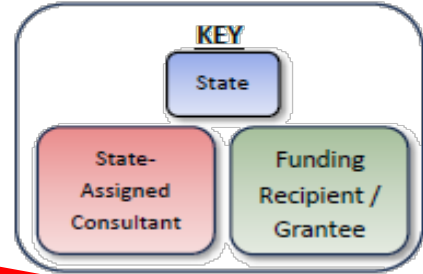
Listing on the website will be updated.

Notification will be emailed, and acceptance needs to be completed within 30 days of the notification.

Confirmation and/or selection of eligible Grantee



RACP Grant Process Timeline



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Submission of RACP Project Management Proposal (PMP)

NEW PROCESS



Fillable template. Handbook to provide guidance, use that!

Less documentation is needed at the post-award application stage.

Documentation will be collected by the State Assigned Consultant during PMP review meeting (similar to Application Review Entrance Meeting).

State Assigned Consultant

When am I assigned a consultant?

- Assigned based off project schedule submitted in the PMP

What is the consultant's role?

- The consultant is the “eyes and ears” of the Office of the Budget

Two Phases of RACP

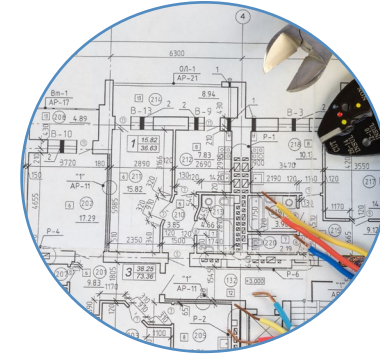


Pre Grant Agreement PMP/Application Review

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

Key Milestones:

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



Post Grant Agreement Construction Monitoring Review

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

Key Milestones:

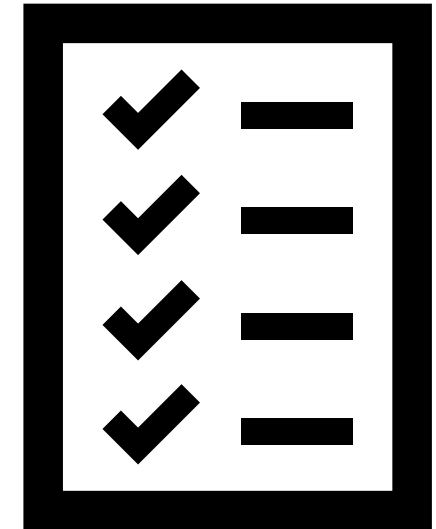
- Construction Monitoring Meetings
- Compliance Review
- Special Condition Satisfaction
- Reimbursement



Reimbursement Process

For reimbursement to occur...

- Grant Agreement must be fully executed
- Special Conditions must be satisfied
- Construction costs must be compliant
- Proper documentation provided



We will discuss more in-depth later....

New Audit Process

- **Risk and Compliance** - To ensure timely project payment, we've also streamlined and aligned the audit process



Questions?





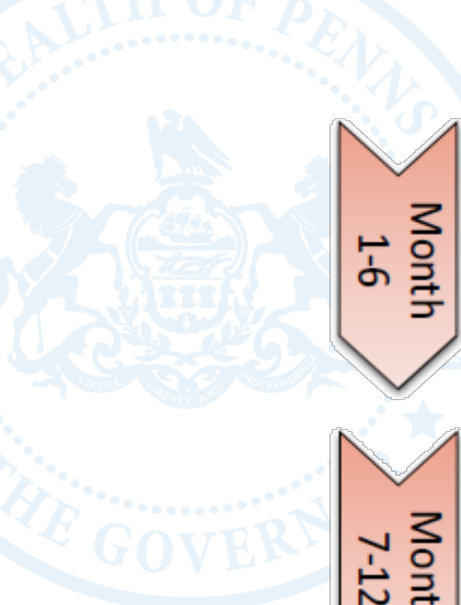
15 Minute Break



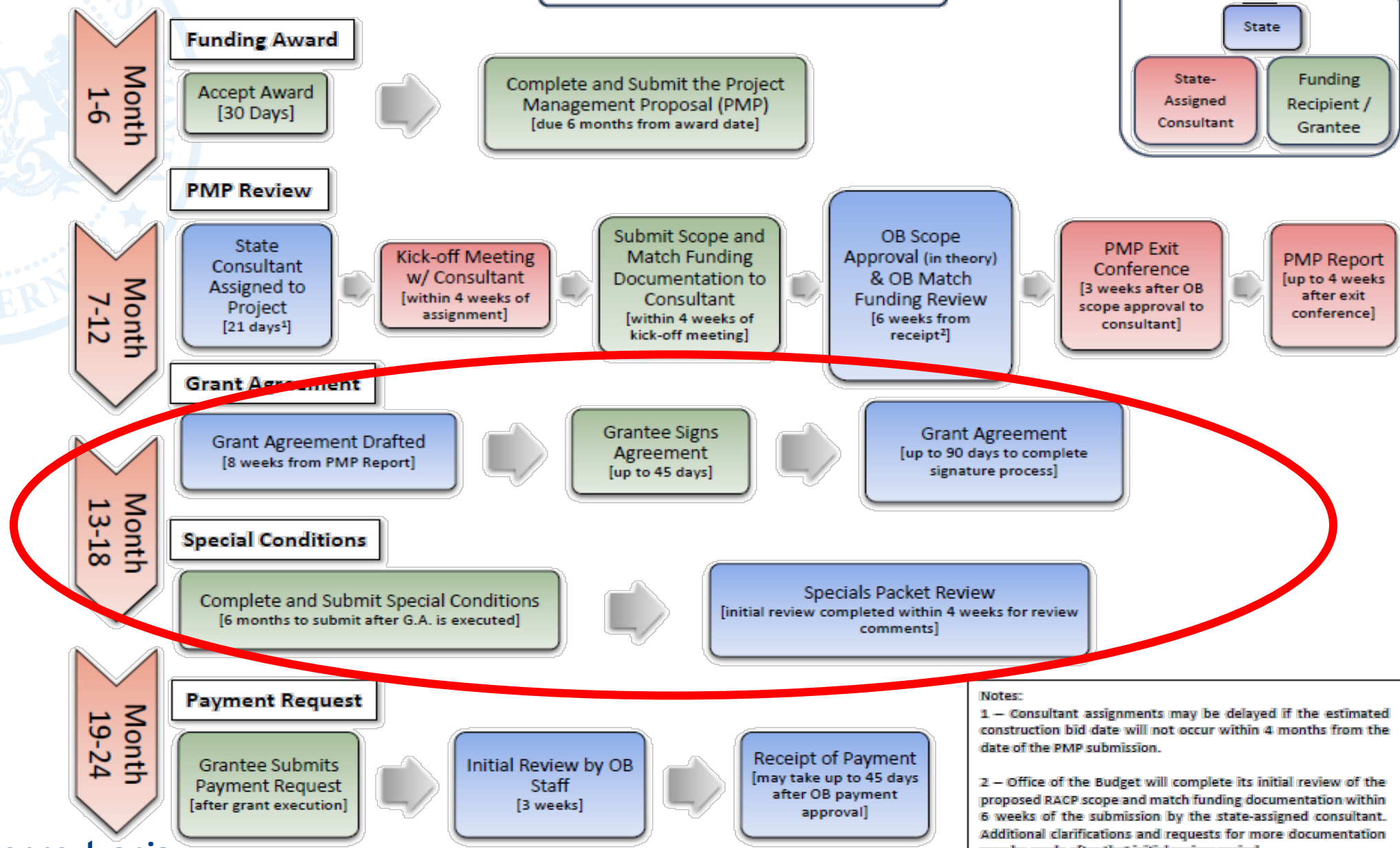
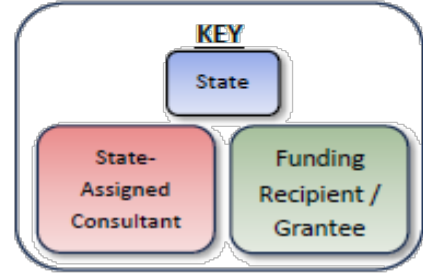


III. Special Conditions





RACP Grant Process Timeline



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Revised RDA Forms

- Updated construction cost breakdown (RDA 302) may be needed
- RDA forms are ever changing, similar to your construction costs
- RDA forms are meant to capture the current costs of your RACP scope
- OB may also request revisions to clearly understand sources and uses

Match Funding, Local

1. Copy of the approved Capital Budget, annotated to show what budget line(s)/appropriation(s) are for the RACP project.
2. Capital budget executed ordinance and/or resolution.
3. Meeting minutes showing the resolution was voted on and passed.

Match Funding, Private Internal Cash

1. Audited Financial Statements for the three most recent years available for the entity providing the funds
2. Certified board resolution committing the funds, including the following items:
 - Approval of the project
 - Commits the amount of match funds, and indicates the bank and account number where the funds are held; and
 - If additional funds are also being used as “bridge”, it should be indicated as well
3. Bank Statement(s) for the Account committed
 - If construction is in progress, a statement the month prior to start of construction; and
 - The most recent bank statement

Match Funding, Private Loans

1. At least 10-year term

- Loan Agreement
- Note(s)
- Security Agreement(s)/Collateral
- Assignments of Rents/Leases
- Account Statements
 - If construction is in progress, a statement the month prior to start of construction; and
 - The most recent bank statement

Match Funding, Private Donations/Capital Campaign

1. A ledger showing the status of the capital campaign reflecting:
 - Date of pledge
 - Date(s) of funds received
 - Outstanding balance of pledged funds
 - Anticipated date of receipt of remaining funds
2. Copies of donation letters/pledge forms reflecting that funds are to be used for the construction project
3. Proof of donations received via bank statements

Match Funding, Federal

1. Fully executed grant agreement
 - Confirming if there is a “purpose of funds”
 - Reviewing for any stipulations for use, drawdowns
2. If Davis Bacon is applicable, copy of the documentation of the “origin” of the federal funds, if applicable
3. Proof of funds received

Match Funding, Land Value

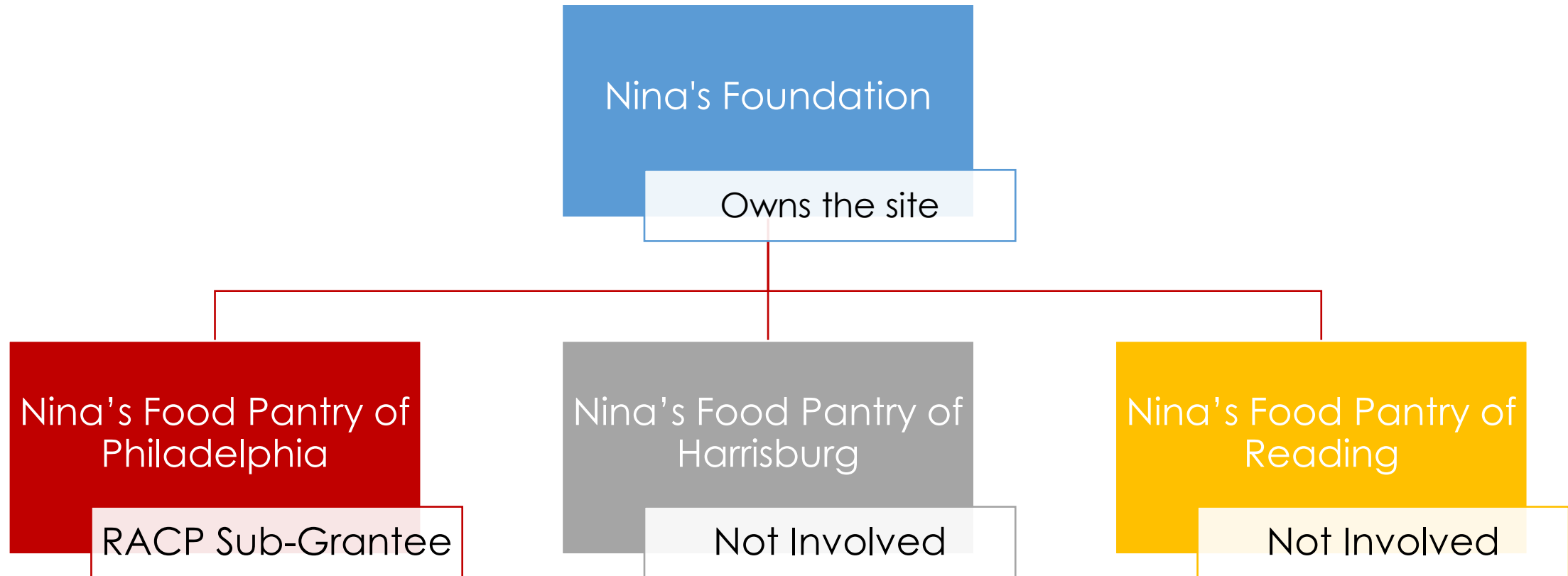
1. “As-is” Appraisal, using the sales-comparison method
2. A color-coded map indicating the parcel/lot which correlates to the property indicated in the deed securing the site
3. Deed in the Grantee or Sub-Grantee’s name
4. Statement of Value sheet to confirm if the property was acquired with other State funding

Site Control

- The consultant is verifying the Grantee or Sub-Grantee has long-term site control
 - 3rd parties can own site - a cooperation agreement is needed to bring them under RACP umbrella
- The Deed/Long-term lease MUST be in the Grantee or Sub-Grantee's name; not a sub-entity

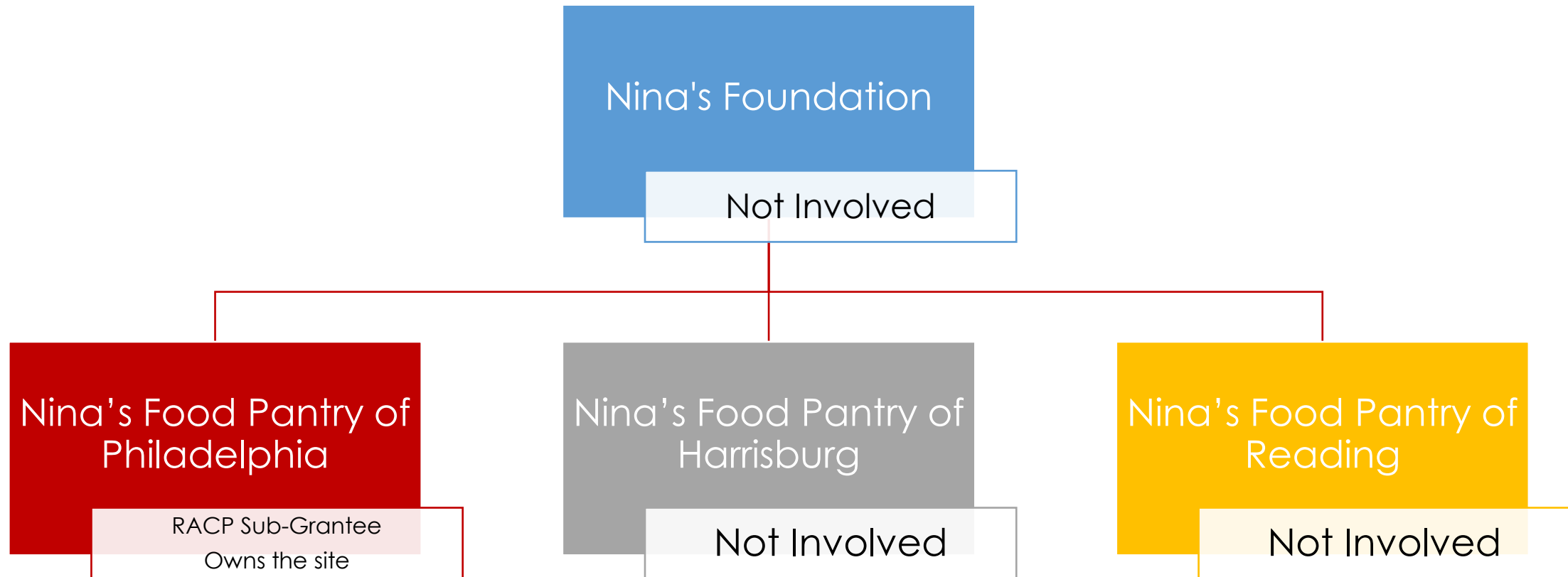
Site Control

(This situation is NOT acceptable)



Site Control

(This situation IS acceptable)



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.

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 for any contract 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



Plans and Specifications

- Final plans and specifications for the project that have been officially approved by the authorized entities (municipalities, boards, etc.)
- Do not submit plans and specifications to OB within your Special Conditions package!

PA Historic Preservation State Historic Preservation Office

Also known as PHMC SHPO

- Be prepared to discuss the following with your consultant:
 - Did the project begin construction before the date of the award letter?
 - Does the project involve one of the following 1) an identified historic property and/or 2) ground disturbance within a high archaeological probability area?

PA Historic Preservation

State Historic Preservation Office

To determine suitability, consult the Pennsylvania's Historic and Archaeological Resource Exchange (PA-SHARE). If the proposed overall project meets requirements, then the PA SHPO should be consulted.

Tutorials on how to consult and submit using PA-SHARE and answers to common questions about PA-SHARE may be found at <https://www.phmc.pa.gov/PA-SHARE/Pages/Help-Materials.aspx> .

PA-SHARE help desk at pashare@pa.gov

Phase I Environmental Site Assessment (ESA)

Completed to research the current and historical uses of a property as part of a commercial real estate transaction.

The purpose of a Phase I ESA is to identify, to the extent feasible, Recognized Environmental Conditions (RECs) in connection with a property.

Geotechnical Report

Geotechnical reports are used to obtain information and data when proposing a plan for a new structure, or attempting to repair one that has fallen into disrepair due to subsurface conditions.

Cooperation Agreements

Grantee and Sub-Grantee. The agreement should include the following items, at least:

- 1) RACP project name
- 2) RACP ME number
- 3) RACP grant award amount
- 4) An indication that the Sub-Grantee(s) will comply with the terms and conditions of the RACP Grant Agreement and Redevelopment Assistance Capital program.

Cooperation Agreements

Grantee and with Host Municipality/County. The agreement (or Ordinance) should authorize the project and obligate the host Municipality/County to reimburse the Commonwealth for any reimbursements that may later be determined to have been ineligible.

- What if the Grantee IS the Host Municipality/County?

Opinion of Counsel

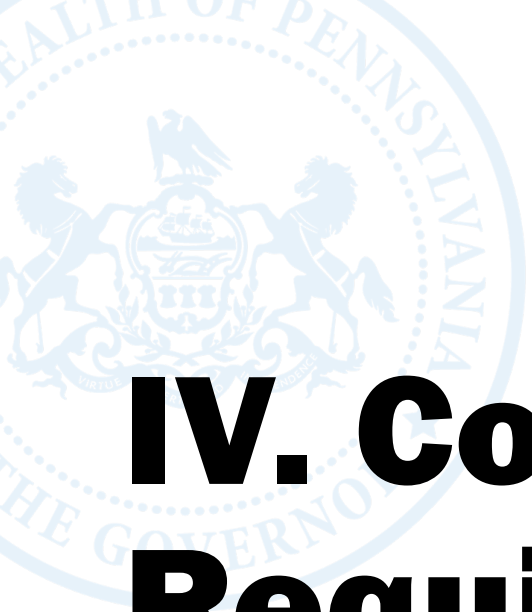
The Grantee's solicitor must submit an Opinion of Counsel on their official letterhead, which contains:

1. A verification of the Grantee's pending or threatened litigation
2. An opinion stating that the Grantee can legally contract with the Commonwealth for financial assistance
3. That the Grantee has met all state/federal requirements



Questions?

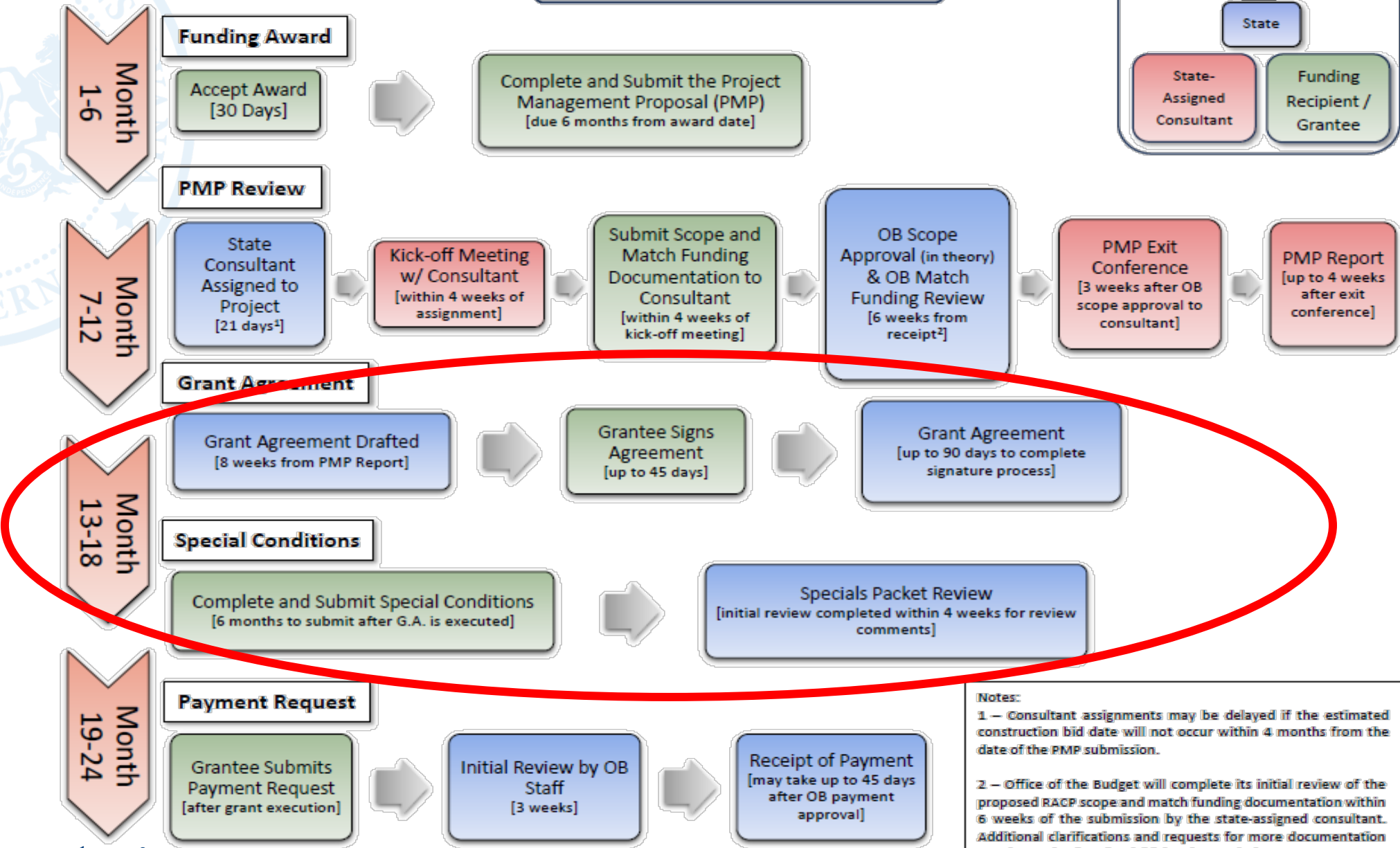
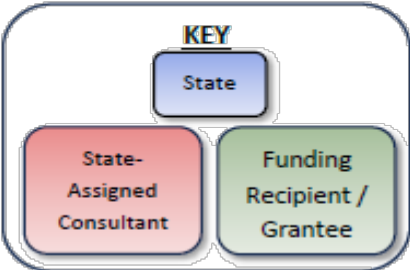




IV. Compliance Requirements



RACP Grant Process Timeline



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Two Phases of RACP

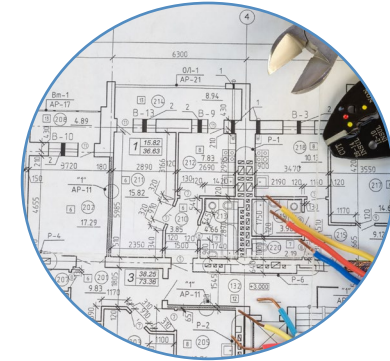


Pre-grant Agreement PMP/ Application Review

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- PMP/ Application Review Exit Meeting
- Drafting of Grant Agreement



Post-grant Agreement Construction Monitoring Review

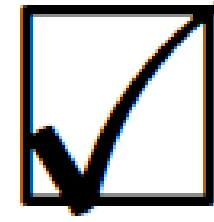
Periodic project status meetings with Office of the Budget, consultant, and project representatives. Review of Special Conditions and compliance items.

Key Milestones:

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





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 Website Handbooks and Forms

 COVID-19 Total Expenditures  Right To Know

[Budget](#) > [Programs](#) > [RACP](#) > [Handbooks & Forms](#)

RACP HANDBOOKS & FORMS

RACP PRE-AWARD Items

[e-RACP Online Application](#)

- [e-RACP Application Instructions \(PDF\)](#)
- [RDA-300 & -301 and Construction Cost Breakdown Form \(Excel\)](#)
- [Statement of Compliance Acknowledgment Template \(Word\)](#)
- [Pre-award Flowchart \(PDF\)](#)

RACP POST-AWARD Items

[Project Management Proposal Handbook \(PDF\)](#)

- [Project Management Proposal Template \(Word Doc\)](#)
- [RDA-300 & -301 and Construction Cost Breakdown \(Excel\)](#)

[Payment Request \(PR\) Form \(Excel\)](#)

[Reimbursement Handbook \(PDF\)](#)

[RACP Post-award and Reimbursement Flow Chart \(PDF\)](#)

[Estimated Post Award Timeline \(PDF\)](#)

Other RACP Items

[RACP Fact Sheet \(PDF\)](#)

[Frequently Asked Questions \(PDF\)](#)

[Program Guidelines \(PDF\)](#)

[Key Compliance Guidelines \(PDF\)](#)

- [Steel Guidance \(PDF\)](#)
- [ST-2 Steel Origin Certification: Non-Identifiable, Non-Structural Steel \(PDF\)](#)
- [ST-3 75% U.S. Manufacture Certification \(PDF\)](#)
- [ST-4 Not Domestically Manufactured Prime Contractor \(PDF\)](#) (only to be used when requesting items to be exempted that are not found on the current year's List of Exempt Machinery and Equipment Steel Products)
- [Article B Guidance \(PDF\)](#)

[Cash Flow Schedule w/Example \(Excel\)](#)

RACP Presentations

RACP Grant Process

e-RACP Application Search

Handbooks & Forms

Past & Present RACP Grantee List

Project Submissions, Awards & Remissions

Frequently Asked Questions

Program Guidelines

Key Compliance Guidelines

Contact Us

Mailing Address

Attention:
Redevelopment Assistance
Capital Program
Office of the Budget
Bureau of Redevelopment,
Capital and Debt
333 Market Street Tower
18th Floor
Harrisburg, PA 17101-2210

Please address any general questions to:
RACP Administrator at
RA-OB-RACP@pa.gov

NOTE:
Requests for information in accordance with the Right to Know Law (RTKL) must be submitted directly to OBRightToKnow@pa.gov. Requests sent to any other email address listed on this website will not be considered an official RTKL request. Please see the [OFFICE OF THE BUDGET RIGHT TO KNOW LAW \(PDF\)](#) document for more information.

Be advised that any information included in the submission of an e-RACP Online Application (Pre-Award-Application) and PMP (Post-Award-Application) and any attachments thereto may be subject to the Right-to-Know Law in Pennsylvania.

Key Compliance Guidelines, Updated June 9, 2023

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)

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

- 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		 DEPARTMENT OF LABOR & INDUSTRY <small>COMMISSIONER OF INDUSTRIAL RELATIONS</small> BUREAU OF LABOR LAW COMPLIANCE PREVAILING WAGE DIVISION 7TH & FORSTER STREETS HARRISBURG, PA 17120 1-800-952-4965
PAYROLL NUMBER	WEEK ENDING DATE	PROJECT AND LOCATION	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 #	

*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., _____

Steel Guidance RACP Website Handbooks and Forms

COVID-19 Total Expenditures Right To Know

[Budget](#) > [Programs](#) > [RACP](#) > [Handbooks & Forms](#)

RACP HANDBOOKS & FORMS

RACP PRE-AWARD Items

[e-RACP Online Application](#)

- [e-RACP Application Instructions \(PDF\)](#)
- [RDA-300 & -301 and Construction Cost Breakdown Form \(Excel\)](#)
- [Statement of Compliance Acknowledgement Template \(Word\)](#)
- [Pre-award Flowchart \(PDF\)](#)

RACP POST-AWARD Items

[Project Management Proposal Handbook \(PDF\)](#)

- [Project Management Proposal Template \(Word Doc\)](#)
- [RDA-300 & -301 and Construction Cost Breakdown \(Excel\)](#)

[Payment Request \(PR\) Form \(Excel\)](#)

[Reimbursement Handbook \(PDF\)](#)

[RACP Post-award and Reimbursement Flow Chart \(PDF\)](#)

[Estimated Post Award Timeline \(PDF\)](#)

Other RACP Items

[RACP Fact Sheet \(PDF\)](#)

[Frequently Asked Questions \(PDF\)](#)

[Program Guidelines \(PDF\)](#)

[Key Compliance Guidelines \(PDF\)](#)

[Steel Guidance \(PDF\)](#)

[ST-2 Steel Origin Certification: Non-Identifiable, Non-Structural Steel \(PDF\)](#)

[ST-3 75% U.S. Manufacture Certification \(PDF\)](#)

[Steel Products, Machinery, Manufacturing Prime Contractor \(PDF\)](#) (only to be used when requesting items to be exempted that are not found on the current year's List of Exempt Machinery and Equipment Steel Products)

[Article B Guidance \(PDF\)](#)

[Cash Flow Schedule w/ Example \(Excel\)](#)

[RACP Presentations](#)

[RACP Grant Process](#)

[e-RACP Application Search](#)

[Handbooks & Forms](#)

[Past & Present RACP Grantee List](#)

[Project Submissions, Awards & Itemizations](#)

[Frequently Asked Questions](#)

[Program Guidelines](#)

[Key Compliance Guidelines](#)

[Contact Us](#)

Mailing Address

Attention:
Redevelopment Assistance
Capital Program
Office of the Budget
Bureau of Redevelopment,
Capital and Debt
333 Market Street Tower
18th Floor
Harrisburg, PA 17101-2210

Please address any general questions to:
RACP Administrator at
RA-OB-RACP@pa.gov

NOTE:
Requests for information in accordance with the Right to Know Law (RTKL), must be submitted directly to OBRightToKnow@pa.gov. Requests sent to any other email address listed on this website will not be considered an official RTKL request. Please see the [OFFICE OF THE BUDGET RIGHT TO KNOW LAW \(PDF\)](#) document for more information.

Be advised that any information included in the submission of an e-RACP Online Application (Pre-Award-Application) and PMP (Post-Award-Application) and any attachments thereto may be subject to the Right-to-Know Law in Pennsylvania.

Steel Guidance, Updated March 2023

GUIDANCE ON STEEL CERTIFICATION RELATIVE TO THE REDEVELOPMENT ASSISTANCE CAPITAL PROGRAM (RACP)

Updated March 2023

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 a grantee has 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.

Effective immediately, OB will accept two more DGS ST forms (ST-2, 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, contact us if you have any questions.

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.

Effective January 1, 2013 OB began utilizing 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.

No other changes in RACP steel policy resulted from this new adjustment; consequently, the use of steel certificates for structural steel will still be required. Please note that the use of ST 2, 3, and 4, as requested for other steel products, will still be utilized unless an exemption based on the list has been formulated and forwarded to OB.

RACP Policy for Compliance with the Steel Products Procurement 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.

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.

Commonwealth Named

Commonwealth shall be listed as an additional insured.

Grantee may also request to be named.

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.

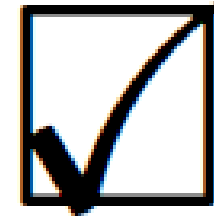
- Protects the General Contractor (or subcontractor) in the prosecution of the work provided and shall be conditioned for the prompt payment of all such material furnished or labor supplied or performed in the prosecution of the work.

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 (6 months or more from Grant Agreement execution)
- ❑ 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.



Communicate with the Office of the Budget and your assigned consultant





Questions?

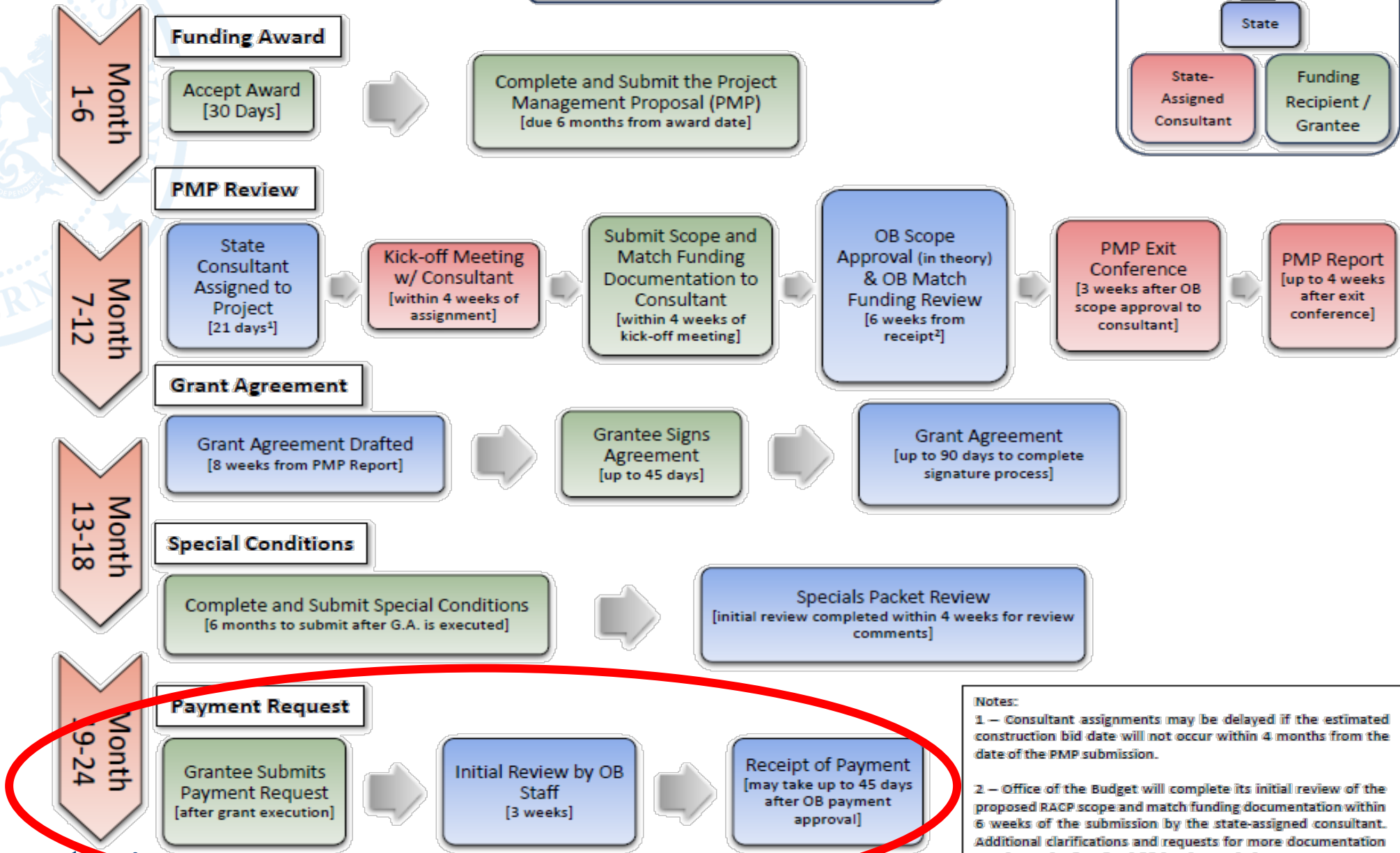
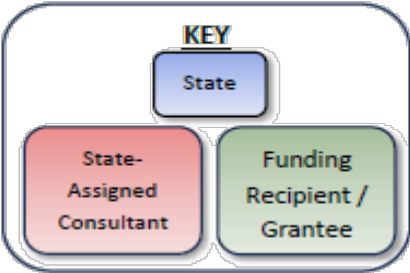




V. Reimbursement Process



RACP Grant Process Timeline



Notes:

- 1 – Consultant assignments may be delayed if the estimated construction bid date will not occur within 4 months from the date of the PMP submission.
- 2 – Office of the Budget will complete its initial review of the proposed RACP scope and match funding documentation within 6 weeks of the submission by the state-assigned consultant. Additional clarifications and requests for more documentation may be made after that initial review period.

When should you submit a payment request?

- Grant agreement is fully executed.
 - Construction has started and invoices have been received and paid.
- Special Conditions documentation has been submitted to the Office of the Budget.
- Grant Compliance has been demonstrated.
- Payment Request (PR) forms are submitted

Payment Request (PR) Form

Recently revised!!

Consolidated to two pages:

- Page 1 - List of all project costs
- Page 2 - Signature tab by the Grantee, Sub-Grantee, and the Architect/Engineer's authorized representative

Documents Included with the Reimbursement Request

What to include?

- Copies of invoices and proof of payment for all cost categories
- PR form excel document
- PDF containing:
 - Signed PR form
 - Invoices and proof of payment
 - Bookmark

Review Process of PR Form

- You will be assigned a reviewer
- The reviewer will check over the documentation and latest construction monitoring report.
- They will also check on the Status of Special Conditions.
 - Review of Special Conditions and PR form can occur at the same time.
- Once everything is satisfied, and PR manager approval has been granted, payment request will be sent to Comptroller for payment.
- Payment is made to the Grantee.
- Process is repeated for any additional payment requests.

Reminders

NO COSTS PAID PRIOR TO LAD

Match and reimbursement costs need to be expended at the same time



Questions?





Thank you!

Contact Information:

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



pennsylvania
OFFICE OF THE BUDGET

