



Local Efficiency Achievement Program (LEAP)

Challenge Grant Guidelines

Fiscal Year 2020

**State of New Jersey
Philip D. Murphy, Governor**

**Department of Community Affairs
Lt. Governor Sheila Y. Oliver, Commissioner**

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PROGRAM OVERVIEW

The Department of Community Affairs (DCA) is dedicated to helping local governments improve the quality of life in every one of the state's 565 municipalities. Through a variety of programs, DCA's Division of Local Government Services (DLGS) works with counties and municipalities to streamline government operations and reduce costs and property taxes.

In 2018, Governor Phil Murphy launched the Shared Services program with the appointment of two "Czars," former mayors Nicolas Platt and Jordan Glatt, to promote shared services throughout the State.

In 2019, DLGS established the Local Assistance Bureau (LAB) to provide direct support to local units in a variety of ways. This includes a key collaboration with the Czars and local governments to identify and implement shared services opportunities across the State.

LEAP is a natural extension of this mission.

Sharing services offers numerous benefits for participating communities. It reduces costs, delivers municipal services in a more efficient manner and increased value for each dollar spent while ensuring local units remain responsible stewards of the public trust.

LEAP affords an unprecedented opportunity to incentivize shared services implementation across New Jersey's local government entities, advancing the mission of the Shared Services Program. LEAP facilitates exploring and establishing shared services. LEAP provides counties, municipalities, school districts, authorities, and fire districts assistance for the study or implementation of promising shared services projects undertaken pursuant to the Uniform Shared Service and Consolidation Act. The program is available to all New Jersey local government units.

LEAP is comprised of three primary components: Challenge Grants, Implementation Grants, and County Coordinator Fellowship Grants.

DLGS is responsible for administering the LEAP program. Eligible entities are invited to apply for grant funds under each of the LEAP grants. All information needed to apply is contained in these guidelines and the application package.

The LEAP Challenge Grant allocates funds to the most compelling projects in potentially each of New Jersey's twenty-one counties, affording municipalities, authorities, and counties the opportunity to compete for grant funding to support efficiency-generating shared services. This grant program is designed to promote innovation among peer communities and counties across New Jersey, and challenge municipalities and counties to collaborate on more extensive partnerships that produce shared services of greater significance than is customary. LEAP Challenge Grants provide reimbursement for qualifying expenses incurred in the development of approved programs and services authorized under the Uniform Shared Services and Consolidation Act (N.J.S.A. 40A:65-1 et seq.). Shared service programs and activities authorized by other statutes are not eligible for LEAP assistance.

The guidelines and funding levels will be reviewed annually and are subject to change with each funding cycle. Additionally, DCA reserves the right, in its sole discretion, to adjust the amount awarded under the LEAP Challenge Grant by the amount of unexpended funds available in other LEAP program grants.

ELIGIBLE APPLICANTS

New Jersey counties, municipalities, school districts, authorities, and fire districts are eligible to receive LEAP Implementation Grant funding.

Funding for the LEAP Challenge Grant originates from \$10 million appropriated through the state budget at P.L. 2019 c. 150 for Shared Services and School District Consolidation Study and Implementation Grants from the Property Tax Relief Fund.

Local government units are invited to compete for a share of \$150,000 in available funds per county, a statewide total of \$3.15 million.

ELIGIBLE PROJECT CRITERIA

Each project must meet the following criteria:

1. Advance efficiency in the provision of services.
2. Improve operational effectiveness.
3. Involve at least two governmental units.
4. Reflect a documented commitment in the form of a certified governing body resolution from all participating local units to pursue the identified project or activity.
5. Strive to develop or be the first to use or apply a new method, area of knowledge or activity.
6. Present a proposal that has the potential to scale or to be replicated if the concept bears out upon study and implementation.

Ineligible Projects:

Programs or projects authorized under any statute other than the Uniform Shared Services and Consolidation Act, including joint insurance programs and cooperative purchasing programs, are ineligible.

FUNDING AVAILABLE

Funding in the amount of \$150,000 is available within each New Jersey county. Up to three grants per county may be awarded.

ELIGIBLE ACTIVITIES

LEAP Challenge Grant funds can be used to support a variety of costs related to investigating, developing, and undertaking a pioneering shared service project. Eligible activities may include but are not limited to:

- Enhancing existing regionalization of services.
- Identifying and eliminating duplication and other redundancy of services through greater technical and capital alignment.
- Facilitating integration of resource deployment.
- Building community engagement and consensus around the joint provision of services.
- Sharing best practices and innovations with other communities.

Ineligible Activities:

- Salaries, wages, and ongoing operating costs are not generally eligible. This includes fringe benefits, rent, utilities, telephone maintenance or general administrative costs.
- Early Retirement Incentive (ERI) programs.
- Any expenses not fully justified that DLGS may deem ineligible.
- Expenses related to alcohol, out-of-state or out-of-country travel, prizes and awards, honoraria, lobbying expenses, fundraising events/expenses, grant-writing costs, fines and penalties, taxes, deficit funding, and refreshments for meetings.

Consultant Services:

Local units intending to use a consultant to conduct a LEAP assisted feasibility study or to facilitate an implementation effort must adhere to the following conditions to qualify for reimbursement of part or all of the associated expense:

1. All consultant contracts must be awarded based on a formal Fair and Open Request for Proposal (RFP) process. Copies of the Request for Proposal, the submitted and selected

proposal(s), and the applicant's analysis or other documentation that supports the selection must be submitted to the LEAP Program as part of the application or reimbursement process, as applicable.

2. All consultant proposals are to be on a time and materials basis, not a single all-inclusive fee, and must show the following:
 - A project time line broken down into major component tasks and activities.
 - The anticipated time (hours or days) required to accomplish each component.
 - Personnel staff level assigned to each component, the number of hours/days estimated for that assignment and the rate to be charged.
 - Charges for support staff time must also identify the activity, the staff's hourly rate and estimate of hours required for task completion.
 - Out-of-pocket reimbursement (mailing, delivery charges or other related third-party expenses).
 - The total estimated cost of the proposal.
 - Feasibility study work plans must include crucial decision points that will halt the project should it appear that the project is not feasible on a joint or shared basis. The grantee must consult with the LEAP Program before authorizing any further activity.
3. Travel expenses are not eligible for LEAP reimbursement. This includes all mileage, tolls, parking, meals or other travel related charges.
4. Staff "down time" while traveling between the work site and consultant's home or primary office location is not reimbursable by LEAP.
5. If a grant is awarded to the local government unit, the selected consultant must prepare a detailed work plan of the tasks and activities for each project component, including the personnel assignments and the estimated time anticipated for completion of each task. This work plan must be submitted to the LEAP program. The LEAP Program reserves the right to request additional documentation, information, or other materials necessary to its evaluation of the proposed work plan.
6. There are specific requirements related to submitted reimbursement requests for consultant services. See Below.

Consultant Related Reporting:

LEAP Grant reimbursement of payments for contracts with third party consultants must adhere to the following requirements:

1. Reimbursement of consultant service contracts shall be on a time and materials basis that details the grant related activity performed and time required for the activity or allowable expenses related to grant purposes. Grant awards shall be considered the maximum amount of LEAP assistance; the value of any time or other costs above the maximum grant amount approved by LEAP shall not be reimbursable through the LEAP program.
2. Invoices from the consultant must include the name and hourly rate of each individual whose time is billed, the date and number of hours worked, the project activity or task associated with the chargeable hours, and the amount due for the services rendered.
3. A separate line item or charge is required for each project activity or task being billed.

4. Copies of paid purchase orders, vouchers and invoices must accompany the LEAP Request for Payment Voucher. The Voucher must bear the signature of the local unit's Chief Financial Officer.
5. A copy of the consultant's feasibility study final report and/or recommendation must be submitted as part of the documentation for a final reimbursement payment, as applicable.

APPLICATION PROCESS

Each application submitted to DLGS shall: include a description of the intended use of grant funding for the approved shared services project; demonstrate the applicant's capacity to complete the proposed project and provide project management and oversight for all activities and fiscal operations; and list key personnel and/or outside consultants that will be managing the grant funds and/or proposed project.

Applications must be submitted jointly by all participating entities. Each partner to a proposal must submit a conforming resolution that memorializes the entity's commitment to completion of the proposed project. The resolutions and application must designate one entity the project lead.

The following forms must be submitted to complete a LEAP Challenge Grant application:

- a. Grant application.
- b. Certified governing body resolutions from all participating government units.
- c. Shared service project narrative including statement of need.
- d. Detailed explanation of use for funds, including efficiency estimate and cost savings summary.
- e. Detailed work plan for the project including staffing commitments and timelines.

Two hard copies must be received no later than 7 calendar days following email submission and mailed to:

Attn: LEAP Grant
New Jersey Department of Community Affairs
Division of Local Government Services
P.O. Box 803
Trenton, NJ 08625-0803

SUBMISSION DEADLINE

DLGS must be in receipt of one electronic copy of the completed application by 5:00 P.M. EST on February 28, 2020, in order for the applicant(s) to be eligible for grant funding. The complete application must be submitted electronically to dlgs.leapgrant@dca.nj.gov and by regular mail. The date of email submission shall constitute the date filed. Two hard

copies, postmarked by February 28, 2020, must be received no later than (7) seven calendar days following email submission.

Incomplete applications will not be considered for funding. Applications not submitted on or before 5 p.m. February 28, 2020, will be rejected.

GRANT REVIEW AND SELECTION PROCESS

DLGS will evaluate all applications. Grant applications will be ranked by scope of impact, breadth of collaboration, and efficiencies generated. DLGS will review grant applications and notify applicants of grant awards on April 24, 2020.

Grant application decisions are final and not subject to appeal.

APPLICATION SCORING CRITERIA

Applications will be scored based on the following criteria, on a scale of 100 points:

1. Degree of Innovation (25).
 - a. Incremental.
 - b. Breakthrough.
 - c. Transformational.
2. Scale/Replication Potential (15).
 - a. Applicable between different local unit types.
 - b. Applicable across regions.
 - c. Can expand to other participants.
3. Direct Financial and Administrative Advantages (20).
 - a. Need for project.
 - b. Taxpayer impact.
 - c. Performance measurement.
 - d. Efficiencies to be generated.
 - e. Sustainability and source of proposed funding mechanism.
4. Quality and Feasibility of Work Plan (20).
 - a. Quality.
 - b. Feasibility.
 - c. Expense Eligibility.
5. Full Participation and Support of Participants (20).
 - a. Documented commitment by all participants.
 - b. In-kind staff resources.
 - c. Matching local unit funding.

- d. Community engagement strategy.
- e. Participant readiness.

Applications for LEAP funding must be consistent with the policies and priorities of any relevant State agency which has jurisdiction or supervisory responsibility over the service or function (e.g. Administrative Office of the Courts, 911 Commission, Department of Environmental Protection, Department of Education). Applications for LEAP grants may be reviewed in part by, and are subject to the comments of, such agencies.

GRANT FUNDING PROCESS

All awards are subject to the availability of funds.

Upon completion of grant review and selection, DLGS will enter into an agreement with applicants approved for funding. Following execution of the agreement, the grantee can seek reimbursement costs, as appropriate within the category of grant awarded, provided that all award conditions have been satisfied.

Grantees shall maintain and retain accounting and other grant-related records and information for the duration of the project funded by the grant, as required by applicable state and local laws and regulations, for no less than 2 calendar years.

Such records shall be subject to examination, audit and inspection by DLGS and/or any other federal, state, or local agency that has jurisdictional authority.

DLGS reserves the right to rescind or reclaim funds, withhold future grant funding and/or disqualify a grantee from participating in future grant awards if any condition of the grant program is unmet, including if grant funds received by the grantee are not properly accounted for, or if the grantee fails to meet reporting or certification requirements.

Following execution of the agreement, the grantee is permitted to move funds between authorized categories within these guidelines for eligible items without requesting prior approval from the Division.

REIMBURSEMENT PROCESS

LEAP Challenge Grants are reimbursement-based. There will be no advance payment or drawdown of grant funds. Eligible costs are reimbursed to the grantee upon submission of evidence of payment by the grantee.

Requests for payment must be made by submitting a Financial Status Report (FSR) Expense Report, Payment Voucher, and Project Progress Report. The recipient must also forward copies of fully executed purchase orders and copies of cancelled checks (both sides) documenting the

expenditure of funds for which reimbursement is sought. Requests for reimbursement can be submitted at any time but must be not less than once every six months.

Funding for reimbursement requests received more than two (2) months after the close of the fiscal year during which the costs were incurred cannot be guaranteed.

Payment will be made via electronic transfer of funds to the account and financial institution identified by the grantee.

GRANT CLOSEOUT PROCESS

At the conclusion of the approved project period, which may coincide with the date upon which the grantee requests final payment, but shall not be before the execution of the shared service agreement for which implementation funds were provided, except as otherwise provided in writing by DLGS, the recipients must submit a final report documenting that all administrative responsibilities and required activities under the approved shared services project have been satisfactorily completed. The report must also describe the benefits derived from the grant.

ASSISTANCE

Applicants may contact DLGS staff at (609) 292-6858 to discuss program and project needs up to submission of the application. Questions can also be submitted via e-mail to dlgs.leapgrant@dca.nj.gov.