

**Recommendation for Adoption of a Systematic Approach for the RESTORE Act Advisory Committee for Evaluation and Selection of Proposed Projects from Disenfranchised, Disadvantaged, Poorer and/or Underserved Communities and the Adoption of a “Social Infrastructure Project Portfolio System” Selection Framework and “Community Engagement and Project Input” Process**



Prepared By:  
George Hawthorne  
Chairman/C.E.O.  
251-504-7313 Direct Phone



May 20, 2013

Ms. Bentina Terry, Chairperson  
RESTORE Act Advisory Committee  
221 South Palafox Place  
Pensacola, FL 32502

**RE: Recommendation of a Systematic Approach for the RESTORE Act Advisory Committee for Evaluation and Selection of Proposed Projects from Disadvantaged/Underserved Communities**

Dear Chairperson Terry,

In Sun Tzu's *Art of War*, the best strategy for winning a war is avoiding it in the first place. In process management, the best time to change a potentially troublesome operating process is as soon as possible and preferably before sunk costs make the decision to quit a troubled operating process a complex public relations nightmare and politically difficult. Changing a trouble-ridden operating strategy early has shown to yield a high return on investment (ROI) compared to not changing. The herein recommended strategy is a positive response to public commentary to date.

In a perfect world, The RESTORE Act Advisory Committee would find time to approach project selection in an objective, methodical way, using the right criteria and tools. In the real world, the RESTORE Act Advisory Committee project selection criteria and process in a very quantitative model for project selection that is detrimental to "social infrastructure" projects originating from historically disadvantaged/underserved communities and companies. However, the benefits of systematized, criteria-based evaluation and selection process for community-based projects can mark the difference between the RESTORE Act Advisory Committee's success or failure.

The RESTORE Act Advisory Committee must adopt a methodology for the effective evaluation and selection process for various potential RESTORE projects originating from various organizations within disenfranchised, disadvantaged, poorer and/or underserved communities in Escambia County. Herein, I have provided a recommended strategic approach and operating process, to "community-based" project evaluation and selection, that will yields better results for the RESTORE Act Advisory Committee by minimizing risk and maximizing the potential upside of producing a "transformational" change to the disadvantaged and underserved communities of Escambia County.

With finite RESTORE resources and infinite RESTORE project possibilities, project selection could be the most important step in the RESTORE Act Advisory Committee's life-cycle. RESTORE projects should be a response to threats or opportunities, and choosing the best possible response, from a complex web of possibilities, must include a strategic approach to evaluate and select "transformational" social infrastructure projects for disenfranchised, disadvantaged, poorer and/or underserved communities in Escambia County.

The analytic hierarchy process, recommended herein, is an effective method developed to overcome decision madness by using "best-practice" criteria for community engagement and social infrastructure projects. While each community-based project is unique and will have unique project criteria, we have herein recommended are some specific project evaluation and selection criteria strategies to play by that will greatly assist the Committee in its most important task – project selection.

All the Best,

A handwritten signature in black ink, appearing to read 'George Hawthorne', is written over a horizontal line.

George Hawthorne, Chairman/C.E.O.  
cc. All RESTORE Act Advisory Committee Members

# Table of Contents

The “Social Infrastructure Project Portfolio System” Selection Framework and “Community Engagement and Project Input” Process Recommendation Overview .....	4
Funding of Social Infrastructure Projects Are Consistent with RESTORE Act Funding Guidelines .....	4
I. The Proposed Chamber “R.O.I. Criteria” is Discriminatory Towards and Creates Barriers for Historically Disenfranchised, Disadvantaged and Underserved Communities’ Revitalization.....	5
II. Recommendation to Add a “Social Infrastructure Project Portfolio System” Selection Framework .....	6
III. Recommendation to Utilize a “Social Infrastructure Project Portfolio System” that is Scalable and Sensitive to Proposed Projects within Disenfranchised, Disadvantaged, Poorer and/or Underserved Communities in Escambia County.....	7
IV. The County’s Lack of Inclusion of a RESTORE Project Evaluation and Selection Models for disenfranchised, disadvantaged, poorer and/or underserved communities in Escambia County.....	8
V. The Recommended RESTORE “Social Infrastructure Project Portfolio System” .....	9
VI. Community Revitalization Strategic Planning Model .....	9
VII. The Proposed “Social Infrastructure Project Portfolio System” Selection Framework .....	10
VIII. Analytical Hierarchy Process .....	12
IX. Proposed Solution Methodology to Ensure Community Engagement and Community Consensus Regarding “Social Infrastructure Projects” .....	12
X. The “Community Engagement and Project Input” Process under the proposed “Social Infrastructure Project Portfolio System” Selection Framework .....	13
Step 1: Community Commitment .....	14
Step 2: Needs Identification .....	15
Step 3: Project Proposals .....	15
Step 4: Project Pre-Screening .....	15
Step 5: Project Selection .....	16
Step 6: Community Presentation.....	17
Step 7: Portfolio Refinement.....	17
Step 8: Portfolio Adoption .....	17
Step 9: Review and Evaluation .....	17
XI. Conclusions.....	17
XII. Profile on the Author of these Recommendations, Diversity Program Advisors, Inc.....	18
APPENDIX A - Detailed Analysis of the RESTORE Act regarding the Recommendation .....	19
APPENDIX B – Business Case For Social Infrastructure Projects Presentation .....	20

## **The “Social Infrastructure Project Portfolio System” Selection Framework and “Community Engagement and Project Input” Process Recommendation Overview**

The RESTORE Act Advisory Committee must find a methodology for the effective evaluation and selection process for various potential RESTORE projects originating from various organizations within disenfranchised, disadvantaged, poorer and/or underserved communities in Escambia County. The adoption and implementation of a “Social Infrastructure Project Portfolio System” Selection Framework can be effective in executing “transformational change projects” to improve Escambia County’s economic development, infrastructure improvements, workforce development, job creation, environmental restoration and social issues within disenfranchised, disadvantaged, poorer and/or underserved communities in Escambia County (**collectively herein referred to as “social infrastructure projects”**).

Also an easy-to-use and easy-to-implement systematic nine-step approach to community engagement is herein proposed and presented to the RESTORE Act Advisory Committee. The proposed nine-step and “Community Engagement and Project Input” Process utilizes the “best-practices” of the Analytical Hierarchy Process (AHP) and a scoring methodology in the project selection process is applied to determine the acceptability of the proposed RESTORE Act projects originating in or proposed for these communities.

The “Social Infrastructure Project Portfolio System” Selection Framework and “Community Engagement and Project Input” Process takes into account the unique needs, possible limited subject expertise, and possible technological constraints of RESTORE Act Advisory Subcommittee. The approach has been successfully utilized by various governmental agencies and groups of community members involved in developing a project portfolio of taxpayer-funded projects ranging in budget from a few hundred thousand to over one-billion dollars in various communities across the U.S.

The recommendations contained herein and the proposed adoption of a “Social Infrastructure Project Portfolio System” Selection Framework and “Community Engagement and Project Input” Process has been developed by Diversity Program Advisors, Inc. (“DPA”), a Pensacola-based company that specializes in the development, management, implementation and consultation of “diversity inclusion” in the procurement and contracting programs of Federal, State and Local governmental entities, non-governmental organizations, academic institutions and private sector companies and organizations.

### **Funding of Social Infrastructure Projects Are Consistent with RESTORE Act Funding Guidelines**

Under Section §1603—CWA § 311(t)(1)(B)(i)-(ii) of the RESTORE Act of 2012 states that RESTORE Act funds may be used to carry out; workforce development and job creation; Infrastructure projects benefitting the economy; and, planning assistance. More specifically in the legislation, “Workforce development and job creation” is very open-ended, as is “Infrastructure projects benefitting the economy. “Social Infrastructure” is globally recognized as a critical component of the “economic infrastructure of a society that also encompasses among other things, workforce development, job creation and community planning and is therefore allowed under the RESTORE Act funding.

The RESTORE Act investment in “social infrastructure projects” is essential for the health, wellbeing and economic prosperity of disenfranchised, disadvantaged, poorer and/or underserved communities in Escambia County. “Social infrastructure projects” can play an important role in bringing people together, developing social capital, maintaining quality of life, and developing the skills and resilience essential to Escambia County .

The RESTORE Act Advisory Committee must adopt a “Social Infrastructure Project Portfolio System” Selection Framework for investment in human and civic assets is vital to economic prosperity and social

wellbeing. Communities that offer opportunities for human development and the capability to lead worthwhile lives have strong social capital, and act as magnets for private industry investment and economic growth. Social infrastructure projects and facilities help communities by:

- Promoting balanced economic development
- Unlocking economic opportunities
- Promoting growth of social amenities to support economic development projects
- Addressing socio-economic needs
- Promoting job creation
- Integrating workforce readiness and economic development projects

For the purpose of “Social Infrastructure Project Portfolio System” Selection Framework, “social infrastructure project(s)” has been defined as follows: **“Social infrastructure project(s) refers to the community facilities, services and networks which help individuals, families, groups and communities meet their social needs, maximize their potential for development, and enhance community wellbeing.”**

They include:

- Universal community facilities and services such as education, training, health, open space, recreation and sport, safety and emergency services, religious, arts and cultural facilities, and community meeting places lifecycle-targeted facilities and services, such as those for children, young people and older people
- Targeted community facilities and services for groups with special needs, such as families, people with a disability and ethnically and culturally diverse people.

Social infrastructure project planning and delivery is shared between local Governments, Federal Government agencies, non-profit agencies and community organizations, with increasing participation from other interests, including private-sector service providers and private-enterprise developers.

The intention of the “Social Infrastructure Project Portfolio System” Selection Framework is to provide direction on social infrastructure project evaluation and selection mechanisms, the content focuses on the operating guidelines for the evaluation and selection of social infrastructure projects and the community engagement and input process to build community-consensus of a portfolio of social infrastructure project to be presented to the RESTORE Act Advisory Committee for evaluation and selection. The “Community Engagement and Project Input” process focuses on planning for social infrastructure projects operated by the public and community sectors, but take into account the role of private enterprise sponsoring projects for the community needs.

### **I. The Proposed Chamber “R.O.I. Criteria” is Discriminatory Towards and Creates Barriers for Historically Disenfranchised, Disadvantaged and Underserved Communities’ Revitalization**

Economic development activity is essential for the survival of both the affluent and non-affluent communities of Escambia County. Economic growth disenfranchised, disadvantaged, poorer and/or underserved communities in Escambia County, brought on by social infrastructure projects from RESTORE Act project implementation within the, will bring new capital into county and city governments by increasing the tax-base, allowing for further development and quality of life improvements within these communities. Without a sustaining level of economic growth and social infrastructure projects within disenfranchised, disadvantaged, poorer and/or underserved communities in Escambia County, municipalities will have to increase general fund obligations to these areas and may no

longer be able to support the needs of the evolving more-affluent communities in the County, resulting in population loss and economic distress.

All Florida governments are experiencing the challenges of a tough economy and the fiscal belt tightening necessary to keep necessary core services. Escambia County is no exception. Under committed leadership – both public and private – the RESTORE Act Advisory Subcommittee has ample opportunity to implement a project selection process and project recommendations that will ensure sound fiscal stewardship of RESTORE Act dollars while fostering the health and economic vitality of the disenfranchised, disadvantaged, poorer and/or underserved communities in Escambia County.

Under the current realities, the Escambia County government has developed mission statements, strategic planning efforts and has set long term goals for the Escambia County community. However, Escambia County has fallen short of reaching its stated goals of economic, capital and social infrastructure projects because of failure to complete the final two activities in the strategic planning process:

- 1) The development of economic, capital and social infrastructure project plans for disenfranchised, disadvantaged, poorer and/or underserved communities in Escambia County; and,
- 2) The implementation of these plans and strategies through project completion.

The Escambia County government has developed various plans and strategies that are designed to meet the County's objectives for economic development, capital improvement and social infrastructure improvement; however, there is a clear and evidenced disparity in the implementation these strategies and these projects in disenfranchised, disadvantaged, poorer and/or underserved communities due to a variety of capacity and fiscal limitations. This disparity is not only inherent in Escambia County government; Escambia County businesses also find the final "implementation" stage of the strategic planning process for disenfranchised, disadvantaged, poorer and/or underserved communities to be the most neglected step in there planning, proposals and execution.

**For example, the Pensacola Greater Chamber has developed a "strategic plan" for economic development that includes a proposed "R.O.I. criteria" to be utilized for RESTORE Project evaluation. However, this "strategic plan" contains NOTHING to deal with the economic development of disenfranchised, disadvantaged, poorer and/or underserved communities. Furthermore, the proposed "R.O.I. criteria" creates a "systematic barriers" and "insurmountable obstacles" for disenfranchised, disadvantaged, poorer and/or underserved communities and businesses to develop projects based upon "quality of life improvements" and social infrastructure projects in these communities by instilling purely "financial metrics" and "revenue generating" criteria in the evaluation and selection process. In fact, this proposed "R.O.I. criteria" could even be categorized as a form of private-sector "institutional discrimination" that has been evidenced by the 2012 City of Pensacola Disparity Study's empirical and anecdotal evidence.**

## **II. Recommendation to Add a "Social Infrastructure Project Portfolio System" Selection Framework**

The key to the "transformational" and impactful deployment of RESTORE Act dollars is selecting from the many proposals for projects that make the largest and most balanced contribution to the objectives and strategies of the community ... in its ENTIRETY. DPA suggests including the herein proposed "Social Infrastructure Project Portfolio System" Selection Framework to evaluate and select RESTORE project proposals from and/or impacting disenfranchised, disadvantaged, poorer and/or underserved

communities. In such a “Social Infrastructure Project Portfolio System”, proposed RESTORE projects are prioritized so the RESTORE’s resources are ALSO assigned to projects that will best help Escambia' County’s disenfranchised, disadvantaged, poorer and/or underserved communities. The herein proposed “Social Infrastructure Project Portfolio System” Selection Framework “process” will assist the RESTORE Act Advisory Committee to equitably evaluate such projects and help “transform” these communities.

Generally, three problems occur when projects are assigned without a prioritizing system:

- 1) The first problem is what is known as “The Implementation Gap.” This gap refers to the misunderstanding of the organization’s strategy by top and middle management. This misunderstanding causes confusion when middle managers implement projects that they feel would be best for the company, but go against the strategy developed by upper management. This can lead to an inefficient use of valuable resources and strife between levels of management.
- 2) The second problem deals with organization politics. When organizations have a poorly defined project selection system, projects can easily be implemented based not on the benefits they produce, but on the persuasive ability of project sponsors, political leaders and/or special interests.
- 3) The third problem deals with resource conflicts and multitasking. When a project’s priority is not clear and resources are limited, conflicts arise when trying to obtain the resources to complete it. Multitasking is also a problem in organizations that have reached their labor resource limit. Multitasking adds delays and costs to projects and reduces worker efficiency.

In the RESTORE Act evaluation and project selection process, these three problems can be avoided by assuring that the RESTORE Act Advisory Subcommittee has a documented “Social Infrastructure Project Portfolio System” that uses integrative criteria, a structured process for project evaluation and selection that support the County’s higher-level strategies and objectives as follows:

- 1) By implementing a set project prioritizing system, all levels of stakeholders (elected officials, government staff, citizens and project proposers) know which projects are important to the strategic goals of the RESTORE Act Subcommittee, eliminating “The Implementation Gap.”
- 2) With a prioritizing system in place, it will also be less likely for projects to be implemented based solely on the persuasiveness of an individual, politician and/or special interest group.
- 3) Another important outcome of a prioritizing system is that by understanding the priority of the projects, the BOCC can allocate resources accordingly and reduce multitasking.

### **III. Recommendation to Utilize a “Social Infrastructure Project Portfolio System” that is Scalable and Sensitive to Proposed Projects within Disenfranchised, Disadvantaged, Poorer and/or Underserved Communities in Escambia County**

While these aforementioned systems of assigning weights and variables, deriving cost factors, and making a decision based on a calculated outcome can be useful to the RESTORE Act Advisory Committee for the evaluation and selection of projects in many more affluent areas of the County, it is unclear as to whether they make sense for economic and community development projects proposed in the disenfranchised, disadvantaged, poorer and underserved communities of Escambia County. Many organizations, businesses and individuals within these disadvantaged communities, do not possess a group of proposed projects that will meet some of the minimum threshold requirements imposed by the

BOCC on the RESTORE Act Advisory Subcommittee for its project evaluation and selection system.

Failure to adopt a “Social Infrastructure Project Portfolio System” that is scalable for proposed projects within disenfranchised, disadvantaged, poorer and/or underserved communities in Escambia County can result in these communities failing to meet their long-term goals that, in many cases, include economic growth, community development and increasing the quality of life. These communities have the desire to implement a strategic planning process, but are unable to do so because they discover the need for planning and engineering, but they lack the funding to hire support. This is especially true in communities with a citizen population at or below the poverty level.

When addressing the RESTORE Act’s economic and social infrastructure improvement efforts in a very quantitative model for project selection, it is often difficult to force the social infrastructure projects disadvantaged communities require into this very quantitative model for project selection. Numerous project sets considered by disadvantaged communities involve “quality of life” projects (access to public transportation, community centers, remedial soft-skills training centers, etc.) where there may be no way to assign the “most frequently discussed” RESTORE Committee quantitative variables and “traditional” financial-based project selection processes, such as the payback or net present value models.

Disadvantaged communities that will try to propose and implement a project into the contemplated RESTORE Act Advisory Subcommittee “project evaluation and selection process,” without a systematic approach to evaluate and select “disadvantaged community-based projects,” will fail because they lack an easy-to-understand and easy-to-implement project evaluation and selection process that includes evaluation metrics that give these such projects a “weighted” quantitative scoring model.

#### **IV. The County’s Lack of Inclusion of a RESTORE Project Evaluation and Selection Models for disenfranchised, disadvantaged, poorer and/or underserved communities in Escambia County**

Throughout the course of discussions over the last year (by the Escambia BOCC and the RESTORE Act Advisory Committee) there have been numerous models, methods, guidelines, and techniques contemplated for evaluating and selecting RESTORE projects. However, there has been very little discussion of developing a “balanced and equitable approach” to allocating some portion of RESTORE funding for social infrastructure projects within disenfranchised, disadvantaged, poorer and/or underserved communities in Escambia County

Our recommendations take into account and fully recognize that the RESTORE Act funding presents a quandary of “how to balance allocations” against the reality that RESTORE provides limited resources and the abundant amount of potential project requests from organizations, enterprises, and communities. Various project evaluation and selection models have been vigorously debated by the Escambia BOCC and other stakeholders throughout the pre-RESTORE Act Advisory Committee’s appointment period regarding the Committee’s member selection and management; however, there has been virtually no discussions regarding disenfranchised, disadvantaged, poorer and/or underserved communities’ social infrastructure improvement. Furthermore, the amount of information available to these communities has been limited and the nature of the social infrastructure projects needed in these areas are unfit for the quantitative, structured RESTORE Project evaluation and selection models that have been discussed by the BOCC and the Committee.

The following discusses recommended “best practices,” models, methods, and guidelines, for evaluation and selection of prospective projects that originate from and/or could impact from the disenfranchised, disadvantaged, poorer and/or underserved communities in Escambia County.

## **V. The Recommended RESTORE “Social Infrastructure Project Portfolio System”**

Ultimately, the RESTORE Act Advisory Committee’s “Social Infrastructure Project Portfolio System” should evaluate, prioritize, and select the projects that best meet the entire community’s holistic objectives. Seven benefits of a successful RESTORE “Social Infrastructure Project Portfolio System” must encompass the following guidelines:

1. Build discipline into the project selection process for projects from the disadvantaged/underserved communities
2. Link project selection from disadvantaged/underserved communities to strategic metrics based upon “social infrastructure” of these communities
3. Prioritize project proposals from disadvantaged/underserved communities across a common set of “social infrastructure projects” criteria, rather than on politics or emotion
4. Allocate resources to projects in disadvantaged/underserved communities that align with a strategic direction as defined by the RESTORE Act Advisory Committee
5. Balance risks of projects from disadvantaged/underserved communities across all projects of the RESTORE Act funding.
6. Justify killing projects that do not support social infrastructure in disadvantaged/underserved communities along with the RESTORE Act requirements and all Escambia County stakeholders
7. Improve communication and supports agreement on project goals within the disadvantaged/underserved communities

These benefits must fit well not only in the general RESTORE Projects portfolio selection, but also make provisions for selecting “transformational” projects for disenfranchised, disadvantaged, poorer and/or underserved communities, as well.

## **VI. Community Revitalization Strategic Planning Model**

Multiple strategic planning models for implementing community development block grant programs in disenfranchised, disadvantaged, poorer and/or underserved communities were developed in the mid-1970’s working with inner-city neighborhoods throughout the U.S. provided some basic guidance on the development of the proposed RESTORE Act “Social Infrastructure Project Portfolio System.” These earlier successful models consisted of a five-stage process that was used to develop a strategic plan for the community development within the inner-cities. Although not all five stages are relevant to the proposed RESTORE “Social Infrastructure Project Portfolio System” and “social infrastructure projects” in disadvantaged/underserved communities, it appears that the first two stages, Community Commitment and Needs Identification, are important factors in any RESTORE project selected and particularly in the proposed “Social Infrastructure Project Portfolio System.”

In the case of proposed RESTORE “Social Infrastructure Project Portfolio System,” DPA recommends the need for community inclusion for the citizens of disenfranchised, disadvantaged, poorer and/or underserved communities of Escambia County and identified three groups that needed to be involved and fully committed:

- 1) 1) County and City political and administrative leaders,
- 2) A county and city staff taskforce of administrative and technical people chosen by the administrative leaders, with sufficient power to operate autonomously, and

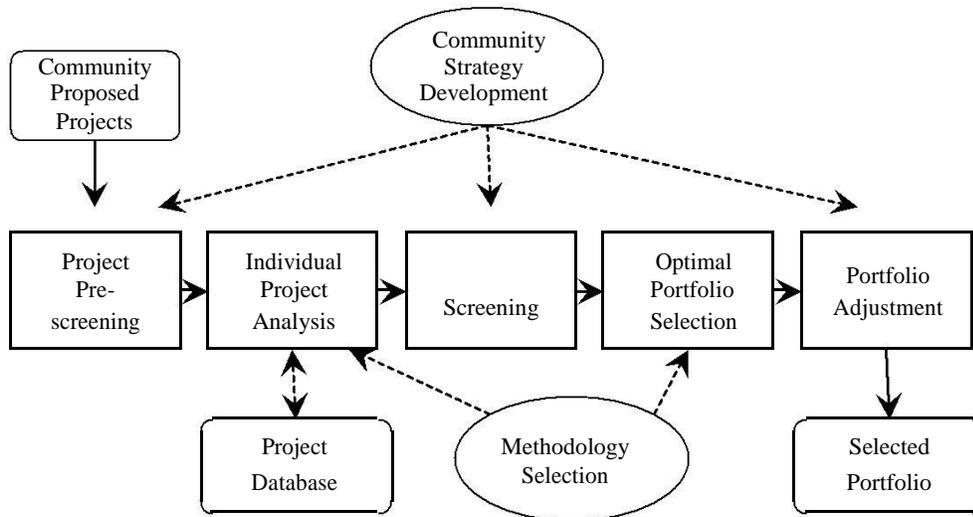
- 3) a community council or citizen organization, comprised of citizens with a variety of backgrounds, such as retail trade, industry, financial, housing, health, education, news media, religion, social service, elderly, youth, women, and minorities.

This systematic project selection process should be applied to projects originating from or directly impacting historically disadvantaged/underserved communities, as these communities lack the resources to undertake a rigorous RESTORE Committee selection procedure, making it an excellent candidate for the systematic approach developed in this document. Also, these historically disadvantaged/underserved communities may have several proposed projects for which the economic impact of the finalized project would be hard to determine, thereby making it difficult to use an established, and more rigorous, RESTORE Act evaluation and selection methodology. The recommended RESTORE Act “Social Infrastructure Project Portfolio System” includes some unique and operating components that are keys to the success of such a system and are as follows:

- 1) Historically for projects and initiatives within disenfranchised, disadvantaged, poorer and/or underserved communities within Escambia County, this kind of citizen organization has not historically functioned very effectively and the engagement a professional consultant facilitator for program development support of this type of citizen organization is highly recommended to be effective.
- 2) Needs Identification should come as a result of an interactive process involving idea generation from the county/city staff taskforce, professional facilitator and the citizen organization.
- 3) The citizen organization would then hold public hearings to obtain feedback and refinement from the public. The goal of the group is to create a project portfolio for the historically-disadvantaged communities to be presented to the RESTORE Committee for evaluation and selection.
- 4) Our recommendation provided herein also deals with the review of proposed RESTORE projects impacting historically-disadvantaged communities and recommends the assignment of a subset of RESTORE Committee members reviewers to rank proposed projects located within these historically-disadvantaged communities. One of our primary recommendations is to assign the correct reviewers for these projects.
- 5) However, in the case of proposed RESTORE projects located within these historically-disadvantaged communities, expert reviewers are recommended to assist members of the RESTORE Act Advisory Committee. In general, it would be advisable to choose a subset of the RESTORE Committee members that possess an intimate knowledge regarding the disenfranchised, disadvantaged, poorer and/or underserved communities’ social infrastructure and economic development needs, goals, objectives, and limitations.
- 6) The subset of RESTORE Act reviewer should be small enough to function effectively to rank these proposed RESTORE project proposals recommended from the citizen organization and then present these proposed RESTORE projects to the entire RESTORE Committee.

## **VII. The Proposed “Social Infrastructure Project Portfolio System” Selection Framework**

DPA has outlined a proposed framework for “**Social Infrastructure Project Portfolio System**” for proposed RESTORE projects that can have a “transformational” impact and provide realistic opportunities for social infrastructure in disenfranchised, disadvantaged, poorer and/or underserved communities, **summarized in Figure 1 below.**



**Figure 1. Proposed “Social Infrastructure Project Portfolio System” Selection Framework**

We have also detailed the project evaluation stages for these projects, including pre-screening and screening, and elaborating on the proposed “Social Infrastructure Project Portfolio System” Selection Framework, which is the first step in the optimal “social infrastructure project” selection phase. We propose that screening should be used, based on carefully selected pre-set requirements, to eliminate unnecessary projects coming before the Proposed “Social Infrastructure Project Portfolio System” Selection Framework team.

We have identified five primary ways to screen “social infrastructure projects”:

- 1) Economic Evaluation
- 2) Benefit/Cost Techniques
- 3) Project Risk
- 4) Market Research
- 5) Community Benefit

Consistent with the RESTORE Act Advisory Committee overall objectives and processes for private enterprise vs. county/city government projects, these previously adopted screening criteria are partially transferable to proposed “Social Infrastructure Project Portfolio System” Selection Framework. We further defined “social infrastructure project” selection as “simultaneous comparison of a number of projects on particular ‘social infrastructure’ dimensions, in order to arrive at a desirability ranking of the social infrastructure projects.” Once ranked, those “social infrastructure projects” at the top of the list would be placed into the “community portfolio,” subject to RESTORE Act Advisory Committee resource constraints. We also recommend five main “social infrastructure project” selection techniques that include:

- 1) Ad Hoc Approaches,
- 2) Comparative Approaches,
- 3) Weighted Scoring Model Techniques,
- 4) Existing Project Matrices, and
- 5) Community Optimization Models

Another consideration developed for the proposed “Social Infrastructure Project Portfolio System” Selection Framework, deals with issues of incomplete cost information and project interdependencies. They extend the proposed “Social Infrastructure Project Portfolio System” Selection Framework modeling approach for “social infrastructure project” selection in case where there is a presence of “multiple-entity” joint-proposals and incomplete information with independent projects and a fixed budget.

This “extended approach” to the proposed “Social Infrastructure Project Portfolio System” Selection Framework recognizes cases where there are a wide range of unknown “social infrastructure project” interdependencies and handles incomplete information about project costs, and considers variable budget levels. While this “extended approach” accounts for incomplete information and a wide variety of factors in proposed “social infrastructure projects,” its complexity probably hinders its use in most projects submitted pursuant the proposed “Social Infrastructure Project Portfolio System” Selection Framework unless consulting assistance is available to the “social infrastructure project” proposers.

### **VIII. Analytical Hierarchy Process**

The Analytical Hierarchy Process (AHP) is characterized by the organization of “mitigating factors” in a hierarchical structure and the prioritization of them to allow trade-offs to be made between project selection criteria and alternatives. The goal is to identify the best policies and/or actions to achieve the desired growth in a particular area, like the disadvantaged and underserved areas of Escambia County.

With very little regard to the clearly evidenced disparities prevalent in Escambia’s disadvantaged/underserved communities, the current RESTORE Act Advisory Committee’s “operations mandate” (from the Escambia County BOCC) focuses almost exclusively on financial factors for the selection of RESTORE projects. In the currently prescribed RESTORE project analysis process, the BOCC has not seen the need to incorporate “qualitative factors” that can lead to “social infrastructure project” in the historically disadvantaged/underserved communities within the County. As a result, AHP has not been commonly used in the project selection process.

DPA has been conducted research on a variety of other “project evaluation, prioritizing and selection” systems and incorporated the Analytical Hierarchy Process (AHP) in the “Social Infrastructure Project Portfolio System” Selection Framework techniques for “social infrastructure projects” projects and corresponding evaluation criteria. However it should be duly noted, the “Social Infrastructure Project Portfolio System” Selection Framework also uses financial factors such as profit, growth, and return.

The RESTORE Act Advisory Committee has a “community responsibility” also to consider non-financial factors such as quality-of-life and safety in its selection of proposed RESTORE projects. Disenfranchised, disadvantaged, poorer and/or underserved communities, in particular, need a project selection process that is easy to implement, transparent to community members, and able to incorporate selection criteria beyond financial criteria.

### **IX. Proposed Solution Methodology to Ensure Community Engagement and Community Consensus Regarding “Social Infrastructure Projects”**

As previously mentioned, it is often difficult for many types of “social infrastructure project” types from disenfranchised, disadvantaged, poorer and/or underserved communities, organizations to organize the limited information they may have regarding a community need or a social infrastructure project into criteria and variables to fit into the current RESTORE Act Advisory Committee project evaluation and selection process’ quantitative model. The current RESTORE “process” that requires defining criteria

and a desired outcome in terms of a financial Return-On-Investment creates an impractical and/or unachievable “minimum threshold” for “social infrastructure projects.” Implementation of the current RESTORE selection process will almost assuredly prohibit the implementation of RESTORE projects that can provide “transformational” social infrastructure improvement outcomes in historically disadvantaged/underserved communities.

The Federal RESTORE Act legislation requires the participation of the community and community input in the selection and evaluation of projects funded with RESTORE Act funding proceeds. The RESTORE Act Advisory Committee needs a clearly transparent and authentic “inclusion” process to solicit, evaluate and select RESTORE projects from disenfranchised, disadvantaged, poorer and/or underserved communities. Without such a clearly transparent and “authentic” community “inclusion” process disenfranchised, disadvantaged, poorer and/or underserved communities could have a potential “legal cause of action” that could severely hamper the efforts of the RESTORE Act Advisory Committee’s mandated tasks.

Disenfranchised, disadvantaged, poorer and/or underserved communities need a “structured method” for the RESTORE Committee to weigh each potential “social infrastructure project” without an unobtainable quantitative R.O.I. being the primary consideration for evaluation and selection. Since numerous “social infrastructure projects” from disadvantaged/underserved communities involve quality of life it is unreasonable to categorize and evaluate such projects in the same manner as large public infrastructure or economic development projects, where a life cycle and benefit cost ratio analysis could prove useful in there higher “ranking” in the RESTORE evaluation and selection process.

Yet a structured, more comprehensive, process, like the proposed “Social Infrastructure Project Portfolio System” Selection Framework, is very important to disenfranchised, disadvantaged, poorer and/or underserved communities, so that their economic development and “social infrastructure” is not subjected solely on “wheeling and dealing” and “the squeakiest wheel” domineering the evaluation and selection process or so that the RESTORE evaluation and selection process for “social infrastructure projects” is not based on information required by some financial models or financial return that may not be readily available.

#### **X. The “Community Engagement and Project Input” Process under the proposed “Social Infrastructure Project Portfolio System” Selection Framework**

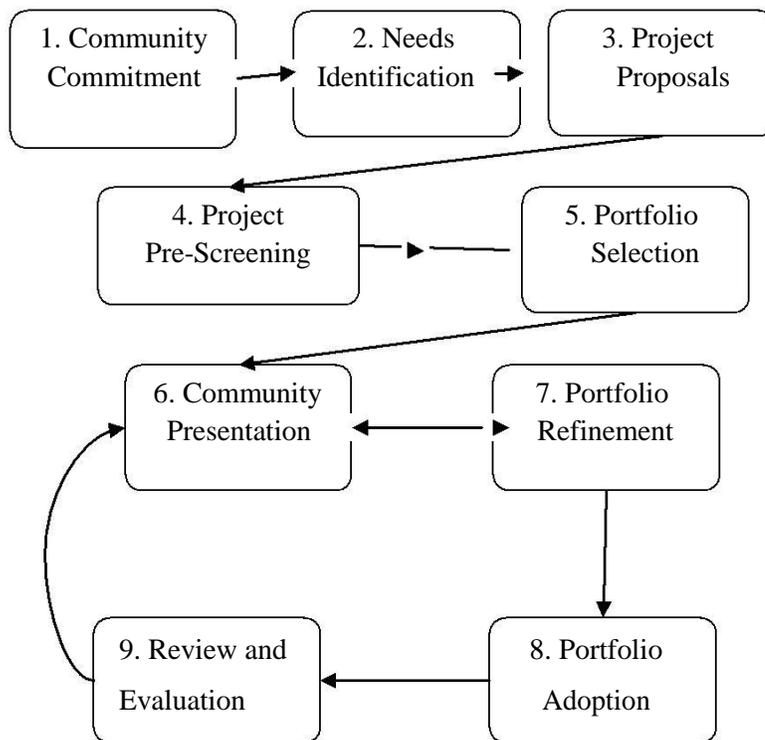
Unlike the existing RESTORE project evaluation selection models, the developed steps require no complicated calculations or computer programming, thus they can be performed in communities with few social infrastructure resources, or for those who desire to make structured decisions about projects that will not offer a high rate of return on the investments made (for example, quality-of-life projects).

If a RESTORE Act Advisory Committee carries out the proposed “Social Infrastructure Project Portfolio System” Selection Framework process, the RESTORE Committee must assume a much more intense and more comprehensive “social infrastructure project facilitator” role that is more than its current role as a point of contact for projects submissions; evaluator of submitted projects, and: provider of recommendations to the BOCC for RESTORE project funding. This increased “community facilitator” role is critical to the development of comprehensive “transformational” social infrastructure projects from disadvantaged/underserved communities.

In recognition that the RESTORE Act Advisory Committee may not be willing to perform this expanded “social infrastructure project facilitator” role DPA has provided a viable alternative to the execution of the

critical requirements necessary to community engagement and project development from the disadvantaged/ underserved communities and their citizens. Based on the proposed “Social Infrastructure Project Portfolio System” Selection Framework described in the aforementioned sections, the following nine-step “Community Engagement and Project Input” process was developed by the DPA, and will prove to be useful in the implementation of a community engagement “process” for community input in evaluating and selecting “social infrastructure” projects aimed to improve disenfranchised, disadvantaged, poorer and/or underserved community in Escambia County.

The “Community Engagement and Project Input” process shown in Figure 2 has been designed to be completed by professional program management consultant experienced in the development and operation of initiatives like the proposed “Social Infrastructure Project Portfolio System” Selection Framework. If the “Community Engagement and Project Input” process steps are performed by a professional program management consultant, it is important that the consultant act only as a facilitator of the process and refrain from showing favoritism to any particular project; in other words, they must remain unbiased.



**Figure 2. “Community Engagement and Project Input” process**

**Step 1: Community Commitment**

The first step in promoting social infrastructure projects in disenfranchised, disadvantaged, poorer and/or underserved communities is to ensure that the community wants to enhance its economic state. Community commitment is the cornerstone of the nine-step process; if the community does not want to manage social infrastructure projects, citizen needs, and quality-of-life issues, continuation of the project prioritization process is futile. In order to determine whether the community is committed, the nine-step process utilizes two further sub-steps. The first sub-step involves confirming the official commitment of the RESTORE Act Advisory Committee. This commitment should be also be achieved by presenting the

development process to the BOCC at a regularly scheduled meeting. The BOCC should indicate whether or not they would like to proceed with the process by an official vote that is recorded.

The second sub-step should be performed after the BOCC approves continuation of the process. A citizen organization as suggested earlier should be developed. This organization should consist of volunteer members from both the governmental and private sectors of the community. It is important that the citizen organization represent a wide variety of community interest, such as business, retail, religion, health and welfare, and education. The citizen organization should also appropriately represent minorities in the community. The program consultant facilitator of the citizen organization would have the responsibility to facilitate the meetings so that the steps in the process are completed.

When forming a citizen organization, all members should be citizenry volunteers and they should be personally committed to the goal of the respective communities' revitalization. The importance of having an all volunteer organization is that those who have volunteered will typically accept ownership of the process and work diligently until it is complete. Members who are forced to participate are less productive because they may not feel the same ownership in the project as volunteers. Good leadership and facilitation is, of course, paramount.

### **Step 2: Needs Identification**

The second step in the process is determining the county/city's and individual communities' needs. Needs identification should be performed by the entire citizen organization so as to provide a comprehensive picture of the community needs from various viewpoints. The organization members should focus on interests, not positions, by developing broad community needs rather than specific social infrastructure projects. A good example of a community need would be to increase the tax base. This need is broad and covers everything from encouraging new businesses to enter the area to encouraging community members to shop locally. A poor example of a community need would be to bring in company "XYZ" that would create fifteen jobs. This need is too focused and would confine project proposals to too narrow a scope. Another good example would be to find ways to improve the quality of life in the community in order to improve the retention of skilled workers and businesses.

The selected community needs should be broad, but specific enough to accomplish the overall goal of social infrastructure improvement. If the needs are not focused on social infrastructure projects, unrelated projects will be considered and valuable time and resources will be spent analyzing projects that do not promote the overall goal. Once the citizen organization develops a set of needs, it should vote to accept them as the official community needs. Once accepted, the set of community needs should remain unchanged throughout the rest of the process.

### **Step 3: Project Proposals**

The third step in the social infrastructure improvement process is to accept project proposals that address the established community needs. Accepting project proposals may take up to one month to complete, depending on how many members are on the citizen organization. The process facilitator should meet with each individual on the citizen organization and discuss project ideas. Performing this step individually promotes an environment in which the organization members are not afraid to share their ideas. At this time, no particular project should be scrutinized and a list of all proposed projects should be compiled and submitted to the citizen organization. Although it may take some time and significant work effort to perform this step, it is recommended that it be completed within approximately one month to prevent citizen organization members from losing interest in the process.

### **Step 4: Project Pre-Screening**

Pre-screening is the fourth step in the nine-step process. There are two sub-categories to the pre-screening process: project versus needs comparison and a scoring method. Once the projects have been proposed, the first part of this step is to compare them to the community's needs. This step will eliminate projects

that do not directly meet a community need or the overall goal of social infrastructure improvement. For projects in a small community, the comparison of the projects to the needs can be done in a simple manner. The citizen organization can examine each individual project and determine which needs that project fulfills. If the organization determines that no needs were met, the project can be eliminated.

After comparing the proposed projects with the community needs, the remaining projects move on to the second part of the pre-screening process. The citizen organization must look at the remaining projects to determine whether the community has the resources to provide appropriate analysis of each. If resources are limited, a further elimination step should be performed. Since detailed analyses of the projects have not been completed at this point, information such as total cost and benefit to the community is uncertain. In this situation, the best elimination technique is to utilize a scoring method.

The citizen organization can also be used to score the projects. Each member of the organization can be asked to rank each proposed project, based on how well it meets their views of the needs of the community. The summations of these scores become the overall score for the projects, which are then ranked; the most desirable are selected. The citizen organization should then assign resources to analyze the projects, starting with the project that received the most points and continuing downward until all resources are exhausted. In some cases a project may require more resources than are available and it may be dropped in favor of another (or more than one other) that is further down the list.

The scoring, or ranking, method is a simple way to eliminate further projects from the portfolio selection process, but it certainly has some limitations. The lack of a complete project analysis requires that the organization members rank the projects based on limited cost-benefit knowledge, which can lead to the elimination of projects that could have more favorable economic results. Individual biases about projects can also impact this method.

To minimize these potential problems, the scoring method should be completed individually to prevent groupthink or peer pressure. A discussion of each project should be performed and both the pros and cons of the projects should be presented to the members of the citizen organization, thus allowing them to make free and informed choices on what projects they feel would best benefit the community. Projects to be further analyzed should be chosen by the citizen organization as a whole, enabling the organization to claim ownership of the projects and assume responsibility for their success.

Once the projects are selected, project champions must be assigned. A project champion is a community member, who will head the team assigned to further analyze a particular project. A project champion should be a community volunteer who is interested in the project's success and willing to push for its completion should it be chosen for the final portfolio.

### **Step 5: Project Selection**

The fifth step in the nine-step process is portfolio selection. A scaled down version of the traditional Analytical Hierarchy Process was incorporated into the systematic approach that was developed, as a means to assign objectives and weigh each project against the community's overall objectives. In portfolio selection, the Analytical Hierarchy Process is used to compare the remaining projects and rank them according to selected weighted attributes.

The AHP process involves two parts. First, weights for a set of objectives for the projects are determined. This is done essentially through a process of comparisons between objectives. Members of the citizen organization carry out the comparisons and then calculate the objective weights. The second part of the AHP process involves identifying how much each proposed project meets each objective. A similar comparison system is conducted by the citizen organization and final project rankings determined.

There are a number of concerns about AHP and suggestions on how to address those concerns, but the process can be appropriate for use in disenfranchised, disadvantaged, poorer and/or underserved, because, even though it is highly quantitative, parts of the process can be used, thereby making it less difficult to implement. The AHP was used in the study as a subset of steps, rather than the sole process used, thereby making the systematic approach developed in this study unique. Given the small set of projects likely to be considered in a disenfranchised, disadvantaged, poorer and/or underserved community, those involved in the ranking process are likely to note any anomalies. Adjustments can be made in the process as needed.

### **Step 6: Community Presentation**

The sixth step in the nine-step process is to present the project portfolio at a special community meeting. The meeting should consist of an open house where the project champions and their team members are available to answer questions regarding their particular projects. All projects that were analyzed should be represented at the meeting, but those receiving portfolio spots should be highlighted. All data used in the selection process should also be available, including economic analysis and AHP results. It is important for the project champions to "sell" their project to the community at this time. This part of the process is essential to having the community members feel as though they own the portfolio.

### **Step 7: Portfolio Refinement**

Following the community meeting, the next step is to refine the portfolio to reflect the views and decisions of the community. As indicated earlier, this process is iterative. Once the feedback from the community meeting is compiled, the portfolio projects may require rearrangement. This rearrangement should be performed by the citizen organization. If the revised portfolio is significantly changed, it should be presented again to the community for further feedback.

### **Step 8: Portfolio Adoption**

Once the community is satisfied with the portfolio, the citizen organization should present the portfolio to the RESTORE Act Advisory Committee for a vote to accept or decline the portfolio. If the portfolio is accepted and then further approved for funding by the Escambia BOCC, the community organization members and the individual project champions must ensure that the projects are completed.

### **Step 9: Review and Evaluation**

The final step in the nine-step process is review and evaluation. In this step, systematic evaluation of the progress of the portfolio should be scheduled. The evaluation should be conducted by the citizen organization, and the results presented to the community. If the portfolio requires refinement, the citizen organization should adjust it and then return to the seventh step to proceed through the finalizing steps.

## **XI. Conclusions**

The systematic "Social Infrastructure Project Portfolio System" Selection Framework and "Community Engagement and Project Input" process developed for the RESTORE Act Advisory Committee has been recommended to be utilized by Escambia County as it struggles to develop an evaluation and selection process to balance various types of potential RESTORE projects and limited RESTORE Act funding. Various adaptations of the proposed "Social Infrastructure Project Portfolio System" Selection Framework and "Community Engagement and Project Input" process have been implemented through its application in multiple economic development, community development, public improvement and large capital projects throughout the U.S.

The RESTORE Act Advisory Committee has been tasked with developing an inclusive, transparent and comprehensive RESTORE Project evaluation and selection process designed to provide

recommendations to the Escambia BOCC. However, the Committee has been faced with decision-making based on limited detailed information for the majority of potential RESTORE Projects, a process to conduct community input as required by the Federal RESTORE Act legislation and a lack of the quantitative values and processes necessary for traditional quantitative selection techniques.

The use of a structured project management approach to manage the project selection process for projects from for investments in disenfranchised, disadvantaged, poorer and/or underserved communities is essential for the effective use of RESTORE Act Advisory Committee time and RESTORE Act funds. The existing selection approaches based on financial returns is not appropriate for RESTORE investments in disenfranchised, disadvantaged, poorer and/or underserved communities ... that need to consider quality-of-life benefits not just profits in their decision making.

Without an appropriate unbiased decision making process, the project evaluation and selection process for RESTORE investments in disenfranchised, disadvantaged, poorer and/or underserved communities will likely degrade into an exercise in political infighting and favoritism.

## **XII. Profile on the Author of these Recommendations, Diversity Program Advisors, Inc.**

Diversity Program Advisors is a Pensacola-based firm offering a comprehensive range of professional services specializing in the development, management and implementation diversity inclusion of programs, projects and issues affecting our public/private sector clients. Working with an impressive and capable array of associates, nationally and regionally, Diversity Program Advisors offers clients, expert advice and assistance in the development, management and implementation of diversity inclusion initiatives, projects and programs ... *“we build bridges for success”*.

Diversity Program Advisors brings an extensive and varied professional background combined with significant and long-standing experience in working with diversity inclusion in public/private projects, programs and initiatives. The company’s philosophy is based on the principle that diversity inclusion and community benefits agreements are prerequisites to a viable economic development, community development and client profitability.

We are positioned to help clients effectively and efficiently bridge the divide between the needs of a diverse community and public/private sector entities. Our mission is to serve our clients by assisting in the development of effective partnerships among community stakeholders, government and the business community. We bring to any project exemplary professionals with a wide variety of talent and relevant experience.

We offer strategic planning and implementation advice with respect to a broad range of diversity inclusion activities including issue resolution, government and business negotiations, governance, education, social, housing, economic development, and partnership development. As well, we offer services designed to improve the internal operations of community stakeholders thus positioning them to deal more effectively with their local government, with economic development projects and with the business community.



**APPENDIX A - Detailed Analysis of the RESTORE Act  
regarding the Recommendation**

**APPENDIX B – Business Case For Social Infrastructure  
Projects Presentation**