



Hurricane Sally Subrecipient Onboarding Webinar

Community Development Block Grants for Disaster Recovery

August 24, 2023



FloridaCommerce Introductions

- Justin Domer – Director, OLTR
- Leo Garcia – Deputy Director, OLTR
- Lecia Behenna – Bureau Chief, OLTR
- Garnet Nevels – Deputy Bureau Chief, OLTR
- Melissa Recks – Deputy Bureau Chief, Environmental
- Jody McCormick – Grants Coordinator
- Program Managers
 - Amanda Iscrupe – Infrastructure
 - Anastasia Smith – Subrecipient Housing
 - David Dempsey – Economic Revitalization

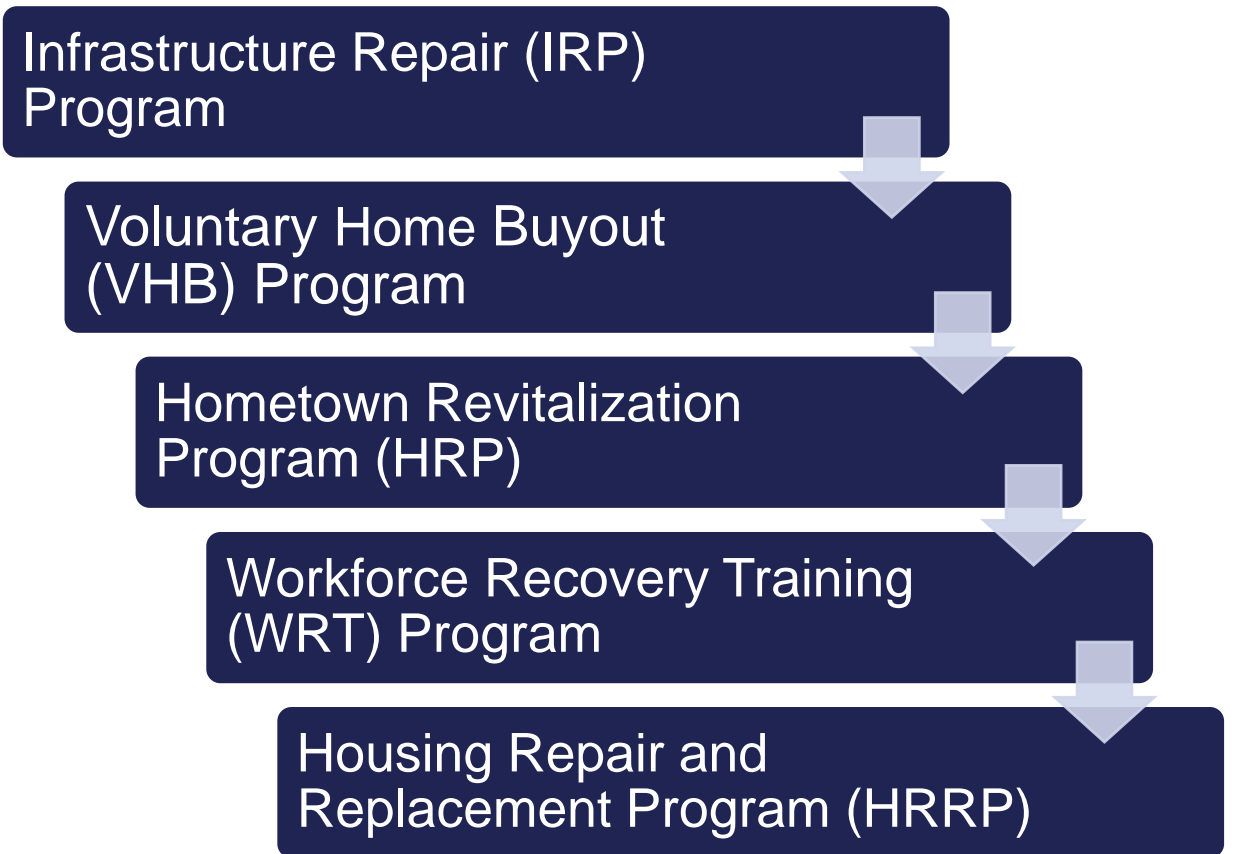


Agenda

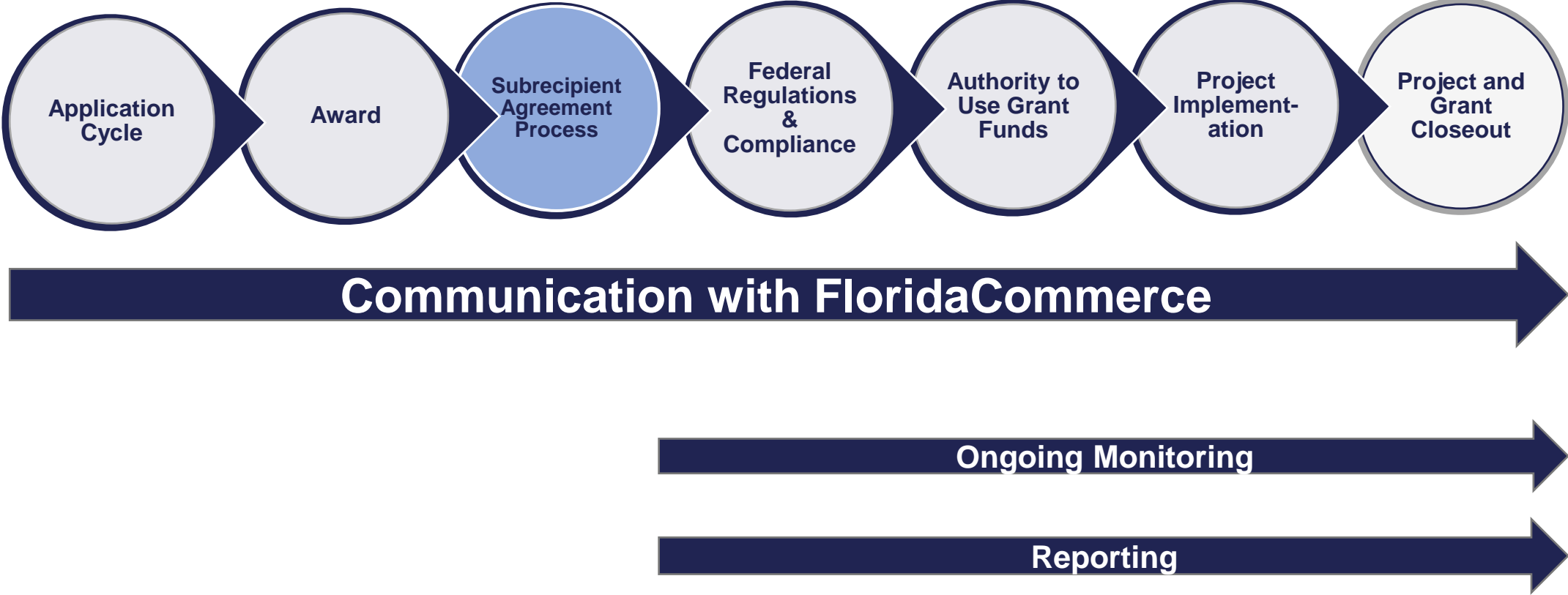
- Hurricane Sally Subrecipient Programs
- Subrecipient Agreement Process, Responsibilities & Components
- Procurement Requirements
- Environmental Review
- Cross-Cutting and Federal Requirements
- Reporting & Financial Management
- Recordkeeping
- Conflict of Interest
- Next Steps
- Questions & Answers

Hurricane Sally Subrecipient Programs

- Hurricane Sally swept over the Florida panhandle, making landfall as a Category 2 storm, just west of Pensacola, on September 16, 2020.
- Heavy rainfall and flooding caused damage to housing, businesses and infrastructure in Escambia, Santa Rosa, Bay, Okaloosa and Walton Counties.
- As a result, and based on unmet needs assessments, FloridaCommerce launched subrecipient programs to address disaster recovery needs.



Subrecipient Process



Subrecipient Responsibilities

Subrecipients carrying out federally-funded activities for a CDBG-DR program are expected to understand and comply with federal regulations outlined in the subrecipient agreement, including those related to:

- Procurement (2 CFR 200)
- Environmental Review
- Cross-Cutting & Federal Requirements
- Financial Management

Subrecipients must also:

- Maintain comprehensive program records.
- Monitor contractors for compliance.
- Monitor and report on activity progress.
- Achieve performance goals and outcomes.

Subrecipient Agreement Components

The General Terms and Conditions of the Agreement are followed by:

- Attachment A – Scope of Work
- Attachment B – Project Budget
- Attachment C – Activity Work Plan
- Attachment D – Program and Special Conditions
- Attachment E – State and Federal Statutes, Regulations and Policies
- Attachment F – Civil Rights Compliance
- Attachment G – Reports



Subrecipient Agreement Components

- Attachment H – Warranties and Representations
- Attachment I – Audit Requirements
 - Exhibit 1 to Attachment I – Funding Sources
- Attachment J – Audit Compliance Certification
- Attachment K – SERA Access Authorization Form
- Attachment L - 2 CFR Appendix II to Part 200
- Attachment M – Subrogation Agreement

National Objective

Subrecipients must agree that all activities funded with CDBG-DR funds meet **at least one** national objective, and that documentation will be maintained to support this.

HUD national objectives include:

- Benefits Low-and Moderate-Income (LMI) persons
- Meets an Urgent Need as defined by HUD
- Eliminates slum and Blight – only an option for Hometown Revitalization projects

Scope of Work – Attachment A

A Scope of Work Includes:

- A Project Description
- Subrecipient's Responsibilities
- FloridaCommerce's Responsibilities
- Deliverables and Tasks



Deliverables, Tasks and Financial Consequences

- Scope of Work Deliverables Example

Deliverable No. 1 – A title depicting what the general deliverable entails		
Tasks	Minimum Level of Service	Financial Consequences
A description of the task	An explanation of what will trigger a payment. Includes a description of how the State will measure the performance of the deliverables. (The outcomes and outputs must be measurable.)	A description of how the State will apply monetary consequences for failure to complete the deliverable.
Deliverable No. 1 - \$ Cost		



Submission Timeline

Within 30 days Post Agreement Execution

- Updated Attachments B (Budget) & C (Workplan)
- Organizational Chart
- Job Descriptions of Project Management Team
- Procurement Policies and Procedures
- Administrative Financial Management Policies
- Quality Assurance and Quality Control System Policies and Procedures



Submission Timeline

Post-Agreement Execution

- Complete Environmental Exemption for Administrative/Professional Service Activities (within 30 days) and full Environmental Review and submit the Request for Release of Funds and Certification to FloridaCommerce for review.
- Request FloridaCommerce's approval for all professional services contracts and/or agreements that will be executed by Subrecipient.
- Submit copies of all proposed procurement documents ten (10) days prior to posting.
- At least one subrecipient representative must attend the HUD OIG Fraud, Waste, and Abuse training.
- Contact Allison Bryant at Allison.Bryant@Commerce.fl.gov for HUD OIG Fraud, Waste and Abuse training questions.
- Complete SERA training.



Project Budget – Attachment B

- Budget Template Example

Attachment B – Project Budget

Subrecipient: _____ Contract Number: _____ Project Title: _____ Date: _____

Activity		Budget		
Activity and Descriptions	CDBG-DR Amount	Other Funds	Source*	Total Funds
1. Project Implementation				
2. Engineering Services				
3. Construction				
4. Acquisition				
TOTALS				

*Show the sources and amounts of Other Funds needed to complete the project below, including local funds, grants from other agencies and program income.

Source of Other Funds	Amount
1.	
2.	
3.	
4.	



Activity Work Plan – Attachment C

- Activity Work Plan Template Example

Attachment C – Activity Work Plan (Example)

Subrecipient _____ Activity: _____ Project Budget: _____
 Contract Number: _____ Date Prepared: _____ Modification Number: _____

Start Date (month/year)	End Date (month/year)	Describe Proposed Action to be Completed by the “End Date.”	Estimated Units to be Completed by the “End Date”	Estimated Funds to be Requested by the “End Date”

Procurement Requirements

- Subrecipients are required to carry out all procurements in compliance with federal requirements under 2 CFR 200.318-326 and 200.330.
- All subrecipients must have or adopt procurement policies specific to Federal awards.
- All subrecipients should familiarize themselves with these requirements.
- Local procurement policies may not always align with federal requirements.
 - Subrecipients should always comply with the *most restrictive* requirement.
- **Federal requirements exist to ensure fair and open competition for all federally-funded procurements.**



Procurement Requirements

- Simplified Acquisition Threshold (SAT): \$250,000 for Hurricane Sally CDBG-DR Programs.
- Micro-Purchase Threshold: \$10,000.
- Minority or Women-owned Business (MWBE) Contracting: Subrecipient must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- An Independent Cost Estimate must be completed in connection with every procurement as is required of all HUD procurement actions.
- All costs/expenditures must be necessary and reasonable.
- May *not* use cost plus percentage of cost or percentage of construction cost methods of contracting.
- Contractors that have been debarred, suspended, or otherwise excluded from receiving, or are ineligible to receive federal funds cannot be awarded contracts that will be reimbursed with CDBG-DR funds. Verification of eligibility status is required.



Procurement Requirements

- Sam.gov Debarment Report Sample

Last updated by John Doe on Apr 24, 2023 at 01:23 PM

COMPANY & COMPANY, INC.



COMPANY & COMPANY, INC.

Unique Entity ID AB12ABCDEFG1	CAGE / NCAGE 1Y2M8	Purpose of Registration All Awards
Registration Status Active Registration	Expiration Date Apr 23, 2024	
Physical Address 1234 S Road AVE Tallahassee, Florida 32399-1234 United States	Mailing Address 1234 S Road AVE Tallahassee, Florida 32399-1234 United States	

Business Information

Doing Business as CO&CO INC	Division Name (blank)	Division Number (blank)
Congressional District Florida 0	State / Country of Incorporation Florida / United States	URL WWW.COANDCO.COM



Procurement and Contract Files

- Subrecipients must maintain complete procurement and contract files for all CDBG-DR funded contracts. This includes, but is not limited to:
 - Copy of Public Notice
 - Copies of RFPs/RFQs
 - Evaluation Documentation (rating matrices, bid tabs, etc.)
 - Copies of all Proposals and/or Bids
 - SAM.gov Debarment Checks
 - Contract Documents
- Subrecipients must secure FloridaCommerce's approval for all professional services and construction contracts and/or agreements that will be reimbursed with CDBG-DR funds.



Environmental Review Requirements

- All CDBG-DR projects require environmental review in accordance with the National Environmental Policy Act (NEPA) and 24 CFR Part 58.
- All subrecipients must complete an Exempt or Categorically Excluded Form, even if their project is determined to have no adverse environmental or health effects on end users.
- HUD environmental review requirements are rigorous and demonstrating compliance can be complex for some projects. Allow for the time and budget necessary to complete the process. Seek guidance early if needed.
- Work must not begin before the environmental review is completed and an Authority to Use Grant Funds (AUGF) has been issued.

For incurred expenses to be reimburseable, the subrecipient must have an executed agreement and environmental exemption.



Prior to receipt of the AUGF, the subrecipient may only incur expenses associated with "soft costs" (administration and engineering).



No reimbursements for allowable "soft costs" may occur until the subrecipient has received an AUGF.



Environmental Levels of Review

The Level of Review required increases as the project's potential environmental impacts increase.

- **Exempt or Categorically Excluded, Not Subject To further requirements (CENST) §58.35(b).**
- **Categorically Excluded, Subject To additional review requirements (CEST) §58.35(a).**
 - Repairs to existing homes or facilities that don't increase size or capacity.
 - Updates to existing infrastructure that don't significantly increase system capacity.
- **Environmental Assessment (EA) §58.36.**
 - New construction or a change in use of the property (e.g., commercial to residential).
 - Major infrastructure improvements.
- **Environmental Impact Statement (EIS) §58.37 – significant environmental impact.**
 - Rare for CDBG-DR projects – contact FloridaCommerce for guidance.

An Authority to Use Grant Funds (7015.16) will be issued *after* environmental review requirements have been met and approved by FloridaCommerce.



Uniform Relocation Assistance (URA) & Real Property Acquisition

- If a subrecipient plans to acquire property, they must first contact their Grant Manager to begin the process. They will be required to provide:
 - A notice to property owners of his or her rights under the URA
 - An invitation to accompany the appraiser
 - Copies of all appraisals
 - The offer to the owner
 - The offer acceptance
 - The sale contract
 - A statement of settlement costs
 - A copy of the deed
 - A waiver of rights (for donations) if applicable
- Documentation should be submitted **prior to** completing the acquisition (closing) so that FloridaCommerce can determine whether any remedial action may be needed.
- Subrecipient shall provide relocation assistance to displaced persons as defined by 24 C.F.R. §570.606(b)(2), if they are displaced as a direct result of acquisition, rehabilitation, demolition, or conversion for a CDBG-DR-assisted project.



Section 3 Requirements

- Each Subrecipient shall encourage its contractors to foster long-term employment opportunities for qualified low- and very low-income residents for any job openings that exist on CDBG-DR-funded projects in the community.
- HUD recently codified its Final Rule - See 24 CFR, part 75.
- Section 3 Compliance is required for HUD construction contracts over \$200,000.
- The Final Rule switches from tracking & reporting new hires and contracts to tracking & reporting labor hours.
- Labor hours means the number of paid hours worked by persons on a Section 3 project or by persons employed with funds that include public housing financial assistance – 24 CFR 75.25(a).



Labor Standards

- **Davis Bacon** – all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with CDBG-DR funds shall be paid wages & fringe benefits at rates not less than those prevailing on similar construction in the locality.
 - Requires keeping evidence of wage determinations.
- **Copeland Anti-Kickback Act** - subrecipient shall maintain documentation that demonstrates compliance with applicable hour and wage requirements. Such documentation shall be made available to FloridaCommerce for review upon request.
 - Certified Payroll – Form WH-347.
- **Contract Work Hours and Safety Standards Act (CWHSSA)** – requires that workers receive overtime compensation (time and one-half pay) for all hours worked in excess of 40 hours in one week. Violations under this Act carry liquidated damage penalties in the amount of \$10 per day per violation.



Civil Rights Compliance

Recipients of CDBG-DR funds must comply with federal and state civil rights, fair housing, equal opportunity and equal employment opportunity regulations and requirements.

- **Fair Housing** - Subrecipients must certify that they will "affirmatively further fair housing" in their communities and undertake an activity each quarter to affirmatively further fair housing.
- **Equal Employment Opportunity** – Subrecipients must not discriminate against protected classes of people.
- **Section 504 and the Americans with Disabilities Act** – Subrecipients may not exclude persons from employment or program benefits due to a disability.



Required Program Reports

- **Monthly Progress Report** must be submitted to FloridaCommerce by the 5th day of every month.
- **Quarterly Progress Report** must be submitted to FloridaCommerce no later than the 5th of every April, July, October and January. Report must include the Fair Housing activities completed for the quarter.
- **Request for Funds (Financial Activity)** must be submitted as required by FloridaCommerce and in accordance with the Project Description and Deliverables, Project Detail Budget, and Activity Work Plan.



Required Reports – By Fiscal Year

- **Single Audit** - In accordance with 2 C.F.R. part 200, if the Subrecipient meets the \$750,000 threshold for submission of a single or program specific audit, the audit must be conducted in accordance with 2 C.F.R. part 200 and submitted to FloridaCommerce no later than nine months from the end of the Subrecipient's fiscal year.
- If the Subrecipient did not meet the audit threshold, an **Audit Certification Memo** must be provided to FloridaCommerce no later than nine months from the end of the Subrecipient's fiscal year.
- **The Audit Compliance Certification Form**, Attachment J, must be emailed to Audit@Commerce.fl.gov within 60 calendar days of the end of each fiscal year in which this subgrant was open.



Financial Management

- Rebuild Florida is a cost-reimbursement program.
- The frequency of Request for Funds (FA) is determined by your Subrecipient Agreement.
- Request for Funds must be submitted through SERA and must include the following documentation:
 - Cover Letter
 - Subrecipient Invoice to FloridaCommerce
 - Contractor invoices
 - Employee timesheets
 - Proof of payment: cancelled checks, bank statements, Electronic Funds Transfer, payrolls, time and attendance records
 - Documentation of completed deliverables



Program Income

- Any program income generated by activities carried out with CDBG-DR funds must be reported to FloridaCommerce as part of Subrecipient's Quarterly Progress Report.
- Any program income must be used in accordance with the applicable requirements of 2 C.F.R. part 200, 24 C.F.R. part 570.504, and the terms of the subrecipient agreement.
- Program income generated prior to closeout shall be returned to FloridaCommerce unless it is used to fund additional units of CDBG-DR activity. Program income generated after closeout shall be returned to FloridaCommerce.



Recordkeeping

- **What records should be kept?**
 - Original application and all appendices and revisions
 - Citizen participation documentation
 - Subrecipient Agreement and all modifications
 - Procurement files
 - Financial files
 - National objective documentation
 - Program files, such as policies and procedures
 - Deliverables and work products
 - Evidence of contractor eligibility check (copy of Sam.gov Debarment Report)
- **An auditor or Grant Manager should be able to look at your file and know what transpired from grant award to closeout.**
- **Records should be easily accessible to state and federal officials, auditors and the public.**



Recordkeeping

- Take photos throughout the project, particularly of the project site prior to project implementation and after project completion. Photos help tell your project's story and provide evidence of the work being done and the needs being addressed.
- Retain sufficient records to demonstrate compliance with the terms of the Subrecipient Agreement for a period of five years from the date the audit report is issued, or six state fiscal years after all reporting requirements are satisfied and final payments have been received, whichever period is longer.
- Allow FloridaCommerce, or its designee, CFO, or Auditor General access to such records upon request.



Conflict of Interest

Per 24 CFR Part 570.489(h) and Florida Statutes, Section 112.3143, the following people or their immediate family shall not have any direct or indirect financial interest in any contract, subcontract, or the proceeds thereof for work to be performed in connection with the grant during their tenure or for one year thereafter. This applies to:

- Employees or agents of the recipient who exercise any function or responsibility for the CDBG-DR project(s); and
- Officials of the subrecipient including members of the local governing body.

Conflict of Interest

Types of Conflict

- **Beneficiary** – any activity with a direct benefit. Covers anyone with a role in the CDBG-DR or MIT approval process, including Citizens Advisory Task Force members, local grant administrators, city/county manager and council/commission members.
 - *Examples:* housing rehabilitation or facade renovation.
- **Procurement** – covers all aspects of solicitation, award, and administration.
 - *Examples:* writing selection criteria, evaluating proposals, negotiating contract and pay requests.
- **Any conflict requires nonparticipation of the person or persons involved.**



Conflict of Interest

If you discover a conflict:

- Notify your Grant Manager
- Acknowledge beneficiaries by name
- Complete Commission on Ethics forms
- Get city/county attorney's opinion
- Request waiver from FloridaCommerce

A procurement conflict cannot be waived

Next Steps

- Subrecipients will receive an agreement for review and execution.
- Within 30 days Post Agreement Execution:
 - Organizational Chart
 - Job Descriptions for Project Management Team
 - Procurement Policies and Procedures
 - Administrative Financial Management Policies
 - Quality Assurance and Quality Control System Policies and Procedures
 - Project detail Budget
 - Activity Work Plan
 - Recommended: Environmental Exemption Form for Administrative and Professional Service Activities



Questions and Answers



Contact Us

Thank You.

If you have questions or comments about this presentation, please contact us.



Office of Long-Term Resiliency
CDBG-DR@Commerce.FI.gov

