

**AMENDMENT TWO
TO THE FEDERALLY FUNDED
COMMUNITY DEVELOPMENT BLOCK GRANT
MITIGATION PROGRAM (CDBG-MIT)
SUBRECIPIENT AGREEMENT**

On **February 14, 2022**, the State of Florida, Department of Commerce ("Commerce"), formerly known as the "Florida Department of Economic Opportunity," and the **Desoto County Board of County Commissioners** ("Grantee") entered into agreement **MT041** ("Agreement"). Commerce and the Subrecipient may individually be referred to herein as a "Party" or collectively as the "Parties."

WHEREAS, Section 5, Modification of Agreement, of the Agreement provides that any amendment to the Agreement shall be in writing executed by the Parties thereto; and

WHEREAS the Agreement was amended on **April 4, 2023**; and

WHEREAS the Parties wish to amend the Agreement as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and obligations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the following:

1. On July 1, 2023, the Florida Department of Economic Opportunity will be renamed to the Florida Department of Commerce. Effective July 1, 2023, all references throughout the Agreement to "Department of Economic Opportunity" or "DEO" are replaced with "Department of Commerce" or "Commerce."
2. **Section 3, Period of Agreement**, is hereby deleted in its entirety and replaced with the following:

(3) Period of Agreement. This Agreement begins February 14, 2022, and ends February 13, 2027, unless otherwise terminated as provided in this Agreement. Commerce shall not grant any extension of this Agreement unless Subrecipient provides justification satisfactory to Commerce in its sole discretion and Commerce's Deputy Secretary of the Division of Community Development approves such.
3. **Section 28, Employment Eligibility Verification**, is hereby deleted in its entirety and replaced with the following:
 - A. E-Verify is an Internet-based system that allows an employer, using information reported on an employee's Form I-9, Employment Eligibility Verification, to determine the eligibility of all new employees hired to work in the United States. There is no charge to employers to use E-Verify. The Department of Homeland Security's E-Verify system can be found at: <https://www.e-verify.gov/>.
 - B. In accordance with section 448.095, F.S., the State of Florida expressly requires the following:
 - (1) Every public agency and its contractors and subcontractors shall register with and use the E-Verify system to verify the work authorization status of all newly hired employees. A

public agency or a contractor or subcontractor thereof may not enter into a contract unless each party to the contract registers with and uses the E-Verify system.

- (2) An employer shall verify each new employee's employment eligibility within three (3) business days after the first day that the new employee begins working for pay as required under 8 C.F.R. 274a. Beginning July 1, 2023, a private employer with 25 or more employees shall use the E-Verify system to verify a new employee's employment eligibility.

- C. If an entity does not use E-Verify, the entity shall enroll in the E-Verify system prior to hiring any new employee or retaining any contract employee after the effective date of this Agreement.

4. **Attachment A, Project Description and Deliverables**, is hereby deleted in its entirety and replaced with the attached:

5. **Attachment G, Reports, Section 3**, is hereby deleted in its entirety and replaced with the following:

3. The Subrecipient shall closeout its use of the CDBG-MIT funds and its obligations under this Agreement by complying with the closeout procedures in 2 CFR § 200.344. Activities during this closeout period may include, but are not limited to making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances and accounts receivable to the Subrecipient) and determining the custodianship of records.

Notwithstanding the terms of 2 CFR 200.344, upon the expiration of this Agreement, the Subrecipient shall transfer to the recipient any CDBG-MIT funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG-MIT funds. Further, any real property under the Subrecipient's control that was acquired or improved in whole or in part with CDBG-MIT funds (including CDBG-MIT funds provided to the Subrecipient in the form of a loan) shall be treated in accordance with 24 CFR 570.503(b)(7).

6. **Attachment G, Reports, Section 6**, is hereby deleted in its entirety and replaced with the following:

6. Section 3 Quarterly Reporting Requirements. Reporting of labor hours for Section 3 projects must comply with 24 CFR §75.25(a). Subrecipients must report the following: (i) the total number of labor hours worked; (ii) the total number of labor hours worked by Section 3 workers; and (iii) the total number of labor hours worked by Targeted Section 3 workers. If Section 3 benchmarks are not met, the subrecipient's qualitative efforts must be reported in a manner required by 24 CFR §75.25(b).

Subrecipients shall provide Section 3 Reporting quarterly to Commerce by the 10th of each quarter (January 10, April 10, July 10, and October 10). For Section 3 Reporting, Subrecipients should complete and return the Project Implementation Plan template to Commerce.

7. All other terms and conditions of the Subrecipient Agreement not otherwise amended remain in full force and effect.

IN WITNESS HEREOF, by signature below, the Parties agree to abide by the terms, conditions, and provisions of Commerce Agreement Number **MT041**, as amended. This Amendment is effective on the date the last Party signs this Amendment.

FLORIDA DEPARTMENT OF COMMERCE	DESOTO COUNTY BOARD OF COUNTY COMMISSIONERS
SIGNED:	SIGNED:
J. ALEX KELLY	MANDY HINES
SECRETARY	COUNTY ADMINISTRATOR
DATE:	DATE:

Approved as to form and legal sufficiency, subject only to full and proper execution by the Parties.

OFFICE OF GENERAL COUNSEL
FLORIDA DEPARTMENT OF COMMERCE

By: _____

Approved Date: _____

Attachment A – Project Description and Deliverables

1. PROGRAM DESCRIPTION:

In April 2018, the U.S. Department of Housing and Urban Development (HUD) announced the State of Florida, Department of Commerce (Commerce) would receive \$633,485,000 in funding to support long-term mitigation efforts following declared disasters in 2016 and 2017 through HUD's Community Development Block Grant Mitigation (CDBG-MIT) program. Awards were distributed on a competitive basis targeting HUD designated Most Impacted and Distressed (MID) Areas, primarily addressing the Benefits to Low-to-Moderate Income (LMI) National Objective. Additional information may be found in the Federal Register, Vol. 84, No. 169.

In February 2021, HUD announced an additional \$46,900,000 in federal mitigation funding for Florida communities that experienced a major disaster in 2018, raising the total CDBG-MIT allocation to \$680,385,000. (86 FR 561).

This award has been granted under the **General Infrastructure Program**. Projects eligible for funding under this program must be from units of general local government (UGLG) including towns, cities, counties, and villages. Eligible activities include projects that demonstrably increase community resilience.

The following types of infrastructure projects are encouraged:

1. Restoration of critical infrastructure
2. Renourishment of protective coastal dune systems and state beaches
3. Building or fortifying buildings that are essential to the health, safety, and welfare of a community
4. Rehabilitation or construction of stormwater management systems
5. Improvements to drainage facilities
6. Reconstruction of lift stations and sewage treatment plants
7. Road repair and improvement and bridge strengthening

2. PROJECT DESCRIPTION:

The DeSoto County Board of County Commissioners (Subrecipient) has been awarded **\$3,757,012.00** in CDBG-MIT funding for mitigation efforts to overhaul the current decaying Baker King drainage system and renew it with a system designed with a longer service life. The drainage system has been deemed a critical system as the current one has already shown evidence of failure and a newer, safer version is needed to reduce chances of flooding and mitigate transportation impacts in both regular and extreme storm conditions. The mitigation activities consist of installation of new drainage system. The project is expected to be completed within 48 months of date of execution at the cost of **\$3,757,012.00**.

This project satisfies the Low-to-Moderate Income (LMI) National Objectives requirements with a service area LMI of over 51%.

There are no leveraged or matching funds included in this project. The team overseeing this project consists of Grant Coordinator, County Engineer, Purchasing Director, General Contractor, and selected contractor(s).

3. SUBRECIPIENT RESPONSIBILITIES:

- A. Complete and submit the below items to Commerce within thirty (30) calendar days of execution of the agreement:
1. Organizational chart with contact information.
 2. Job descriptions for Subrecipient's employees, contracted staff, vendors, and contractors. If staffing changes, there must be a submittal stating the names and job descriptions on the monthly report deadline.
 3. Attachment B, Project Budget – Develop and submit to Commerce a detailed budget for implementation of the project.
 4. Attachment C, Activity Work Plan – Develop and submit to Commerce a detailed timeline for implementation consistent with the milestones outlined in the Mitigation Program Guidelines.

Should any changes to the organizational chart, Attachment B or Attachment C be deemed necessary, an updated plan must be submitted to Commerce with your monthly report for review and approval by the Commerce Grant Manager.

- B. Develop and submit a copy of the following policies and procedures to the Commerce Grant Manager for review and approval within thirty (30) calendar days of Agreement execution. The Commerce Grant Manager will provide approval in writing prior to the policies and procedures being implemented.
- a. Procurement policies and procedures that incorporate 2 CFR 200.317-327.
 - b. Administrative financial management policies, which must comply with all applicable HUD CDBG-MIT and State of Florida rules.
 - c. Quality assurance and quality control system policies and procedures that comply with all applicable HUD CDGB-MIT and Commerce policies.
 - d. Policies and procedures to detect and prevent fraud, waste and abuse that describe how the subrecipient will verify the accuracy of monitoring policy indicating how and why monitoring is conducted, the frequency of monitoring policy, and which items will be monitored, and procedures for referring instances of fraud, waste and abuse to HUD IOG Fraud Hotline (phone: 1-800-347-3735 or email hotline@hudoig.gov).
- C. Attend fraud related training offered by HUD OIG to assist in the proper management of the CDBG-MIT grant funds when available.
- D. Upload required documents into a system of record provided by Commerce.
- E. Maintain organized subrecipient agreement files and make them accessible to Commerce or its representatives, upon request.
- F. Comply with all terms and conditions of the subrecipient agreement, Mitigation Program Guidelines, Action Plans, Action Plan amendments, and Federal, State, and local laws.
- G. Provide copies of all proposed procurement documents to Commerce ten (10) business days prior to posting as detailed in Attachment D of Subrecipient Agreement. The proposed procurement documents will be reviewed and approved by the Commerce Grant Manager. Should the procurement documents require revisions based on state or federal requirements, Subrecipient will be required to postpone procurement and submit revised documents for review and approval.
- H. Provide the following information on a quarterly basis within ten (10) calendar days after the end of each quarter: Monthly and Quarterly Reports as detailed in Attachment G.
- I. Close out report will be due no later than sixty (60) calendar days after this Agreement ends or is otherwise terminated.

- J. Subrecipient shall provide pictures to document progress and completion of tasks and final project.

4. ELIGIBLE TASKS AND DELIVERABLES:

A. Deliverable 1 – Project Implementation

Tasks that are eligible for reimbursement are as follows:

1. Environmental review administrative activities (Environmental Exemption, Public Notice Publication(s), etc.).
2. Maintain project files
3. Review of weekly Davis-Bacon payroll(s) for accuracy and compliance
4. Manage project activities, schedules, record review, DEO monitoring visits
5. Development of bidding documents, scoring and selection of engineer contractors
6. Inspection and monitoring activities

B. Deliverable 2 – Engineering Services

Subrecipient shall:

1. Submit a copy of the final design solicitation package, the awarded submittal package, award documentation, contract documentation for the awarded design firm and project delivery schedule at kickoff.
2. Submit a full design package, signed and sealed by a professional engineer licensed in Florida, including, but not limited to, engineering drawings, specifications, construction cost estimate, surveys, and any other reports, documents, or information relevant to the design showing extent of project reporting at 20%, 40%, 60%, 80% design and final.

C. Deliverable 3 – Construction

Subrecipient shall hire Florida licensed contractor to:

1. Contractor to replace roughly 4,100 linear feet of main stormwater trunk line and stormwater laterals. Work includes mobilization, demobilization, bonds and insurance, and restoration of work area for:
 - a) State Road 70 to Southeast Baker Street
 - b) Baker Street towards Hillsborough Avenue
 - c) Double culvert crossing under Hillsborough Avenue
2. Engineer is to inspect the construction site weekly to observe the progress of the various aspects of the contractor's work.
3. Engineer is to conduct semi-final inspection(s) work at substantial completion of construction.
4. Engineer will work with the construction contractor and the county on any necessary change orders, prepare and co-execute any necessary change orders, if required.
5. Engineer will review and approve all construction pay requests

5. DELIVERABLES:

Subrecipient agrees to provide the following services as specified:

Deliverable No. 1 – Program Implementation		
Tasks	Minimum Level of Service	Financial Consequences
Subrecipient shall provide project implementation activities as identified in Section 4.A. of this Scope of Work.	Subrecipient may request reimbursement upon completion of a minimum of one (1) Project Implementation task on a per completed task basis as detailed in Section 4.A, Attachment A – Project Description and Deliverables; evidenced by invoice(s) noting completed tasks as well as payroll and other supporting documentation, as applicable.	Failure to complete the Minimum Level of Service as specified shall result in non-payment for this deliverable for each payment request.
Deliverable No. 1 Cost: \$187,851.00		
Deliverable No. 2 – Engineering Services		
Tasks	Minimum Level of Service	Financial Consequences
Subrecipient shall complete task as detailed in Section 4.B. of this Scope of Work	Subrecipient may request reimbursement upon completion of a minimum of one (1) task in accordance with Section 4.B of this Scope of Work, evidenced by submittal of the following documentation: 1) Engineering design, working drawings and associated cost estimates, if applicable. 2) Copies of all required permits, if applicable; and 3) Invoice package in accordance with Section 7 of this Scope of Work.	Failure to complete the Minimum Level of Service as specified shall result in non-payment for this deliverable for each payment request.
Deliverable No. 2 Cost: \$280,240.00		
Deliverable No. 3 - Construction		
Tasks	Minimum Level of Service	Financial Consequences
Subrecipient shall complete task as detailed in Section 4.C of this Scope of Work	Subrecipient may request reimbursement upon completion of activities in accordance with Section 4.C of this Scope of Work in the following increments: 10%, 20%, 30%, 40%, 50%, 60%, 70%, 80%, 90%, and 100%, evidenced by submittal of the following documentation:	Failure to complete the Minimum Level of Service as specified shall result in non-payment for this deliverable for each payment request.

	1) AIA forms G702 and G703, or similar accepted Commerce form, completed by a licensed professional certifying to the percentage of project completion. 2) Photographs of project in progress and completed; and 3) Invoice package in accordance with Section 7 of this Scope of Work.	
Total Deliverable 3 Cost: \$3,288,921.00		
TOTAL PROJECT COST NOT TO EXCEED \$3,757,012.00		

COST SHIFTING: The deliverable amounts specified within the Eligible Tasks and Deliverables section 5 tables above are established based on the Parties estimation of sufficient delivery of services fulfilling grant purposes under the Agreement in order to designate payment points during the Agreement Period; however, this is not intended to restrict Commerce's ability to approve and reimburse allowable costs Subrecipient incurred providing the deliverables herein. Prior written approval from Commerce's Grant Manager is required for changes to the above Deliverable amounts that do not exceed **10%** of each deliverable total funding amount. Changes that exceed **10%** of each deliverable total funding amount will require a formal written amendment request from Subrecipient, as described in **Modification** section of the Agreement. Regardless, in no event shall Commerce reimburse costs of more than the total amount of this Agreement.

6. COMMERCE RESPONSIBILITIES:

- A. Monitor the ongoing activities of Subrecipient to ensure all activities are being performed in accordance with the Agreement to the extent required by law or deemed necessary be Commerce in its discretion.
- B. Assign a Grant Manager as a point of contact for Subrecipient.
- C. Review Subrecipient's invoices described herein and process them on a timely basis.
- D. Commerce shall monitor progress, review reports, conduct site visits, as Commerce determines necessary at Commerce's sole and absolute discretion, and process payments to Subrecipient.

7. INVOICE SUBMITTAL:

Commerce shall reimburse the Subrecipient in accordance with Section 5, above. In accordance with the Funding Requirements of s. 215.971(1), F.S. and Section (20) of this Agreement, the Subrecipient and its subcontractors may only expend funding under this Agreement for allowable costs resulting from obligations incurred during this Agreement. To be eligible for reimbursement, costs must be in compliance with laws, rules and regulations applicable to expenditures of State funds, including, but not limited to, the Reference Guide for State Expenditures (<https://www.myfloridacfo.com/docs-sf/accounting-and-auditing-libraries/state-agencies/reference-guide-for-state-expenditures.pdf>).

- A. Subrecipient shall provide one invoice per month for services rendered during the applicable period of time as defined in the deliverable table. In any month in which deliverables have not been completed, the Subrecipient will provide notice that invoicing will not be submitted.

- B. The following documents shall be submitted with the itemized invoice:
1. A cover letter signed by Subrecipient's Agreement Manager certifying that the costs being claimed in the invoice package: (1) are specifically for the project represented to the State in the budget appropriation; (2) are for one or more of the components as stated in Section 5, DELIVERABLES, of this SCOPE OF WORK; (3) have been paid; and (4) were incurred during this Agreement.
 2. Subrecipient's invoices shall include the date, period in which work was performed, amount of reimbursement, and work completed to date.
 3. A certification by a licensed professional using AIA forms G702 and G703, or their substantive equivalents, certifying that the project, or a quantifiable portion of the project, is complete. Include if applicable to your program
 4. Photographs of the project in progress and completed work.
 5. A copy of all supporting documentation for vendor payments; and
 6. A copy of the bank statement that includes the cancelled check or evidence of electronic funds transfer. The State may require any other information from Subrecipient that the State deems necessary to verify that the services have been rendered under this Agreement.
- C. If the Subrecipient is a county or municipality that is a rural community or rural area of opportunity as those terms are defined in section 288.0656(2), F.S., the payment of submitted invoices may be issued for verified and eligible performance that has been completed in accordance with the terms and conditions set forth in this Agreement to the extent that federal or state law, rule, or other regulations allows such payments. Upon meeting either of the criteria set forth below, the subrecipient may elect in writing to exercise this provision.
1. A county or municipality that is a rural community or rural area of opportunity as those terms are defined in section 288.0656(2), F.S., that demonstrates financial hardship; or
 2. A county or municipality that is a rural community or rural area of opportunity as those terms are defined in section 288.0656(2), F.S., and which is located in a fiscally constrained county, as defined in section 218.67(1), F.S. If the Subrecipient meets the criteria set forth in this paragraph, then the Subrecipient is deemed to have demonstrated financial hardship.
- D. The Subrecipient's invoice and all documentation necessary to support payment requests must be submitted into Commerce's Subrecipient Enterprise Reporting Application (SERA). Further instruction on SERA invoicing and reporting, along with a copy of the invoice template, will be provided upon execution of the agreement.