

Escambia County

Community Development Block Grant – Disaster Recovery

General Policies and Procedures

Revised October 2024



TABLE OF CONTENTS

OVERVIEW	Error! Bookmark not defined.
County Staff:	1
Contractors	2
Organizational Chart	2
QUALITY ASSURANCE/QUALITY CONTROL	2
Overview	2
QA/QC Strategy.....	3
ANTI-FRAUD, WASTE, AND ABUSE	5
Overview	5
AFWA Definitions/Examples	5
AFWA Complaint Review	6
Confidentiality.....	7
Cooperation with Official Department Investigations.....	7
AFWA Prevention Measures	7
Conflict of Interest	8
Vendors.....	9
Internal Monitoring.....	9
Internal Controls	10
FINANCIAL MANAGEMENT	10
Allowable Costs.....	10
Invoice Payments	11
Program Income Tracking and Reporting	11
Timely Expenditure of Funds	11
Contractor Payments	12
Tracking Payments	12
Procurement	12
Competition	13
Cost Reasonableness.....	14
Contracting with Small, Minority, and Women Owned Businesses	14
Section 3 Registered Businesses	14
Audit Requirements	16
Record Management.....	16
Florida CDBG-DR	2

CDBG-DR Overview

On September 16, 2020, Hurricane Sally (DR-4564) swept over the Florida panhandle as a Category 2 hurricane, bringing heavy rainfall and flooding. The impacts of Hurricane Sally further demonstrated the need for an effective, comprehensive long-term recovery plan that would address and meet the remaining needs of Floridians following this catastrophic event. In the wake of this natural disaster, Florida came together to recover and rebuild, but significant unmet needs remain.

Recognizing this, Congress appropriated, and the U.S. Department of Housing and Urban Development (HUD) allocated a total of \$113 million in funding to support long-term recovery efforts following Hurricane Sally through the Florida Department of Commerce (Herein referred to as “Commerce”) Community Development Block Grant Disaster Recovery (CDBG-DR) Program.

County Staff

Voluntary Home Buyout (VHB), Hometown Revitalization (HRP), Housing Repair and Replacement (HRRP), and Infrastructure Repair Program (IRP) will be administered and completed by a combination of County and contracted staff representing a diverse range of expertise. Project Staff include, but are not limited to:

County Administrator and Assistant County Administrators

The County Administrator and Assistant County Administrators will oversee the Governmental Liaison, Directors and Deputy Directors throughout development, implementation, and completion of the VHB, HRP, HRRP, and IRP projects.

Governmental Liaison

The Governmental Liaison is one of the key personnel on the team and will serve as the Grant Administrator for this project. The Governmental Liaison will provide lead oversight for the project ensuring it remains on track, is in compliance with all HUD regulations, and is completed without timeliness and/or costly setbacks. In addition, will review and provide an initial level of invoice approval.

County Attorney and Deputy County Attorney

The County Attorney and Deputy County Attorney will be responsible for overseeing the development of all program and vendor contracts.

Designated County Departments

Directors, Deputy Directors, and Project Managers in each department will be responsible for following all of HUD’s regulations, collecting all required documentation, contractor monitoring, etc. They will meet regularly with the Governmental Liaison to provide reporting and progress updates. Please see project specific staff in their organization charts.

Escambia County’s Management team will provide oversight for the project including coordinating with purchasing to secure our Professionals including an Architect, Engineer, Environmental Permitting

professionals, Construction Management professionals, and Construction Contractors through a competitive bid process, developing contracts, and will review and provide an initial level of invoice approval. They will also be responsible for overseeing the day-to-day operations of the project.

The County's Grants Management team will coordinate with the appropriate departments and the procurement office, as well as review all documentation ensuring it remains on track, is in compliance with all HUD regulations, is completed without timely and/or costly setbacks, and meets all reporting requirements.

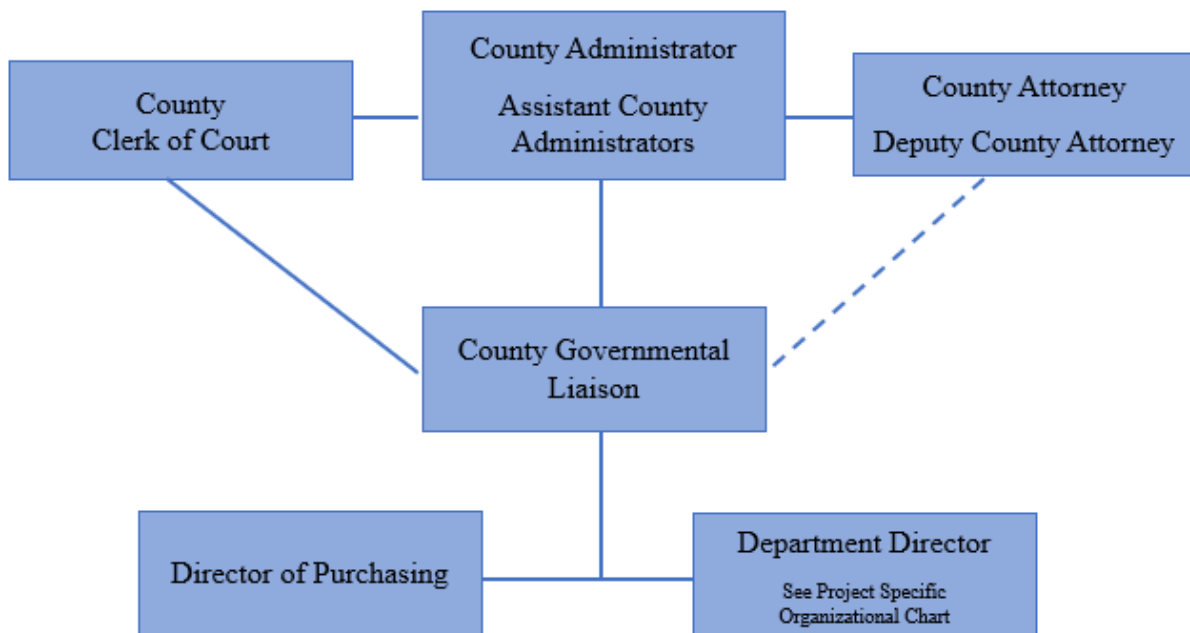
Contractors

Disaster Recovery Consultant or designee will be responsible for assisting with program launch and administration to include policy and procedure development and financial management. Additionally, the Disaster Recovery Consultants will provide QA/QC of all requests for funds and procurements to ensure program and HUD compliance.

Environmental Consultant may be utilized to assist with all environmental assessments and assist monitoring regulatory compliance with cross cutting federal regulations.

Federal Compliance Consultant may be utilized to assist monitoring regulatory compliance with cross cutting federal regulations.

Organizational Chart



Quality Assurance/Quality Control

Overview

Quality Assurance/Quality Control (QA/QC) review is an independent and objective activity intended to add value and improve all County's CDBG-DR operation while reducing risks of HUD and program noncompliance. To achieve these objectives, the County will:

- Exercise impartial, unbiased professional care when completing QA/QC reviews;
- Exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information, findings, and conclusions about the processes and data being examined; and
- Ensure a balanced assessment of each file review by not being unduly influenced by their own interests or by others in forming judgments.

The County's QA/QC policy was developed to outline a formal process to identify potential compliance issues and implement best practices for disaster recovery. More specifically, this plan and review checklists will assist the County in complying with program monitoring requirements and:

- Perform document file reviews and utilize data collected during the desk review process to improve program processes and procedures;
- Confirm that program expenditures are eligible based on applicable laws and CDBG-DR regulations;
- Report exceptions and concerns to reduce HUD monitoring concerns, findings, and/or recapture;
- Follow-up with identified compliance issues, initiate corrective actions, and implement program controls, as necessary; and
- Implement continuous process improvement.

QA/QC Strategy

Phase I: Pre-Construction

Phase I of the review process will ensure that all pre-construction requirements are met prior to the issuance of a Notice to Proceed (NTP) for the construction of Projects. Depending on the project there may be additional areas of review outlined in respective grant project policies.

Areas to be reviewed for compliance include:

- Signed and dated written Agreement;
- NEPA Part 58 (CENST, CEST, EA, EIS) Project Dependent Review;
- Environmental Review Record Clearance;
- Document Pre-bid Cost Estimate;
- Procurement Process; and
- Construction Contract(s).

Phase II: Construction

Phase II ensures that the construction phase is implemented in accordance with the requirements of the program and the construction contract. Depending on the project there may be additional areas of review outlined in respective grant project policies. Areas to be reviewed for compliance include:

- Change Order Review:
 - Submission
 - Documentation
 - Verification
 - Approval
- Construction Monitoring Documentation to Include Photos;
- Unreviewed Professional Services and Construction Contractor Invoices;
- Davis Bacon and Related Acts and Section 3 Compliance Documentation; and
- Construction Milestones.

Phase III: Post-Construction

When construction is complete, a QA/QC review will be conducted to ensure that all paperwork and documentation related to the construction of the Project is submitted to the County prior to issuing final payment to the construction contractor. Depending on the project there may be additional areas of review outlined in respective grant project policies. Areas to be reviewed for compliance include:

- Approved Change Orders;
- Final Inspection(s);
- Construction Monitoring Documentation to Include Photos;
- Davis Bacon and Related Acts and Section 3 Compliance Documentation; and
- Cost Reconciliation (General Ledger & Financial System).

Phase IV: Project Closeout

Prior to project closeout, a final QA/QC review will be conducted. Areas to be reviewed for compliance include:

- Cost Reconciliation (General Ledger & Financial System.); and
- Commerce Reporting.

Findings/Reporting/Issue Resolution Process

Before a QA/QC finding is presented to the appropriate program leadership, all initial review findings should be validated by a secondary QA/QC review. Exceptions should be classified according to their impact on the outcome of an application as follows:

- Observations/Concerns: Findings that do not impact program/HUD compliance but require resolution; and
- Findings/Material Findings: Findings that are likely to result in a HUD finding, program sanctions, and/or monitoring findings that require repayment of federal funds.

The Governmental Liaison will maintain a complete and accurate record of both Observations/Concerns and Findings/Material Exceptions. All exceptions will be reported to the appropriate County personnel so corrective measures can be taken, including a Corrective Action Plan, and if necessary, new process controls can be implemented to prevent future exceptions. If any findings/exceptions seem systemic in nature the County will require the development of a Corrective Action Plan.

The Governmental Liaison will maintain a record of the files reviewed, which will be the basis for reporting to the appropriate County personnel. The Governmental Liaison will prepare quarterly reports in coordination with County departments. This report will also identify/include the following:

- The number of observations, concerns, findings, and exceptions found.
- The number of follow-up reviews for observations and concerns.
- A summary of exceptions/material exceptions, and exceptions corrected which details the following:
 - The documents reviewed, exceptions identified, and type of review(s) conducted.
- Any additional controls implemented to mitigate future risk.
- A comparison of the reporting quarter's findings and performance to previous quarters for program management/executive level management to assess CDBG-DR Grant implementation, administration, and management over time?

The communication of the QA/QC Observations/Concerns and Findings/Material Exceptions to program vendors and contractors will be the responsibility of the appropriate County staff. The County will conduct meetings to review QA/QC findings with the current finance and administration management team and executive management, as necessary.

Anti-Fraud, Waste, and Abuse

Overview

As a recipient of public funds, the County will actively work to combat fraud, waste, and abuse in the administration of all CDBG-DR funds. The County is responsible for the prevention, detection, reporting, and rectifying of fraud, waste, abuse, or mismanagement, among other irregularities related to the Program. This policy is directed specifically to the County's CDBG-DR awards and is intended to establish procedures and processes that will aid in the detection and prevention of fraud, waste, and abuse.

This policy applies to all County employees, providers, vendors, contractors, consultants, partners, citizens, applicants, external departments, and agencies doing business with the County, as well as beneficiaries and others associated with, working for, accessing, or attempting to access benefits under all CDBG-DR programs.

AFWA Definitions/Examples

Fraud is any intentional act or omission designed to deceive others, resulting in either HUD/State suffering a loss or the perpetrator achieving a gain. Examples of fraud include, but are not limited to, misrepresentation of:

- Employee dishonesty;
- Contractor misrepresentation;
- Income (Unreported or under-reported);
- Household composition;
- Financial resources (transferred or hidden resources);
- Residency; and
- Citizenship status.

Other types of fraud include, but are not limited to:

- Using another person's identification;
- Forging signatures or documents;
- Concealing access to duplicate funding;
- Misrepresenting a medical condition to obtain additional benefit; and
- Misusing funds (diverting them for an unintended use)
- Accepting or seeking anything of material value from contractors, vendors or any person that seeks a beneficial decision, contract, or action for CDBG-DR activities;
- Unnecessary cost or expenditures;
- Diversion of program resources.

Waste is the act of using or expending/mismanaging resources carelessly, extravagantly, or with no purpose. Examples of waste include, but are not limited to:

- Purchasing supplies without regard to cost;
- Purchasing unnecessary supplies, materials, and equipment; and
- Using supplies, materials, and equipment carelessly resulting in unnecessary waste and replacement.

Abuse is behavior that is deficient or improper when compared with behavior that a prudent person considers reasonable and necessary in operational practice given the facts and circumstances. Examples include, but are not limited to:

- Procurement or vendor selections that contradict existing policies or are unnecessarily extravagant or expensive;
- Receiving compensation/favors for awarding contracts to certain vendors;
- Using one's position for personal gain or to gain an advantage over another;
- Failure to report damage to equipment or property;
- Creating unneeded overtime; and

- Requesting staff to perform personal errands or work tasks for a supervisor or manager.

Other actions constituting fraud, waste, and abuse include, but are not limited to:

- Any dishonest or fraudulent act;
- Misappropriation of funds, supplies or assets;
- Impropriety in handling or reporting money or financial transactions;
- Profiting because of insider knowledge;
- Unauthorized disclosure of confidential or private information;
- Accepting or seeking anything of material value from contractors, vendors or any person that seeks a beneficial decision, contract, or action for CDBG-DR activities; and
- Unnecessary cost or expenditures.

AFWA Complaint Review

County residents, constituents, employees, and contractors may report suspected fraud, waste, or abuse by submitting a report to lighthouse toll free at 1-844-640-0008, by visiting www.lighthouse-services.com/myescambia, emailing reports@lighthouse-services.com and identify Escambia County BCC in the message, or faxing their request to (215) 689-3885 and identify Escambia County BCC in the message,

All suspected cases of fraud will be taken seriously, and complaints will be reported to the County Administrator and Florida Commerce's Office of the Inspector General at OIG@deo.myflorida.com.

All substantiated cases of fraud, waste, or abuse of government funds will be forwarded to the United States Department of Housing and Urban Development (HUD), Office of Inspector General (OIG) Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov), and Florida Commerce's HUD Community Planning and Development (CPD) Representative. The County must provide a timely response within 15 working days of the receipt of a complaint, as stated in 88 FR 11.

Confidentiality

Complainants reporting fraud, waste, and abuse of federal resources, or other program irregularities may remain anonymous if reported through the Lighthouse System. All information received about suspected fraud, waste, and abuse will be treated confidentially. Furthermore, all investigative materials developed, and interviews conducted to substantiate the allegations of fraud, waste, or abuse will be treated confidentially. Please note that any direct communication to the County is a public record.

Information will only be disclosed, as needed, to appropriate law enforcement authorities. No information about the status of an investigation will be shared outside of authorized Project Staff, Ethics and Compliance department, CDBG-DR Program Director, except with the State or

HUD OIG upon conclusion of the investigation or with law enforcement or legal counsel, in the event legal action should be needed.

Cooperation with Official Department Investigations

County employees are required to maintain high standards of honesty, integrity, and impartiality and to place the interests of the public ahead of personal interests. When allegations of violations of these standards are received, full and accurate information must be obtained so management may respond appropriately.

County employees must cooperate with duly appointed investigators from Commerce and the Office of Inspector General to uncover the facts surrounding possible violations in an official investigation.

Failure to comply as specified above without a valid mitigating reason, such as exercising a right protected by federal or state law, will constitute a violation of this policy and subject the employee to appropriate disciplinary action.

All applicable County staff shall attend fraud-related training provided by HUD OIG to assist in the proper management of all CDBG-DR grant funds.

AFWA Prevention Measures

CDBG-DR Project staff is responsible for ensuring that all Projects comply with all federal and state regulations as well as identifying and implementing improvements that enhance programmatic efficiency, effectiveness, and documented results. Below are the main critical responsibilities of this unit:

- Conduct regular internal monitoring of internal financial management or programmatic oversight related to all CDBG-DR Projects;
- Provide oversight monitoring of County contractors;
- Monitor any duplication of benefits, any anomalies, any suspected fraud related to performance problems, and any abuse of funds, as stated in 88 FR 11;
- Identify and assist with investigations of potential fraud, referring cases to Commerce's OIG as appropriate;
- Oversee and coordinate all reporting as required in the Subrecipient Agreement for CDBG-DR funding; and
- Evaluate Fraud, Waste, or Abuse claims submitted by the public.

Conflict of Interest

Conflict of interest situations will be closely monitored as these situations, if not properly addressed, may result in:

- Loss of HUD funding;
- Voiding any contract funded or supported by HUD;

- Disgoring of any financial gain or benefit received;
- Abstaining from participating in a decision-making capacity;
- Termination, resignation, or loss of position; and
- Imposition of civil and/or criminal penalties.

It shall be a breach of ethics for any County employee to participate directly or indirectly in procurement when the employee knows that the employee or any member of the employee's immediate family has a financial interest pertaining to the procurement, a business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement, or any other person, business, or organization with which the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

The conflict-of-interest regulations contained in the Subrecipient Agreement require that the County comply with conflict-of-interest provisions in the procurement policies and procedures. The County prohibits local elected officials, County employees, and consultants who exercise functions with respect to CDBG-DR activities or who can participate in a decision-making process or gain inside information with regard to such activities, from receiving any benefit from the activity either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter.

For purposes of this section, "family" is defined to include parents (including mother-in-law and father-in-law), grandparents, siblings (including sister-in-law and brother-in-law), and children of an official covered under the CDBG-DR conflict of interest regulations at 24 CFR §570.489(h).

Vendors

County staff will verify the accuracy of information provided by its vendors. Prior to contract execution, the County's procedures include, but are not limited to:

- Reviewing debarment lists;
- Searching known databases for information; and
- Conducting internet research, and obtaining information available from State and Federal agencies, such as substantiated investigative findings and audit reports.

The County has established regular channels of communication with other state and local government agencies who are contracting with various entities for services relating to storm recovery efforts to be on guard for issues relating to contractor fraud, waste, and abuse. Findings are reported to County staff.

Internal Monitoring

The Clerk of Court is responsible for the internal auditing of County departments. The Clerk conducts independent, objective reviews, and evaluations of all relevant activities, and coordinates the single audit with departments and the County's external auditors. The County has a monitoring process that includes several layers of approvals before funds are expended, allowing the County to closely monitor the use of all CDBG-DR funds. At every level of the process, there is an evaluation made to determine whether the use of funds is legitimate and in keeping with the requirements of the governing policies, procedures, rules, regulations, ordinances, and laws. If any other determination is reached, the use of funds is delayed until further information is obtained. If the additional information does not result in a positive determination, the use of funds for that purpose will not be allowed. Because the County will be directly overseeing the delivery of all CDBG-DR activities, monitoring will be an ongoing effort. The Governmental Liaison and Project Managers will personally monitor all contractors including direct review and approval of all contractor invoices.

The Intent of the Internal Monitoring Policies and Procedures is to:

- Prevent, identify, and respond to fraud, waste, and abuse;
- Gauge the overall progress and effectiveness of program implementation;
- Identify and resolve compliance issues that may compromise program integrity, funding, and service delivery;
- Identify areas that would benefit from technical assistance;
- Differentiate the types of monitoring techniques that will be used during the monitoring review process; and
- Explain the current monitoring structure model.

Internal Controls

The County has existing policies and procedures that meet financial management requirements including applicable regulations and requirements, financial accountability and records, authorized signatures for payments and checks, requests for payments, bank accounts and checks, escrow accounts, administrative costs, and audit requirements.

The organizational structure encompasses risk management measures that establish clear lines of authority and approval, segregation of duties, separation of key processes and authorization, and secure access to financial resources.

The County's internal controls are set-up for responsible management of all CDBG-DR funds and support the prevention of fraud, waste, and abuse to ensure:

- No person involved in the CDBG-DR decision-making obtains financial benefit.
- No single-point sign-off of significant transactions;
- Separate recordkeeping for mitigation funds versus general accounting operations;

- Reconciliation of accounts performed by employees not responsible for preparation of vouchers, purchase orders, and issuance of payments;
- Hiring procedures match required financial skill sets to position descriptions;
- Policies and procedures are in place to maintain effective control and accountability for all cash, real and personal property, and other assets;
- Policies and procedures are in place for controlled access to assets and sensitive documents; and
- Reasonable measures are in place to safeguard protected personally identifiable information (PII)
- Person(s) issuing checks for grant expenses will not handle payroll preparation/issuance of paychecks.
- Where feasible, monthly bank reconciliation, and/or direct deposit monthly statements will be reviewed by someone who is not responsible for handling cash or issuing checks.

Financial Management

The County will maintain and administer a financial management system that complies with all applicable HUD CDBG-DR and State of Florida rules and regulations, in addition to the provisions of 2 CFR part 200, 2 CFR §200.302, 2 CFR §200.316 - §200.327, and Section 218.33, F.S.As allocable, the County will verify and document any other or additional funding sources being utilized for CDBG-DR Projects and keep that funding and associated costs separate from the CDBG-DR funds being utilized for that project.

Allowable Costs

All costs will be reviewed by the Governmental Liaison and the Office of Management and Budget. All internal costs will be submitted to the Governmental Liaison for review, validation, and resolution of any discrepancies. The Governmental Liaison will also verify that costs are applicable, eligible, and reasonable for all Projects. Any internal costs submitted by the Departments must include a description indicating the purpose of the costs. Additionally, all contractor invoicing must be reviewed and approved by the Governmental Liaison for eligibility and reasonableness.

It is the responsibility of the County to maintain effective control and accountability for all funds, property, and other assets. The County will safeguard all assets and ensure that they are used solely for authorized purposes. Any concerns or clarification regarding any costs will be addressed and resolved by the Governmental Liaison before formal processing by the Clerk (with department head approval). This includes any costs incurred from other County departments, who may have incurred costs as part of regular administration and implementation of CDBG-DR.

Invoice Payments

Upon receipt of an invoice, the invoice is reviewed for accuracy and verified with required documentation provided showing receipt of applicable deliverable(s) and associated tasks, by

the Governmental Liaison. Any needed corrections from the vendor will be communicated electronically by the Program Manager to the vendor.

The County will be responsible for submitting “Reimbursement Requests” to FloridaCommerce that include but are not limited to the following:

1. Cover Letter
2. Invoice to FloridaCommerce
3. Backup Documentation
 - a. Including all required documents outlined in the applicable CDBG-DR Agreement, Attachment A – Scope of Work.
4. Proof of Payment
 - a. Copies of Request for Payments/Invoices
 - b. Verification of Deposits
 - c. Monthly bank statements with canceled check
 - d. Check register/transaction ledger
 - e. Electronic Transfer Form (EFT)

Program Income Tracking and Reporting

The County does not anticipate generating program income; however, should program income be generated, the County will track the receipts within its financial records in a separate revenue account and will report the receipts as required by the Subrecipient Agreement.

Timely Expenditure of Funds

Per the Subrecipient Agreement, all CDBG-DR funds must be expended within the period of the Subrecipient Agreement. However, the County anticipates that Commerce will periodically review the County's progress in drawing down funding through SERA. The County will review CDBG-DR expenditures to ensure that funds are spent on eligible costs and in a timely manner. Project funds and schedules will be monitored by the County and will be subject to an auditing process through the County's independent audit function. The County will also compile and justify the financial data to all required reports submitted to FloridaCommerce under each agreement as well as compare actual expenditures with budgeted amounts by program activity.

The County will hold all contractors accountable through the establishment of tasks and other critical milestones. Contractors will be required to provide updated reports concerning expenditure of funds and project progress to the County upon request. The County shall require contractors to provide reports as outlined in the specific project contract. The County expects, at this time, that it will directly administer all the CDBG-DR Projects and will use contractor augmentation to execute implementation. When contracting with vendors, the County will establish certain tasks that must be achieved prior to the release of funding. As a part of their contractual obligations to the County, contractors may be required to present the County with a plan on how they will implement procedures to achieve the determined milestones set forth in the project contract. Each contract with contractors contains provisions for termination of

any contract if the contractor is found to be negligent in any aspect of the contract services. In addition to ensuring that contractors are meeting project timelines, these tasks and task orders will allow the County to project expenditures for each individual project task.

Contractor Payments

To ensure contracts and bills are paid in a timely manner, payments pursuant to a contract will be made in accordance with the Local Govt. Prompt Payment Act, F.S. §218.70-218.80. Invoices shall be for services rendered for the period of the first day of the month through the last day of the month. Contractor shall submit separate invoices, on each task order after each delivery. Invoices shall indicate the task order number and shall be itemized. A copy of the bill of lading, and the freight weigh bill when applicable, should be attached to the invoice.

The County has the option to withhold five percent (5%) until all work is completed in accordance with executed contracts and work approved by the County.

Retainage.

a) If the Contract Amount is \$200,000.00 or less, the following shall apply:

County shall retain five percent (5%) of the gross amount of each monthly payment request or five percent (5%) of the portion thereof approved by the County for payment, whichever is less. Such sum shall be accumulated and not released to Contractor until completion of the Project deliverable task as provided in **the Attachment A - Scope of Work of the Agreement**. Any interim interest on such sums shall accrue to County. At the County's sole discretion, a percentage of the amount retained from the gross amount of each monthly payment may be reduced prior to completion of the Project and said percentage released to the Contractor upon receiving a certificate of substantial completion and approval from the Architect/Engineer.

b) If the Contract Amount is in excess of \$200,000.00, the following shall apply:

County shall retain five percent (5%) of the gross amount of each monthly payment request or five percent (5%) of the portion thereof approved by the County for payment, whichever is less. Such sum shall be accumulated and not released to Contractor until completion of the Project task as provided in **the Attachment A – Scope of Work of the Agreement**. Any interim interest on such sums shall accrue to County. At the County's sole discretion, a percentage of the amount retained from the gross amount of each monthly payment may be reduced prior to completion of the Project and said percentage released to the Contractor upon receiving a certificate of substantial completion and approval from the Architect/Engineer. This subsection shall not apply if the Project is paid, in whole or in part, with federal funds and subject to federal grantor laws and regulations or requirements that are contrary to any provision of the Local Government Prompt Payment Act.

Any retainage will be paid at the project's conclusion and proper approvals. Retainage will be released when the awarded contract has been fulfilled to its fullest and approved by the County.

Tracking Payments

The County will maintain a payment tracker for all CDBG-DR Projects. The payment tracker will include indicators that identify invoice submission status and date, approved change orders, and total payments by dollar amount. The tracker will be updated as changes to the status of payments, change orders, or invoice submissions occur. When feasible, quarterly bank reconciliation and/or direct deposit monthly statements will be reviewed by someone who is not responsible for handling cash or issuing checks.

Procurement

Procurement is the acquisition of goods and services to carry out program activities utilizing all CDBG-DR funds. The procurement process includes the decision to purchase as well as the process to complete the purchase. Goods and services procured to carry out all the CDBG-DR Projects are to be conducted by the Purchasing Office or other Departments as appropriate and provided for by the County's Purchasing Policy. As a Subrecipient of Commerce, the County is required to comply with requirements of 2 CFR §200.317 through 200.327 and adhere to 255.5025 F.S. when procuring all property and services using all CDBG-DR funds. In addition, the County will comply with all state and local procurement regulations as mandated by the State of Florida and in compliance with the County's current Purchasing Policy. These rules are in place to ensure that federal dollars are spent fairly and encourage open competition for the best level of service and price.

In compliance with the County's Subrecipient agreement, when the County uses a competitive solicitation as a means of solicitation, all procurement documents will be submitted to Commerce. Commerce must approve the procurement, otherwise, the County will be constrained on the use of CDBG-DR for activities related to that procurement as described in the County's Subrecipient agreement with Commerce. Before signature of any contracts "a copy of the proposed contract template and any proposed amendments, extensions, revisions or other changes thereto," must be forwarded to Commerce for prior written approval for any contracts for work under CDBG-DR. The County will also inform Commerce when the contractor or any of the sub-contractors are considered a minority vendor as defined in Section 288.703, F.S. The proposed contract and information regarding minority vendors will be submitted to Commerce for review before the contract is submitted to the contractor for final approval and signature. The County will comply with all the conflict-of-interest provisions provided in Commerce's procurement policies and procedures. All Federal State, and local conflict of interest provisions apply. The County adheres to the Code of Ethics for Public Officers and Employees, Chapter 112, Part III, Florida Statutes, and maintains a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. Conflict

of Interest provisions listed at 24 CFR §570.611 and 2 CFR §200.318(c) and all other applicable federal regulations will be incorporated.

Any questions regarding the applicability of law or determination as to whether laws conflict must be referred to the County's Attorney's Office.

Competition

All procurement transactions must adhere to 2 CFR §200.317 through 200.327 and adhere to 255.5025 F.S. and conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, no contractors are permitted to help develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals. Some of the situations considered to be restrictive of competition include but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business;
- Requiring unnecessary experience and excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive contracts to consultants who are on retainer contracts;
- Organizational conflicts of interest;
- Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
- Any arbitrary action in the procurement process.

Procurements must be conducted in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

All procurement solicitations shall incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured, including the expected number of units to be procured. The descriptions shall not contain features which unduly restrict competitions and may include a statement of the qualitative nature of material, product or service needed to be procured, and when necessary, set forth minimum essential characteristics and standards to which it must conform if to satisfy its intended use.

Cost Reasonableness

The County conducts cost reasonable evaluations as part of its standard procurement process. All procurement for CDBG-DR funded activities will include evaluating bids and proposals for cost reasonableness and conducting cost of price analysis.

Contracting with Small, Minority, and Women Owned Businesses

In order to comply with 2 CFR §200.321, the County will make a reasonable effort to contract with Small, Minority, and Women-Owned Businesses. The affirmative steps the County will undertake to ensure that small, minority, and women-owned businesses are used when possible include:

- Placing qualified small and minority businesses and women-owned businesses on solicitation lists;
- Ensuring that small and minority businesses, and women-owned businesses are solicited whenever they are potential sources;
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women-owned businesses;
- Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women-owned businesses;
- Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above.

Section 3

The County, sub-recipients, and all contractors receiving grant funds shall comply with the Housing and Urban Development Act of 1968, 12 U.S.C. §1701u, as amended, and applicable Section 3 Regulations, 24 CFR Part 75.

Section 3 Registered Businesses

The County is committed to ensuring that designated Section 3-eligible business concerns derive economic benefit from HUD-assisted projects built in their communities. Subrecipients, contractors, subcontractors are likewise expected to demonstrate that Section 3 certified business concerns are included in the contracting goals and are economic beneficiaries of business and procurement policies and practices. Section 3 eligible business concerns must be given priority in contracting for appropriate work.

The County will check the HUD Section 3 Business Registry online via the below link to identify any specific businesses within the Escambia County area.

<https://portalapps.hud.gov/Sec3BusReg/BRegirsyt/What>

Every effort shall be made to notify Section 3 residents and businesses residing or maintaining offices in the local area through public notices, as part of complying with Section 3. The County will also strongly encourage contractors and subcontractors to make contracting opportunities available to Section 3 qualifying business interests.

Audit Requirements

Overview

Audit requirements for non-Federal entities are set forth in 2 CFR Part 200, Subpart F. Pursuant to 2 CFR § 200.501, audits are required where non-Federal entities, including units of local government, non-profit organizations, and for-profit developers, expend \$750,000 in Federal awards in that federal fiscal year. The County is considered a “non-Federal entity” and is required to adhere to 2 CFR § 200.501.

The County will comply with all applicable State and Federal audit requirements, which includes the Clerk of Court filing its own single audit each fiscal year.

Single Audit Requirements

The County will undertake an annual single audit, in accordance with Generally Accepted Government Auditing Standards, conducted by an independent auditor when expended federal funds are greater than or equal to \$750,000. Within sixty (60) calendar days of the close of the County’s fiscal year (September 30), the County will electronically submit a completed Audit Compliance Certification to its Commerce Grant Manager and to audit@deo.myflorida.com. Additionally, the County will submit an electronic copy of a completed audit report to its Grant Manager by June 30th of the following year.

At the completion of the audit, if there are audit findings identified by an independent auditor, the County will develop a corrective action plan to address each audit finding included in the current year auditor’s report. The corrective action plan shall provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date.

Website Management

The County will maintain accurate CDBG-DR Project details on the County website and ensure that it is accessible to the public and update project details to show progress for each CDBG-DR project. The website established for all CDBG-DR grants is <https://myescambia.com/sallyrecoverygrant>

Record Management

The County will maintain accurate files and records and shall retain all pertinent documentation for the grant. Compliance will be maintained in accordance with the reporting requirements under the CDBG-DR regulations and in conformity with the Commerce Subrecipient agreement.

General program administration documents will be developed and maintained by the Governmental Liaison and the Project Management Office, kept in a secured location or on secure servers. These files will maintain documentation for the following items:

- Environmental review;
- Procurement;
- Contracts;
- Invoicing and payment;
- Change orders;
- Local regulatory compliance (permitting, legal review, etc.);
- Program income; and
- Closeout.

The Grant Administrator and/or Governmental Liaison will provide oversight, retainage, and maintenance over these records and will review the progress and records of the tasks associated with all the CDBG-DR Projects to ensure they are progressing in a timely manner. Information maintained in project records will provide necessary data to complete reports and will be utilized during audits and monitoring to provide information needed as part of these activities. Information included in files may be supplemented with financial reports in order to provide concise details regarding specific project financial records. Once the County has fully expended all funds and the project is completed, records will be maintained by the County and Clerk's Office for security. All records must be retained for a minimum period of six (6) years after the fiscal year of the grant closeout with HUD.

Closeout

The County will work to ensure records are complete, that all requirements are adhered to, and that the County has performed all subrogation-monitoring processes. The County will create project and grant closeout checklists that will be maintained with the project file.

Program Contacts

Name: Elizabeth Kissel

Email: ekissel@MyEscambia.com

Phone Number: (850) 595-3935

Escambia County has the right to change, modify, waive, or revoke all or any part of these guidelines. The Department of Florida Commerce will provide the option for a waiver only after the waiver request has been posted on sub-recipient's website for a public comment period of at least 7 days. If these Guidelines conflict with local, state, or federal law, the more stringent requirement will prevail, provided that the requirement does not violate local, state, or federal law.