

**DEP AGREEMENT NO. S0878
ESCAMBIA COUNTY
AMENDMENT NO. 1**

THIS AGREEMENT as entered into on the 8th day of March, 2016, between the FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (hereinafter referred to as the "Department") and ESCAMBIA COUNTY (hereinafter referred to as the "Grantee") is hereby amended.

WHEREAS, the Grantee has requested a reallocation of the budget for the project; and,

WHEREAS, certain provisions of the Agreement need revision and several provisions need to be added to the Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Section 3. of the Agreement is hereby deleted in its entirety and replaced with the following:

FUNDING/CONSIDERATION/INVOICING:

- A. As consideration for the satisfactory completion of services rendered by the Grantee under the terms of this Agreement, the Department shall pay the Grantee on a cost reimbursement basis up to a maximum of \$1,000,000. It is understood that any additional funds necessary for the completion of this project are the responsibility of the Grantee. The parties hereto understand and agree that this Agreement does not require a match on the part of the Grantee.
- B. Prior written approval from the Department's Grant Manager shall be required for changes to this Agreement.
 - i. A Change Order to this Agreement is required when task timelines within the current authorized Agreement period change, and/or when the cumulative transfer of funds between approved budget categories, as defined in Attachment A, are less than ten percent (10%) of the total budget as last approved by the Department. All Change Orders are subject to the mutual agreement of both parties as evidenced in writing.
 - ii. A formal Amendment to this Agreement is required for changes which cause any of the following: an increase or decrease in the Agreement funding amount, a change in the Grantee's match requirements, a change in the expiration date of the Agreement, and/or changes to the cumulative amount of funding transfers between approved budget categories, as defined in Attachment A, exceeds or is expected to exceed ten percent (10%) of the total budget as last approved by the Department. All Amendments are subject to the mutual agreement of both parties as evidenced in writing.
- C. The Grantee shall be reimbursed on a cost reimbursement basis for all eligible project costs upon the completion, submittal and approval of each deliverable identified in **Attachment A-1**, in accordance with the schedule therein. Reimbursement shall be requested utilizing **Attachment B, Payment Request Summary Form**. 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, which can be accessed at the following web address: http://www.myfloridacfo.com/aadir/reference_guide/. All invoices for amounts due under this Agreement shall be submitted in detail sufficient for a proper pre-audit and post-audit thereof. A final payment request should be submitted to the Department no later than sixty (60) calendar days following the completion date of the Agreement, to assure the availability of funds for payment. All work performed pursuant to **Attachment A-1** must be performed on or

before the completion date of the Agreement, and the subsequent sixty-day period merely allows the Grantee to finalize invoices and backup documentation to support the final payment request.

- D. The State Chief Financial Officer requires detailed supporting documentation of all costs under a cost reimbursement agreement. The Grantee shall comply with the minimum requirements set forth in **Attachment C, Contract Payment Requirements**. The Payment Request Summary Form shall be accompanied by supporting documentation and other requirements as follows for each deliverable: Reimbursement shall be limited to the following budget categories:

- i. Contractual (Subcontractors) – Reimbursement requests for payments to subcontractors must be substantiated by copies of invoices with backup documentation identical to that required from the Grantee. Subcontracts which involve payments for direct salaries shall clearly identify the personnel involved, salary rate per hour, and hours spent on the project. All multipliers used (i.e., fringe benefits, overhead, indirect, and/or general and administrative rates) shall be supported by audit. If the Department determines that multipliers charged by any subcontractor exceeded the rates supported by audit, the Grantee shall be required to reimburse such funds to the Department within thirty (30) calendar days of written notification. Interest on the excessive charges shall be calculated based on the prevailing rate used by the State Board of Administration. Subcontracts, which involve equipment purchases as part of an installation/retrofit or that include infrastructure and/or infrastructure improvements, as defined in Florida Chief Financial Officer (CFO) Memorandum No. 5 (2011-2012), must be capitalized in accordance with Chapter 691-72, Florida Administrative Code (F.A.C.). The Grantee shall be responsible for maintaining appropriate property records for any subcontracts that include the purchase of equipment as part of the delivery of services. The Grantee shall comply with this requirement and ensure its subcontracts issued under this Agreement, if any, impose this requirement, in writing, on its subcontractors.

For fixed-price (vendor) subcontracts, the following provisions shall apply:

- a. The Grantee may award, on a competitive basis, fixed-price subcontracts to consultants/contractors in performing the work described in **Attachment A-1**. Invoices submitted to the Department for fixed-price subcontracted activities shall be supported with a copy of the subcontractor's invoice and a copy of the tabulation form for the competitive procurement process (i.e., Invitation to Bid or Request for Proposals) resulting in the fixed-price subcontract.
- b. The Grantee may request approval from the Department to award a fixed-price subcontract resulting from procurement methods other than those identified in the paragraph above. In this instance, the Grantee shall request the advance written approval from the Department's Grant Manager of the fixed price negotiated by the Grantee. The letter of request shall be supported by a detailed budget and Scope of Services to be performed by the subcontractor. Upon receipt of the Department Grant Manager's approval of the fixed-price amount, the Grantee may proceed in finalizing the fixed-price subcontract.
- c. All subcontracts are subject to the provisions of paragraph 12 and any other appropriate provisions of this Agreement which affect subcontracting activities.
- DL. In addition to the invoicing requirements contained in paragraphs 3.C. and D. above, the Department will periodically request proof of a transaction (invoice, payroll register, etc.) to evaluate the appropriateness of costs to the Agreement pursuant to State and Federal guidelines (including cost allocation guidelines), as appropriate. This information, when requested, must be provided within thirty (30) calendar days of such request. The Grantee may also be required to submit a cost allocation plan to the Department in support of its multipliers (overhead, indirect,

general administrative costs, and fringe benefits). State guidelines for allowable costs can be found in the Department of Financial Services' Reference Guide for State Expenditures at http://www.myfloridacfo.com/aadir/reference_guide/.

- F.
- i. The accounting systems for all Grantees must ensure that these funds are not commingled with funds from other agencies. Funds from each agency must be accounted for separately. Grantees are prohibited from commingling funds on either a program-by-program or a project-by-project basis. Funds specifically budgeted and/or received for one project may not be used to support another project. Where a Grantee's, or subrecipient's, accounting system cannot comply with this requirement, the Grantee, or subrecipient, shall establish a system to provide adequate fund accountability for each project it has been awarded.
 - ii. If the Department finds that these funds have been commingled, the Department shall have the right to demand a refund, either in whole or in part, of the funds provided to the Grantee under this Agreement for non-compliance with the material terms of this Agreement. The Grantee, upon such written notification from the Department shall refund, and shall forthwith pay to the Department, the amount of money demanded by the Department. Interest on any refund shall be calculated based on the prevailing rate used by the State Board of Administration. Interest shall be calculated from the date(s) the original payment(s) are received from the Department by the Grantee to the date repayment is made by the Grantee to the Department.
 - iii. In the event that the Grantee recovers costs, incurred under this Agreement and reimbursed by the Department, from another source(s), the Grantee shall reimburse the Department for all recovered funds originally provided under this Agreement. Interest on any refund shall be calculated based on the prevailing rate used by the State Board of Administration. Interest shall be calculated from the date(s) the payment(s) are recovered by the Grantee to the date repayment is made to the Department by the Grantee.

2. Section 5. of the Agreement is hereby deleted in its entirety and replaced with the following:

REPORTS:

- A. The Grantee shall utilize **Attachment D, Progress Report Form**, to describe the work performed during the reporting period, problems encountered, problem resolutions, scheduled updates, and proposed work for the next reporting period. Quarterly reports shall be submitted to the Department's Grant Manager no later than twenty (20) calendar days following the completion of the quarterly reporting period. It is hereby understood and agreed by the parties that the term "quarterly" shall reflect the calendar quarters ending March 31, June 30, September 30 and December 31. The Department's Grant Manager shall have thirty (30) calendar days to review the required reports and deliverables submitted by the Grantee.
- B. As stated in the letter dated July 17, 2015 from the Office of the Governor, the Grantee will identify the return on investment for this project and provide quarterly updates to the Governor's Office of Policy and Budget. The Grantee will identify the expected return on investment for this project and provide this information to the Governor's Office of Policy and Budget (OPB) within three months of execution of this Agreement. For each full calendar quarter thereafter, the Grantee will provide quarterly update reports directly to OPB, no later than 20 days after the end of each quarter, documenting the positive return on investment to the state that results from the Grantee's project and its use of funds provided under this Agreement. Quarterly reports will continue until the Grantee is instructed by OPB that no further reports are needed, or until the end of this Agreement, whichever occurs first. All reports shall be submitted electronically to OPB at env.roi@laspbs.state.fl.us, and a copy shall also be submitted to the Department at legislativeaffairs@dep.state.fl.us.

3. Section 8. of the Agreement is hereby deleted in its entirety and replaced with the following:

DEFAULT/TERMINATION/FORCE MAJEURE:

- A. The Department may terminate this Agreement at any time if any warranty or representation made by Grantee in this Agreement or in its application for funding shall at any time be false or misleading in any respect, or in the event of the failure of the Grantee to fulfill any of its obligations under this Agreement. Prior to termination, the Department shall provide thirty (30) calendar days written notice of its intent to terminate and shall provide the Grantee an opportunity to consult with the Department regarding the reason(s) for termination.
- B. The Department may terminate this Agreement for convenience by providing the Grantee with thirty (30) calendar days' written notice. If the Department terminates the Agreement for convenience, the Department shall notify the Grantee of such termination, with instructions as to the effective date of termination or specify the stage of work at which the Agreement is to be terminated. If the Agreement is terminated before performance is completed, the Grantee shall be paid only for that work satisfactorily performed for which costs can be substantiated.
- C. If a force majeure occurs that causes delays or the reasonable likelihood of delay in the fulfillment of the requirements of this Agreement, the Grantee shall promptly notify the Department orally. Within seven (7) calendar days, the Grantee shall notify the Department in writing of the anticipated length and cause of the delay, the measures taken or to be taken to minimize the delay and the Grantee's intended timetable for implementation of such measures. If the parties agree that the delay or anticipated delay was caused, or will be caused by a force majeure, the Department may, at its discretion, extend the time for performance under this Agreement for a period of time equal to the delay resulting from the force majeure upon execution of an amendment to this Agreement. Such agreement shall be confirmed by letter from the Department accepting, or if necessary, modifying the extension. A force majeure shall be an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightning, fire, flood, explosion, failure to receive timely necessary third party approvals through no fault of the Grantee, and any other cause, whether of the kind specifically enumerated herein or otherwise, that is not reasonably within the control of the Grantee and/or the Department. The Grantee is responsible for the performance of all services issued under this Agreement. Failure to perform by the Grantee's consultant(s) or subcontractor(s) shall not constitute a force majeure event.

4. Section 11. of the Agreement is hereby deleted in its entirety and replaced with the following:

SPECIAL AUDIT REQUIREMENTS:

- A. In addition to the requirements of the preceding paragraph, the Grantee shall comply with the applicable provisions contained in **Attachment E, Special Audit Requirements**, attached hereto and made a part hereof. **Exhibit 1 to Attachment E** summarizes the funding sources supporting the Agreement for purposes of assisting the Grantee in complying with the requirements of **Attachment E**. A revised copy of **Exhibit 1** must be provided to the Grantee for each amendment which authorizes a funding increase or decrease. If the Grantee fails to receive a revised copy of **Exhibit 1**, the Grantee shall notify the Department's Grants Development and Review Manager at (850) 245-2361 to request a copy of the updated information.
- B. The Grantee is hereby advised that the Federal and/or Florida Single Audit Act Requirements may further apply to lower tier transactions that may be a result of this Agreement. The Grantee shall consider the type of financial assistance (federal and/or state) identified in **Attachment E, Exhibit 1** when making its determination. For federal financial assistance, the Grantee shall utilize the guidance provided under 2 CFR §200.330 for determining whether the relationship represents that of a subrecipient or vendor. For state financial assistance, the Grantee shall utilize the form

entitled "Checklist for Nonstate Organizations Recipient/Subrecipient vs Vendor Determination" (form number DFS-A2-NS) that can be found under the "Links/Forms" section appearing at the following website:

<https://apps.fldfs.com/fsaa>

The Grantee should confer with its chief financial officer, audit director or contact the Department for assistance with questions pertaining to the applicability of these requirements.

5. Section 12. of the Agreement is hereby deleted in its entirety and replaced with the following:

SUBCONTRACTS:

- A. The Grantee may subcontract work under this Agreement without the prior written consent of the Department's Grant Manager except for certain fixed-price subcontracts pursuant to paragraph 3.D. of this Agreement, which require prior approval. The Grantee shall submit a copy of the executed subcontract to the Department prior to submitting any invoices for subcontracted work. Regardless of any subcontract, the Grantee is ultimately responsible for all work to be performed under this Agreement. The Grantee agrees to be responsible for the fulfillment of all work elements included in any subcontract and agrees to be responsible for the payment of all monies due under any subcontract. It is understood and agreed by the Grantee that the Department shall not be liable to any subcontractor for any expenses or liabilities incurred under the subcontract and that the Grantee shall be solely liable to the subcontractor for all expenses and liabilities incurred under the subcontract.
- B. The Department supports diversity in its procurement program and requests that all subcontracting opportunities afforded by this Agreement embrace diversity enthusiastically. The award of subcontracts should reflect the full diversity of the citizens of the State of Florida. A list of minority owned firms that could be offered subcontracting opportunities may be obtained by contacting the Office of Supplier Diversity at (850) 487-0915.

6. Section 16. of the Agreement is hereby deleted in its entirety and replaced with the following:

NOTICE:

All notices and written communication between the parties shall be sent by electronic mail, U.S. Mail, a courier delivery service, or delivered in person. Notices shall be considered delivered when reflected by an electronic mail read receipt, a courier service delivery receipt, other mail service delivery receipt, or when receipt is acknowledged by recipient. Any and all notices required by this Agreement shall be delivered to the parties at the addresses identified under paragraph 17.

7. Section 18. of the Agreement is hereby deleted in its entirety and replaced with the following:

INSURANCE:

- A. Providing and maintaining adequate insurance coverage is a material obligation of the Grantee. This insurance must provide coverage for all claims that may arise from the performance of the work specified under this Agreement, whether such work is performed by the Grantee, any sub-grantee, or Grantee's contractors. Such insurance shall include the State of Florida, the Department, and the State of Florida Board of Trustees of the Internal Improvement Trust Fund, as Additional Insureds for the entire length of the Agreement.
- B. Coverage may be by private insurance or self-insurance. The Grantee shall provide documentation of all required coverage to the Department's Grant Manager *prior to* performance of any work pursuant to this Agreement. All commercial insurance policies shall be with insurers licensed or

eligible to do business in the State of Florida. The Grantee's current certificate of insurance shall contain a provision that the insurance will not be canceled for any reason except after thirty (30) calendar days' written notice (with the exception of non-payment of premium, which requires a 10-calendar-day notice) to the Department's Grant Manager. If the Grantee is self-funded for any category of insurance, then the Grantee shall provide documentation that warrants and represents that it is self-funded for said insurance, appropriate and allowable under Florida law, and that such self-insurance offers protection applicable to the Grantee's officers, employees, servants and agents while acting within the scope of their employment with the Grantee for the entire length of the Agreement. The Grantee shall notify the Department's Grant Manager within 10 calendar days of any cancellation of insurance or coverage, change in insurance provider, or change in coverage limits. In the event of such changes, the Grantee shall provide documentation of required coverage to the Department's Grant Manager concurrent with such notification.

C. During the life of this Agreement, the Grantee shall secure and maintain insurance coverages as specified below. In addition, the Grantee shall include these requirements in any sub grant or subcontract issued for the performance of the work specified under this Agreement, unless such sub grant or subcontractor employees are covered by the protection afforded by the Grantee.

i. Workers' Compensation Insurance is required for all employees connected with the work of this project. Any self-insurance program or insurance coverage shall comply fully with the Florida Workers' Compensation law. In case any class of employees engaged in hazardous work under this Agreement is not protected under Workers' Compensation statutes, the Grantee shall provide proof of adequate insurance satisfactory to the Department, for the protection of its employees not otherwise protected.

ii. Commercial General Liability insurance is required, including bodily injury and property damage. The minimum limits of liability shall be \$200,000 each individual's claim and \$300,000 each occurrence.

iii. Commercial Automobile Liability insurance is required, for all claims which may arise from the services and/or operations under this Agreement, whether such services and/or operations are by the Grantee or any of its contractors. The minimum limits of liability shall be as follows:

\$300,000	Automobile Liability Combined Single Limit for Company-Owned Vehicles, if applicable
-----------	--

\$300,000	Hired and Non-owned Automobile Liability Coverage
-----------	---

iv. Other Insurance may be required if any work proceeds over or adjacent to water, including but not limited to Jones Act, Longshoreman's and Harbormaster's, or the inclusion of any applicable rider to worker's compensation insurance, and any necessary watercraft insurance, with limits of not less than \$300,000 each. Questions concerning required coverage should be directed to the U.S. Department of Labor (<http://www.dol.gov/owcp/dlhwc/lcontac.htm>) or to the parties' insurance carrier.

8. Section 21. is deleted and replaced with RESERVED.

9. Section 27. of the Agreement is hereby deleted in its entirety and replaced with the following:

EXECUTION IN COUNTERPARTS:

This Agreement, and any Amendments or Change Orders thereto, may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-

mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

10. Section 30. is added to the Agreement as follows:

PUBLIC RECORDS ACCESS:

- A. Grantee shall comply with Florida Public Records law under Chapter 119, F.S. Records made or received in conjunction with this Agreement are public records under Florida law, as defined in Section 119.011(12), F.S. Grantee shall keep and maintain public records required by the Department to perform the services under this Agreement.
- B. This Agreement may be unilaterally canceled by the Department for refusal by the Grantee to either provide to the Department upon request, or to allow inspection and copying of all public records made or received by the Grantee in conjunction with this Agreement and subject to disclosure under Chapter 119, F.S., and Section 24(a), Article I, Florida Constitution.
- C. If Grantee meets the definition of "Contractor" found in Section 119.0701(1)(a), F.S.; [i.e., an individual, partnership, corporation, or business entity that enters into a contract for services with a public agency and is acting on behalf of the public agency], then the following requirements apply:
 - i. Pursuant to Section 119.0701, F.S., a request to inspect or copy public records relating to this Agreement for services must be made directly to the Department. If the Department does not possess the requested records, the Department shall immediately notify the Grantee of the request, and the Grantee must provide the records to the Department or allow the records to be inspected or copied within a reasonable time. If Grantee fails to provide the public records to the Department within a reasonable time, the Grantee may be subject to penalties under s. 119.10, F.S.
 - ii. Upon request from the Department's custodian of public records, Grantee shall provide the Department with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
 - iii. Grantee shall identify and ensure that all public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following completion of the Agreement if the Grantee does not transfer the records to the Department.
 - iv. Upon completion of the Agreement, Grantee shall transfer, at no cost to Department, all public records in possession of Grantee or keep and maintain public records required by the Department to perform the services under this Agreement. If the Grantee transfers all public records to the Department upon completion of the Agreement, the Grantee shall destroy any duplicate public records that are exempt or confidential and exempt from public disclosure requirements. If the Grantee keeps and maintains public records upon completion of the Agreement, the Grantee shall meet all applicable requirements for retaining public records. All records that are stored electronically must be provided to Department, upon request from the Department's custodian of public records, in a format that is accessible by and compatible with the information technology systems of Department.

- D. IF THE GRANTEE HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE GRANTEE'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE DEPARTMENT'S CUSTODIAN OF PUBLIC RECORDS by telephone at (850) 245-2118, by email at ombudsman@dep.state.fl.us, or at the mailing address below:

**Department of Environmental Protection
ATTN: Office of Ombudsman and Public Services
Public Records Request
3900 Commonwealth Blvd, Mail Slot 49
Tallahassee, FL 32399**

11. Section 31. is added to the Agreement as follows:

TERMINATION, FALSE CERTIFICATION, SCRUTINIZED COMPANIES, BOYCOTTING:

Grantee certifies that it and any of its affiliates are not scrutinized companies as identified in Section 287.135, F.S. In addition, Grantee agrees to observe the requirements of Section 287.135, F.S., for applicable sub-agreements entered into for the performance of work under this Agreement.

Pursuant to Section 287.135, F.S., the Department may immediately terminate this Agreement for cause if the Grantee, its affiliates, or its subcontractors are found to have submitted a false certification; or if the Grantee, its affiliates, or its subcontractors are placed on any applicable scrutinized companies list or engaged in prohibited contracting activity during the term of the Agreement. As provided in Subsection 287.135(8),

F.S., if federal law ceases to authorize these contracting prohibitions then they shall become inoperative.

12. **Attachment A**, Project Work Plan, is hereby deleted in its entirety and replaced with **Attachment A-1**, Revised Project Work Plan, attached hereto and made a part of the Agreement. All references in the Agreement to **Attachment A** any prior **Attachment A**'s, shall hereinafter refer to **Attachment A-1**, Revised Project Work Plan.

IN WITNESS WHEREOF, the parties have caused this amendment to Agreement S0878 to be duly executed, the day and year last written below.

3-2-2017

Date Executed

Board of County Commissioners
Escambia County, Florida

[Signature]
D. B. Underhill, Chairman

ATTEST: Pam Childers
Clerk of the Circuit Court

[Signature]
Deputy Clerk



BCC Approved 03-02-2017

STATE OF FLORIDA DEPARTMENT OF
ENVIRONMENTAL PROTECTION

By: *[Signature]*
Secretary or designee

Trina Vielhauer
Print Name and Title of Authorized Person

Date: 3/22/17

[Signature]
DEP Grant Manager

Tom Edwards
Sandy Waters
Sandy Waters, DEP OC Reviewer

FEID No.:59-6000598

Approved as to form and legal
sufficiency.

By/Title: *[Signature]*
Date: 3/26/17

*For Agreements with governmental boards/ commissions: If someone other than the Chairperson signs this Agreement, a resolution, statement or other document authorizing that person to sign the Agreement on behalf of the Grantee must accompany the Agreement.

List of attachments/exhibits included as part of this Amendment:

Specify Type	Letter/ Number	Description (include number of pages)
Attachment	A-1	Revised Project Work Plan (5 Pages)

**ATTACHMENT A-1
GRANT WORK PLAN**

PROJECT TITLE: Escambia County Innerarity Water and Sewer Upgrade

PROJECT LOCATION: The Project will be located on Innerarity Island in Escambia County, Florida. See Figures 1 and 2 for a location map and site plan.

PROJECT BACKGROUND: The Innerarity Island Development Corporation (IIDC) provided water and wastewater service to the residents of Innerarity Island in southwestern Escambia County. IIDC purchased water from the Emerald Coast Utilities Authority (ECUA) and resold it to the residents. Wastewater is currently collected in a gravity sewer system and conveyed via a system of lift stations and force mains to ECUA lift station No. 380. Wastewater is metered at the discharge of the lift station before leaving the island. The wastewater is metered and billed independently of the potable water. Water and sewer services provided in the past by IIDC were subject to regulation by the Public Service Commission of the State of Florida.

On January 27, 2014, the Innerarity Island Development Corporation formally filed a note of abandonment pursuant to Florida Statute 367.165(1), and on March 21, 2014 the First Judicial Circuit Court ordered Escambia County (Grantee) to become the receiver of this water and wastewater utility system. However, not only is long term ownership and maintenance outside of the capabilities of the County, the County also has no statutory authority to own and operate a water and wastewater system due to the Enabling Act of the ECUA. An agreement in principal has been reached between ECUA and the Grantee regarding future ownership and maintenance of the Innerarity Island Development Corporation's utilities, as well as options for financing mechanisms allowing ECUA to complete design and construction, as necessary, to bring the existing utility systems into compliance with current FDEP and ECUA standards.

The project will facilitate the transfer of ownership and maintenance of the systems to ECUA. This transition is critical so that an entity with adequate resources can accept the long term requirements that come with utility ownership. This is a necessity for the residents+ served by this system.

PROJECT DESCRIPTION: The Grantee will evaluate the current water and wastewater system, formerly owned by IIDC, and design the upgrades for the water and wastewater system infrastructure to meet the standards required by ECUA for a publicly owned and maintained water and wastewater utility system.

Water system improvements may consist of: a) relatively minor main relocations to remove encroachments of the water facilities from private properties or alternatively to relocations, easements could be secured with the assistance of the Innerarity Island Homeowners Association (II HOA) to negate the need for the relocations; b) installation of system isolation valves; c) fire hydrant additions; d) modification of dead end water lines to provide either flush valves or circulation loops; e) water service renewals to remove polybutylene tubing and replace meters with ECUA standard meters; and f) upgrade approximately 3,000 linear feet of existing 4-inch water main on North Shore Drive to 6-inch.

Sanitary sewer system improvements will consist primarily of the construction of a low pressure sewer system to replace all gravity collection on the island leaving only the relatively new gravity collection in the Russell Bayou development in service. The existing gravity sewer collection system was found to be prone to excessively heavy infiltration/inflow and to have many line segments laid at insufficient slope. Full replacement of the gravity sewer system was eliminated from consideration due to

excessive cost.

A budget reallocation is necessary due to the reasons listed:

Task 1 was changed from \$78,000 to \$45,000. The design fees are fully paid and came in lower than expected.

Task 2 was changed from \$864,800 to \$758,000. The construction costs are expected to be less based on a more refined design.

Task 3 was changed from \$40,200 to \$180,000. The actual fees paid to the City of Gulf Breeze for maintenance and operation have been running approximately \$10,000 per month which was higher than anticipated.

TASKS and DELIVERABLES:

Task 1: Design and Permitting

Task Description: The Grantee will procure professional engineering services in accordance with state law. The Grantee will complete the evaluation and design of upgrades to the water and wastewater system infrastructure and obtain all necessary permits for construction of the project. The Grantee will submit documentation of preconstruction activities, as described below.

Deliverable 1a: An electronic copy of the draft design at 30% completion submitted to the Department's Grant Manager for review prior to submittal of the draft design at 60% completion.

Performance Standard: The Department's Grant Manager will review the draft design at 30% completion to verify that it meets the specifications in the Grant Work Plan and this task description, and provide any comments to the Grantee for incorporation. Upon review and written acceptance of this submittal by the Department's Grant Manager, the Grantee may proceed with the payment request submittal for costs associated with this design document.

Deliverable 1b: An electronic copy of the draft design at 60% completion submitted to the Department's Grant Manager for review prior to submittal of the final design.

Performance Standard: The Department's Grant Manager will review the draft design at 60% completion to verify that it meets the specifications in the Grant Work Plan and this task description, and provide any comments to the Grantee for incorporation. Upon review and written acceptance of this submittal by the Department's Grant Manager, the Grantee may proceed with the payment request submittal for costs associated with this design document.

Deliverable 1c: An electronic copy of the final design, including professional certification as applicable. Upon request, the Grantee will provide a paper copy of the final design submittal.

Performance Standard: The Department's Grant Manager will review the final design to verify that it meets the specifications in the Grant Work Plan and this task description, and provide any comments to the Grantee for incorporation. Upon review and written acceptance of this submittal by the Department's Grant Manager, the Grantee may proceed with the payment request submittal for costs associated with this design document.

Deliverable 1d: A list of all required permits identifying issue dates and issuing authorities submitted to the Department's Grant Manager. Upon request, the Grantee will provide copies of obtained permits or permit related correspondence or documentation.

Performance Standard: The Department's Grant Manager will review the list of all issued permits to verify that it meets the specifications in the Grant Work Plan and this task description, and provide any comments to the Grantee for incorporation. Upon review and written acceptance of the list of all issued permits by the Department's Grant Manager, the Grantee may proceed with payment request submittal for costs associated with permitting.

Payment Request Schedule: Grantee may submit a payment request for cost reimbursement upon Department approval of each associated task deliverable.

Task 2: Construction

Task Description: The Grantee will construct water and wastewater improvements in accordance with the final design(s) and required permits.

Deliverable 2a: Construction completed to date as described in this task, as evidenced by these interim deliverables: 1) Signed acceptance of the completed work by the Grantee, 2) Contractor's Application and Certification for Payment, 3) dated color photographs of on-going work representing time period covered in payment request. These interim deliverables must be submitted 5 days prior to each payment request and may be submitted no more frequently than monthly.

Performance Standard: The Department's Grant Manager will review each submitted interim deliverable to verify that it meets the specifications in the Grant Work Plan and this task description and that work is being performed in accordance with the Grantee's construction contract documents and specifications. Upon review and written acceptance of each interim deliverable submittal by the Department's Grant Manager, the Grantee may proceed with payment request submittal for costs associated with that submittal period under this task.

Contractor's Application and Certification for Payment should include the following support documentation:

1. An itemized summary of the materials, labor, and/or services utilized during the period for which payment is being requested.
2. The summary should identify the nature of the work performed; the amount expended for such work; the name of the person/entity providing the service or performing the work; proof of payment of the invoices; and evidence of all work conducted for which a request for payment is being made.
3. Evidence may include references to any drafts or partially-complete designs, surveys, environmental documents and/or permit applications, drawings, and specifications (which must be made available upon request); and documentation demonstrating partial completion of construction activities.

Deliverable 2b: Water and Wastewater improvements, constructed as described in this task, as evidenced by these final deliverables: 1) Dated color photographs of the construction site(s) prior to, during, and immediately following completion of the construction task; 2) written verification that the Grantee has received record drawings and any required final inspection report(s) for the project; 3) signed acceptance of the completed work by the Grantee; and 4) signed statement from a Florida Licensed Professional Engineer indicating construction has been completed in accordance with the design.

Performance Standard: The Department's Grant Manager will review the final deliverables to verify that they meet the specifications in the Grant Work Plan and this task description and that work is being performed in accordance with the Grantee's construction contract documents. Upon review and written approval by the Department's Grant Manager of all final deliverables under this task, the Grantee may proceed with payment request submittal.

Payment Request Schedule: Grantee may submit a payment request for cost reimbursement no more frequently than once per month. The outlined Interim Deliverable(s) and or Final Deliverable(s) must have been submitted and accepted in writing by the Department's Grant Manager prior to payment request submittal.

Task 3: Administration, Operation, and Repair of Water and Wastewater Utility System

Task Description: The Grantee will subcontract the Administrative, Operational and Repair Services for the water and wastewater utility system.

Deliverable: An electronic copy of the Grantee's interlocal agreement with the City of Gulf Breeze for the administration, operation and repairs of the water and wastewater system submitted to the Department's Grant Manager provided prior to submitting any invoices for the subcontracted work.

Performance Standard: The Department's Grant Manager will review the deliverable to verify that it meets the specifications in the Grant Work Plan and this task description and that work is being performed in accordance with the Grantee's documents. Upon review and written acceptance by the Department's Grant Manager of the interim deliverables under this task, the Grantee may proceed with payment request submittal.

Payment Request Schedule: Grantee may submit a payment request for cost reimbursement no more frequently than once per month. The outlined Deliverable must have been submitted and accepted in writing by the Department's Grant Manager prior to payment request submittal.

Task 4: Construction Engineering Inspection Services

Task Description: The Grantee will perform construction engineering inspection services. If the Grantee contracts these services, the Grantee will procure such services in accordance with state law.

Deliverables: 1) An electronic copy of the Grantee's executed contract(s) and scope of services for project management and/or engineering services submitted to the Department's Grant Manager provided prior to submitting any invoices for the subcontracted work. 2) engineering inspection reports associated with the inspection of the project.

Performance Standard: The Department's Grant Manager will review the deliverables to verify that they meet the specifications in the Grant Work Plan and this task description. Upon review and written acceptance by the Department's Grant Manager of the interim deliverables under this task, the Grantee may proceed with payment request submittal.

PROJECT TIMELINE & BUDGET DETAIL: The tasks must be completed by the end of each task timeline and all deliverables must be received by the designated due date.

Task No.	Task Title	Budget Category	Budget Amount	Task Start Date	Task End Date
1	Design and Permitting	Contractual Services	\$45,000	7/1/2015	6/30/2018
2	Construction	Contractual Services	\$758,000	7/1/2015	6/30/2018
3	Administrative, Operation & Repair of Water and Wastewater Utility System	Contractual Services	\$180,000	7/1/2015	6/30/2018
4	Construction Engineering Inspection Services	Contractual Services	\$17,000	7/1/2015	6/30/2018
Total:			\$1,000,000		

Figure 1

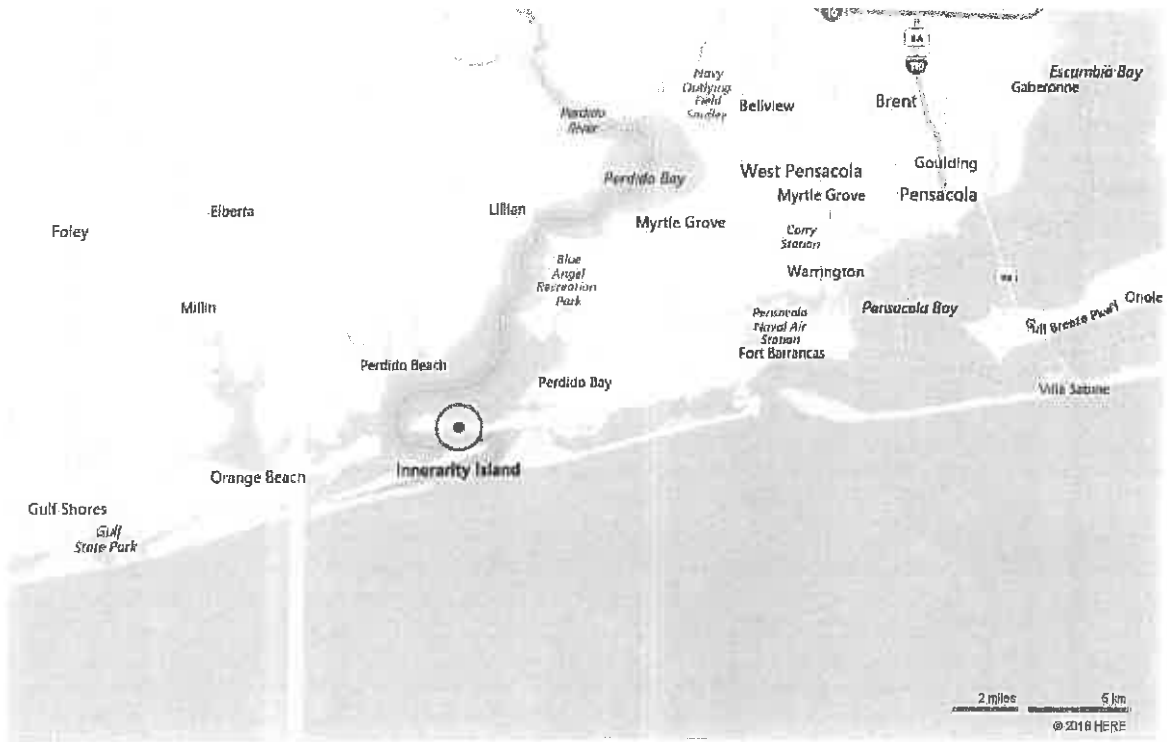
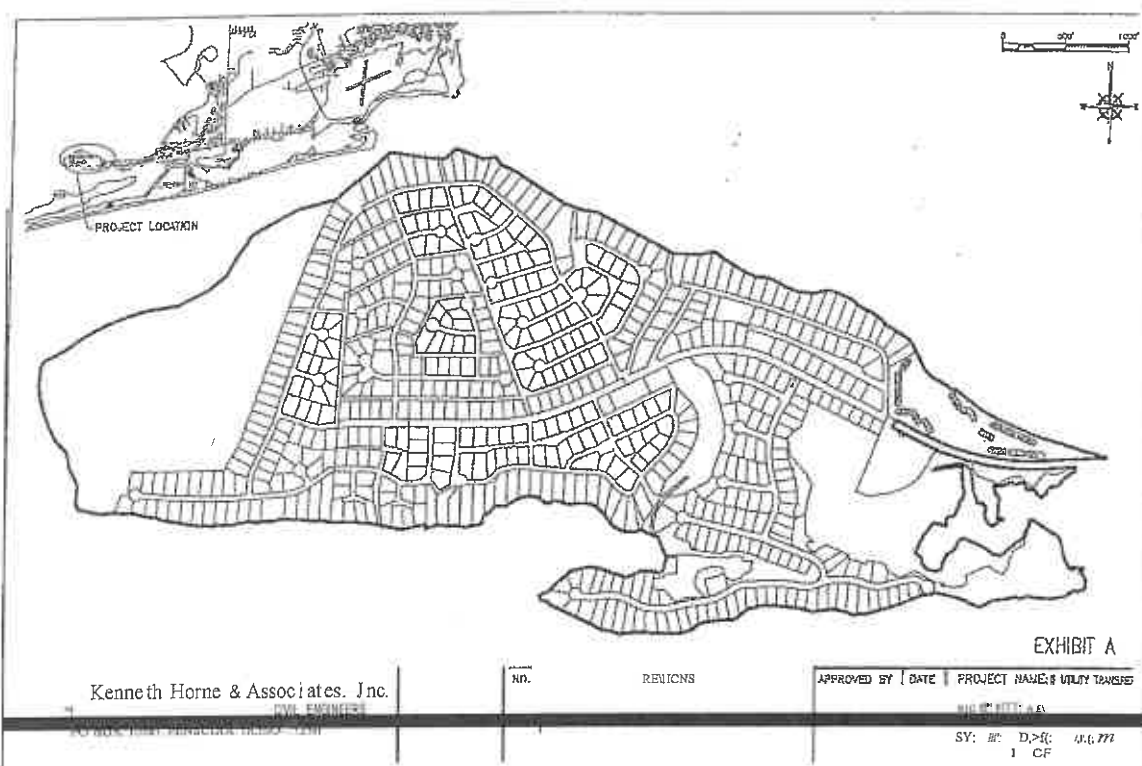


Figure 2



Kenneth Horne & Associates, Inc.

NR.

REVISIONS

APPROVED BY | DATE | PROJECT NAME & UTILITY TRAVEL

SY: 001 D: 1/11/11
1 CF

7201 NORTH 9TH, SUITE 6, PENSACOLA, FLORIDA 32504
(850) 471-9005 INFO@KH-A.COM FAX (850) 471-0093