

Sarasota County \_\_\_\_\_  
**Resilient SRQ**  
Community Development Block Grant-Disaster Recovery

CDBG-DR Infrastructure & Public Facilities  
Subrecipient Manual

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## Version History

Version Number	Change Date	Summary of Changes
1.0	3/10/2025	Original version published

# 1. Introduction

## 1.1 Background

Sarasota County received \$201,535,000 in funding to support long-term recovery efforts following impacts from Hurricane Ian in 2022 from The U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant – Disaster Recovery (CDBG-DR) funding. This funding is designed to address needs that remain after all other assistance has been exhausted. This allocation was made available through Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.)

The Sarasota County Board of County Commissioners has allocated \$45,715,592 of the CDBG-DR funding to the Infrastructure and Public Facilities Program, a grant program that provides funding for unmet recovery and mitigation needs for infrastructure and public facilities. The objectives of the program are to promote sound, sustainable long-term recovery, and resiliency from natural disasters.

The damage to infrastructure and public facilities was shared by Sarasota County, public entities, and non-profits. Resilient SRQ opened a competitive grant application process for non-profit organizations and public entities in Sarasota County to apply. Applications for the program launched on February 5, 2024, and closed on March 18, 2024. All eligible applications underwent a thorough review by the Resilient SRQ team, and eligible applications were evaluated using the scoring criteria for each applicant type. On May 22, 2024, the Sarasota Board of County Commissioners selected 12 projects (in the table below) to be awarded funding. On September 10, 2024, the Sarasota Board of County Commissioners reallocated \$715,592 from the Multifamily Affordable Housing Program to the Infrastructure and Public Facilities Program and selected the Phillip Creek Dam Removal project to be awarded for funding.

Organization	Project	Amount
Boys & Girls Club of Sarasota County	North Port Boys and Girls Club	\$4,000,000
North Port Salvation Army	Social Services	\$3,010,000
City of North Port	Water Control Structure 121 Reconstruction	\$2,042,000
City of North Port	Water Control Structure 130 Reconstruction	\$2,042,000
City of North Port	Myakkahatchee Creek Bridge Reconstruction	\$10,314,000
City of North Port	Bridge at North Port Blvd & Cocoplum Reconstruction	\$106,000
City of Sarasota	Sarasota Bay Watershed Flood & Water Quality Improvements	\$1,200,000
Sarasota County	South River Road Widening from U.S. 41 to Winchester Blvd	\$15,000,000
Sarasota County	Manasota Key Bascule Bridge Rehabilitation	\$2,980,000
Sarasota County	Englewood Coastal Stormwater Improvements	\$3,135,000
Sarasota County	Carlton Water Treatment Plant Improvements	\$745,000
Sarasota County	Carlton Water Treatment Plant High Service Pumps Retrofit	\$420,000
Sarasota County	Phillippi Creek Dam Removal	\$721,592
<b>Total Awarded:</b>		<b>\$45,715,592</b>

## 1.2 Purpose

Sarasota County is committed to the administration of awards in compliance with all applicable laws and regulations and in a financially accountable manner for the efficient use of all funds provided by HUD. This manual serves as a comprehensive guide for subrecipients of Sarasota County CDBG-DR funds, providing the necessary information and tools to manage projects effectively. It is the responsibility of each subrecipient of CDBG-DR funds to understand the federal, state, and local requirements and to adhere to them. This manual is intended as a great resource for subrecipients to refer to before and throughout project implementation.

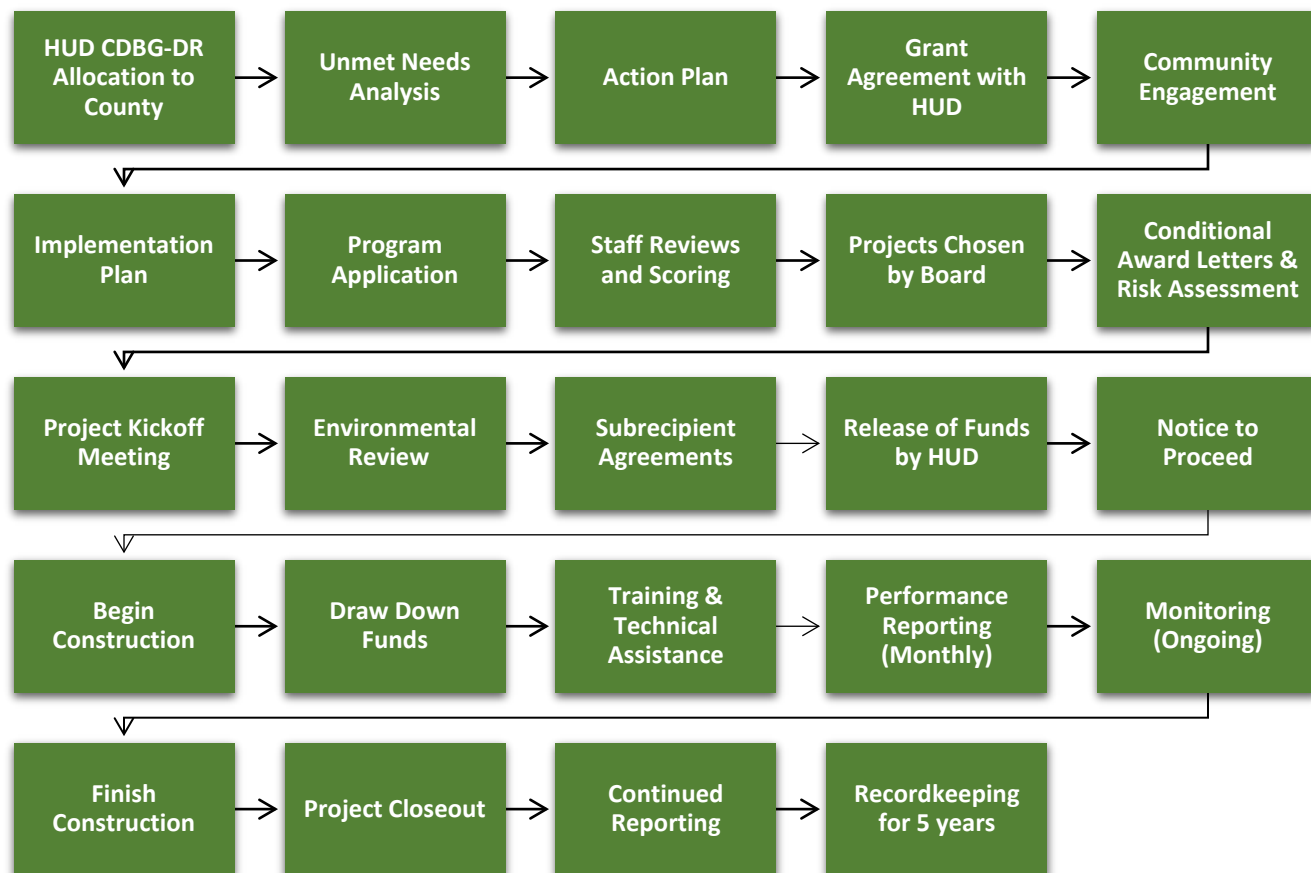
Revisions to this manual may be made as necessary. The Version History table will reflect the date change and a summary of the changes.

### 1.2.1 Policies, Regulations, and Requirements

CDBG-DR Activities must meet all federal, state, and local requirements, including all applicable requirements outlined in the following regulations, statutes, memoranda, policy and guidance documents:

Resource Name	Link	Description
Code of Federal Regulations: Uniform Administrative Requirements (2 CFR 200)	<a href="#">2 CFR 200</a>	<b><i>This program manual is governed by the prior version of 2 CFR 200 and does not adhere to the 10.1.24 version.</i></b> Establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities.
CDBG Program Regulations (24 CFR 570)	<a href="#">24 CFR 570</a>	Describes policies and procedures applicable to the following programs authorized under title I of the Housing and Community Development Act of 1974, as amended
CDBG Federal Crosscutting Requirements	<a href="#">Cross Cutting Requirements</a>	Covers the following areas: Environmental & Related Requirements; the URA, Section 104(d) and Related Relocation Requirements; Davis-Bacon & Related Acts; and the Section 3 Final Rule.
Federal Register, 88 FR 32046 (May 18,2023)	<a href="#">88 FR 32046</a>	This Allocation Announcement Notice identifies grant requirements for CDBG-DR funds allocated May 18,2023, including requirements in HUD’s CDBG–DR Consolidated Notice
HUD CDBG-DR Laws, Regulations, and Federal Register Notices	<a href="#">CDBG-DR Policies and Forms</a>	Applicable additional Federal Register Notices and Memoranda

### 1.3 Project Implementation Flow Chart



### 1.4 CDBG-DR Criteria

For a project to be considered for CDBG-DR funding, HUD criteria have three main components that need to be met: (1) meeting a national objective, (2) being an eligible activity, and (3) meeting an unmet need tied to the disaster, unless it is designated as a mitigation activity which does not need to be tied to the disaster. The minimum eligibility criteria used for each applicant type is provided below.

#### 1.4.1 National Objectives

Each project funded through this program must meet at least one of HUD’s National Objectives:

- Benefit to Low to Moderate Income (LMI) persons
- Aid in the prevention or elimination of slums or blight
- Meet a need having a particular urgency (referred to as urgent need). Urgent need activities alleviate or prevent the conditions which “pose a serious and immediate threat to the health or welfare of the community”.

#### 1.4.2 Eligible Activities

Most of the CDBG-DR appropriations under this program require funds to be used for necessary expenses for activities related to disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas. Generally, activities that rebuild or replace affected public facilities or improvements. Typical activities include but are not limited to:

- Flood control and drainage repair and improvements, including the construction or rehabilitation of storm water management system.
- Restoration of infrastructure (such as water and sewer facilities, streets, provision of permanent generators, bridges, etc.).
- Demolition, rehabilitation, or construction of programmatically eligible public or semi-public facilities (such as fire stations, shelters, food banks).
- Acquisition (easement, right-of-way [ROW]) following Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA).
- Rehabilitation of schools, health care centers, water or wastewater facilities, drainage improvements and the like.
- Mitigation activities that lessen the impact of future disasters.

Beyond the eligible activities described in this Manual, the program will make use of 2 CFR Part 200, Subpart E (Cost Principles), to understand what costs can be incurred through the CDBG-DR grant. Each cost should adhere to accounting principles, be necessary and reasonable for the performance of the grant award, be consistent with policies and procedures, and be adequately documented.

### 1.4.3 Mitigation Set Aside Activities

The Disaster Relief Supplemental Appropriations Act of 2021 requires HUD to set aside 15% of any disaster recovery grant for disaster mitigation activities. Unlike recovery activities that “tie-back” to the specific disaster and address a specific unmet recovery need for which the CDBG-DR funds were appropriated, activities funded by the CDBG-DR mitigation set-aside do not require such a tie-back to the specific qualified disaster. Mitigation projects funded under this program must meet the definition of mitigation as specified in section IV.A.2. of 88 FR 32046, which is “those activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.”

Such mitigation set-aside activities must:

- Meet HUD’s definition of mitigation activities.
- Address the current and future risks as identified in the Mitigation Needs Assessment.
- Be at least one of the CDBG-DR eligible activities.
- Meet at least one of HUD’s national objectives.

### 1.4.4 Ineligible Activities

Ineligible activities are defined in 24 CFR 570.207, these include, but are not limited to, buildings or portions thereof used for conduct of government; general government expenses; political activities; purchase of equipment (except as provided for in 24 CFR 570.201(c)); operating and maintenance expenses; and income payments.

The following activities as referenced in 24 CFR 570.207 may not be assisted with CDBG-DR funds:

- Buildings for the general conduct of government, except to create accessibility for the disabled population, and as waived by HUD (e.g., city hall).
- General government expenses.
- Political activities.
- Purchase of equipment or furnishings for a property except under certain conditions, including authorization as a special economic development activity or activities carried out by a special nonprofit.



- Income payments, as defined in the regulations as direct payments to subsidize rent and/or utilities, except under certain conditions; and
- Operating and maintenance expenses of public facilities, improvements and services.
- Software is generally ineligible unless it is integral to the function of an improvement and not utilized for billing or other operational purposes.

#### 1.4.5 Non-Profit Minimum Eligibility Criteria

Non-Profit organizations had to meet all the following to be considered:

- Proposed project serves low to moderate income clientele (LMC) in accordance with the United States Department of Housing and Urban Development (HUD) Low to Moderate Income National Objective.
- The proposed project must be an eligible activity. Eligible activities include:
  - Demolition, rehabilitation, or construction of programmatically eligible public or semi-public facilities (such as, shelters, food banks).
  - Acquisition following Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).
- Project has a direct or indirect tie back to Hurricane Ian.
- Project includes mitigation measures.

#### 1.4.6 Public Entities Minimum Eligibility Criteria

Public Entities had to meet all the following to be considered:

- Proposed project serves LMI persons, preventing or eliminating slums or blight, or urgent need in accordance with the United States Department of Housing and Urban Development (HUD)
- National Objectives.
- The proposed project must be an eligible activity. Eligible activities include:
  - Flood control and drainage repair and improvements, including the construction or rehabilitation of storm water management system.
  - Restoration of infrastructure (such as water and sewer facilities, streets, provision of permanent generators, bridges, etc.).
  - Demolition, rehabilitation, or construction of programmatically eligible public or semi-public facilities (such as, shelters, food banks).
  - Acquisition following Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).
- Project has a direct or indirect to Hurricane Ian or is a mitigation only project.
- Project includes mitigation measures.

### 1.5 Overview of Subrecipient Agreement

The Subrecipient Agreement will outline the conditions of the CDBG-DR funding for the approved project. The subrecipient agreement terms may include, but not limited to:

- Project Name
- Award amount
- Scope of Services
- Performance Monitoring & Reporting

- Recordkeeping
- Period of performance and term
- Budget
- Payment
- Program Requirement & Award Conditions
- Tie-back to disaster, if applicable
- Eligible Activity and National Objective
- Environmental Review (24 CFR, Part 58)
- Evidence of commitment of leveraged funds
- Approved Procurement Policy
- Conflict of Interest
- Fraud, Waste, & Abuse Policy
- Anti-Displacement and Relocation Plan
- Cross-Cutting Compliance
  - Fair Housing and Civil Rights Law
  - Labor Standards
  - Section 3
- Termination
- Other requirements

### 1.5.1 Subrecipient Agreement Amendments

The County reserves the right to amend Subrecipient Agreements at any time. Subrecipients may request an amendment to extend the period of performance, amend budgets, change the scope of work, or update project milestones. Subrecipients are encouraged to submit the request to amend as soon as the need is identified. Requests to amend the Subrecipient Agreement must be submitted within a reasonable timeframe. County staff will review the amendment request and determine if the amendment is warranted.

Changes to the Subrecipient Agreement that will not result in extending the period of performance or term of the Subrecipient Agreement, will not increase or decrease the award amount, or will not change the project scope will require written administrative approval signed in writing by an authorized representative by both parties but will not require an amendment to the Subrecipient Agreement.

## 2. Financial Management

### 2.1 Financial Management Overview

Subrecipients must maintain a financial management system that meets the requirements found in 2 CFR Part 200 and the subrecipient agreement. In general, these requirements specify that a subrecipient:

- Provides effective internal control over the accountability for all funds, property, and other assets; adequately safeguards these assets and confirms the assets are used for authorized purposes.
- Identifies the source and application of funds for CDBG-DR-funded activities.
- Establishes procedures to verify cost reasonableness, cost allowability, allocable costs, applicable credits, and the composition of costs as either direct or indirect, as noted in 2 CFR Part 200, Subpart E- Cost Principles.
- Ensures that the CDBG-DR funds used do not violate any applicable restrictions or prohibitions.

- Documents the accurate, complete, and timely disclosure of financial results using generally accepted accounting principles (GAAP) in accordance with the reporting requirements of Sarasota County or HUD.
- Minimizes the time elapsed between transfer of funds from the County and payment by the subrecipient.
- Establishes written procedures for determining the allowability of costs in accordance with Subpart E - Cost Principles and the terms and conditions of the subrecipient agreement.

## 2.1.1 Establish Internal Controls

### I. Internal Controls Overview

Internal Controls are financial management systems and procedures designed to protect assets, confirm accurate recordkeeping, promote organizational competence, achieve goals, and comply with policies and regulations.

### II. Establishing Internal Controls

- A. The subrecipient should establish internal controls and guidance documentation for procedures that provide for responsible management of CDBG-DR funds.
- B. 2 CFR 200.303 requires subrecipients to follow one of two approved internal control structures:
  1. The Government Accountability Office (GAO) [Standards for Internal Control in the Federal Government](#) (referred to as the “Green Book”)
  2. The [Committee of Sponsoring Organizations \(COSO\)](#)

### III. Executive Management Responsibilities

- A. Through your system of internal controls, your executive management should confirm that:
  1. Resources are used for authorized purposes and in a manner consistent with applicable laws, regulations, and policies.
  2. All local and federal resources are protected against waste, mismanagement, or loss.
  3. Reliable documented information on the source, amount, and use of resources is secured, up-to-date, and recorded.
- B. Basic elements that you should consider in developing your system of internal controls include:
  1. An organizational chart that clearly indicates the individuals involved in approving or recording financial transactions and their responsibility.
  2. A written description of the functions of key employees.
  3. A formal system of authorization and supervision sufficient to provide accounting control over assets, liabilities, receipts, and expenditures. This should include:
  4. An updated policy manual identifying approval authority for financial transactions and detailed guidelines for controlling expenditures.
  5. A written accounting manual outlining procedures for recording deposits and expenditures that includes a chart of accounts for posting all transactions and written procedures indicating the requirements for payments in 2 CFR 200.305.

### 2.1.2 Separation of Duties

An adequate separation of duties, whereby no one individual has authority over an entire financial transaction specifically involves the separation of three types of functional responsibilities. No one person should have control of more than one of these functional responsibilities:

- **Authorization** to execute a transaction (signing a check or releasing a wire transfer)
- **Recording** of the transaction (ability to record the transaction in the accounting system)
- **Custody** of the assets involved in the transaction (having access to the blank check stock or the ability to establish a wire transfer)

For example, the person who authorizes payments to contractors should not draft and issue the payment check. Best practices also provide that fiscal record keeping for CDBG-DR contracts should be maintained separately from the general accounting operations. Where feasible, monthly bank reconciliation and/or direct deposit monthly statements should be made by someone who is not responsible for handling cash or issuing checks. The person issuing checks for grant expenses should also not handle payroll preparation/issuance of paychecks.

It is often beneficial to have different individuals or even different departments handle the various steps in the processing of transactions. First, separation of functional responsibility results in cross-checking by the individuals involved, increasing the likelihood that errors will be discovered and corrected. Second, fraud is more difficult to carry out if it requires the collusion of two people or more. In organizations with very limited staff, however, it may be difficult to achieve optimal separation of duties. In such instances, the most critical functional areas are separation between custody for cash, record keeping for cash, and control of assets easily converted to cash.

### 2.1.3 Establish Budgets and Accounting Records

The subrecipient is responsible for ensuring all CDBG-DR expenditures:

- Are authorized in an approved, documented budget.
- Do not exceed the approved, documented budget amount.
- Do not exceed the award amount in the subrecipient agreement.

#### I. Segregation of Funds

To ensure proper management and accountability, the subrecipient's accounting records must clearly segregate CDBG-DR grant funds from other organizational funds. The subrecipient's accounting system must be capable of:

##### A. Maintaining Distinct Accounting Information

Separate accounting records must be kept for each eligible activity and federal grant. This includes creating distinct accounts for different projects, grants, and activities to ensure clarity and compliance.

##### B. Tracking Encumbrances and Obligations

Accurate records must be maintained for all encumbrances and obligations, such as vendor contracts and purchase orders, to ensure that funds are allocated correctly, and expenditures do not exceed available resources.

##### C. Documenting Financial Transactions

The system must accurately track and record all financial transactions related to grant awards, unobligated balances, assets, liabilities, expenditures, program income, and any applicable interest.

#### **D. Supporting Documentation**

All financial transactions must be supported by adequate source documentation, including but not limited to contracts, invoices, and purchase orders.

In accordance with 2 CFR 200.302(a), the subrecipient's financial management system, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must:

1. **Facilitate Reporting:** Be sufficient to allow for the preparation of reports required to demonstrate compliance with both general and program-specific terms and conditions.
2. **Ensure Traceability:** Permit the tracing of funds to a level that clearly establishes that such funds have been used in accordance with federal statutes, regulations, and the terms and conditions of the Subrecipient Agreement.

### **II. Accounting System**

To meet these requirements, an accounting system should include the following components:

#### **A. Chart of Accounts**

A comprehensive list of accounts used to categorize financial transactions, including separate categories for assets, liabilities, revenue, and expenses. This chart organizes financial information in a way that supports accurate reporting and analysis.

#### **B. Cash Receipts Journal**

A record that documents the date, amount, and source of all funds received, ensuring that all income is accounted for and can be traced back to its origin.

#### **C. Cash Disbursements Journal**

A record that documents the date, amount, and purpose of all expenditures, providing a clear audit trail of where and how funds were spent.

#### **D. Payroll Journal**

A record that tracks salary and benefits expenses, categorized appropriately to ensure compliance with regulatory requirements.

#### **E. General Ledger**

A master record that summarizes the activity and financial status of all accounts within the organization. Transactions are posted from journals to the general ledger to provide a complete financial picture.

### **III. Financial Records**

Financial records must be comprehensive and include, but are not limited to, the following:

#### **A. Transaction Registry**

A detailed record of all transactions, documenting:

- All invoices associated with each Request for Payment.
- The source of funds for each invoice, including grant funds by activity, matching funds, and/or other funding sources.

## **B. Source Documentation**

Supporting documents that verify each financial transaction, including:

- Copies of requests for payment.
- Records of direct deposit payments.
- Verification of deposits.
- Monthly bank statements with canceled checks.
- Check register/transaction ledger from the subrecipient's system of record.
- Employee time sheets and payroll records.
- Purchase orders, invoices, and contractor requests for payments.
- Electronic Transfer Forms (EFT).
- All original source documents that support financial transactions.

### **2.1.4 Classification of Direct and Indirect Costs**

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in subpart E of 2 CFR part 200 (Cost Principles) applicable to CDBG– DR grantees and their subrecipients require that costs are necessary, allowable, and reasonable. 2 CFR 200.402 defines the total cost of a federal award as the sum of the allowable direct and allocable indirect costs less any applicable credits. Therefore, direct and indirect cost classifications will guide the development of individual project's estimated budget and the assignment of expenditures to deliver program activities. Where conflicts occur between the definitions in 2 CFR 200 and 24 CFR 570, the definitions at 24 CFR 570 shall govern.

#### **I. Direct Costs**

Direct Costs are expenses that can be clearly linked to a specific activity.

- A.** Direct costs can be easily and accurately allocated to specific activities.
- B.** According to 2 CFR 200.403(a), if costs are incurred for the same purpose under similar conditions, they must consistently be categorized as either direct or indirect costs.
- C.** Direct costs can be:
  1. Exclusively associated with a particular good or service and can be classified as a final cost objective, such as a federal award or other funded activity. These costs can be directly assigned to such activities with a high degree of accuracy. Costs incurred for the same purpose in similar circumstances must be treated consistently as either direct or indirect costs (2 CFR 200.413 and 200.405).
  2. Identified with the federal award rather than by the nature of the goods and services involved. Examples include extraordinary utility consumption, costs of materials supplied from stock or services rendered by specialized facilities, program evaluation costs, or other institutional service operations (2 CFR 200.413(b)).
  3. Associated with activities performed by the non-federal entity primarily as a service to members, clients, or the public, especially when these activities are significant and necessary to the non-federal entity's mission (2 CFR 200.413(f)).

**D. Typical direct budget categories include:**

- Salaries, wages, and other personnel costs
- Professional fees and services
- Consumable supplies
- Utilities
- Travel
- Rent
- Other operating expenses
- Capital expenditures

**II. Indirect Costs**

Indirect Costs are expenses that support common or shared objectives but cannot be easily linked to a specific project. Only direct costs are permitted in this program and indirect costs are not applicable for reimbursement.

## 2.2 Budget Controls

To compare expenditures to approved budgets, subrecipients should:

- Maintain in accounting records the amounts budgeted for eligible activities.
- Include unexpended/unobligated balances for budgeted categories, as well as obligations and expenditures.
- Periodically compare actual obligations and expenditures to date against planned obligations and expenditures, and against projected accomplishments from such outlays.

## 2.3 Duplication of Benefits

CDBG-DR assistance may only pay for eligible activities to address unmet need. Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act prohibits any person, business, or other entity from receiving duplicative financial assistance for the same disaster recovery purpose from multiple sources of federal and other support (42 United States Code [U.S.C.] 5155(a) and (c)). Duplication occurs when a beneficiary receives assistance from multiple sources for the same purpose.

The County will perform a duplication of benefits (DOB) review and determine if any funds are duplicative. At a minimum, the DOB reviews will be conducted:

- Prior to the award of CDBG-DR funds,
- At regular intervals during the period of performance,
- At close out, and

The County may perform additional DOB reviews as deemed necessary. In accordance with CDBG-DR regulations, the program's subrecipients are required to disclose all other benefits (e.g., cash, in-kind, grants, loans) received, or which will be received for the proposed project to ensure that federal funds do not duplicate funds received from other sources. In the event DOB occurs, the subrecipient shall be required to return the funds to the County. Typical sources of duplicated benefits for infrastructure can include, but are not limited to, the following:

- Federal Emergency Management Agency (FEMA) Public Assistance
- FEMA Hazard Mitigation Grant Program
- FEMA National Flood Insurance Program
- FEMA Increased Cost of Compliance Benefits

- U.S. Army Corps of Engineers
- Commercial insurance
- Insurance and personal property replacement
- Forced mortgage payoffs
- Philanthropic cash assistance
- Some subsidized loans

The subrecipient shall notify the County immediately, in writing, in the event any additional funds or other sources are received. The County will determine whether the funds received are duplicative. If the funds received are deemed duplicative, the subrecipient is required to return the funds to the County.

### 2.3.1 Recapture of Funds

The subrecipient may be required to repay funds awarded for events that may include, but are not limited to:

- Non-compliance with any of the terms within the executed subrecipient agreement.
- DOB is determined at any time.
- Project is not completed within the time specified in the executed subrecipient agreement.

## 2.4 Release of Funds

Funding will be provided to subrecipients on a cost reimbursement basis, based on actual expenditure and the percentage of project completion. The subrecipient must complete all conditions specified in the subrecipient agreement before requesting payment. Upon execution of the subrecipient agreement, the subrecipient may proceed with implementation of the project when all conditions are met. Conditions may include but are not limited to the following:

- Requirements outlined in the Subrecipient Agreement
- Procurement documentation
- Contracts documentation
- Insurance and bonding documentation

### 2.4.1 Payment Requests

The subrecipient is responsible for billing the County for invoiced costs. Payment requests must be submitted no more than monthly. Before submitting a payment request, the subrecipient must verify the invoices are accurate and complete, the activities and costs were incurred during the period of performance, and all required supporting documentation is included in the payment request. The County will review the invoices to ensure the required information and supporting documentation is included. Payment requests that do not include the required information or supporting documentation will be rejected and returned to the subrecipient to collect the necessary information and resubmit.

At a minimum, the supporting documentation should include:

- Vendor name and contact information
- Invoice number
- Invoice date
- Date of service
- Services performed
- Amount due
- Cancelled checks or proof of checks/payment clearing



Additional documentation may be requested at any time before payments can be made.

## 2.5 Financial Compliance

The County will monitor processed payment requests and reconcile any issues that may arise as a result. The quality assurance/quality control process may involve the following:

- Documentation reviews and data collection during the payment review process.
- Program monitoring to ensure that activities are within program guidelines.
- Program expenditure and payment request review for eligibility based on applicable laws, CDBG-DR requirements, and CDBG regulations.
- Follow-ups regarding identified compliance issues, initiation of corrective actions, and implementation of program controls, as necessary.

## 2.6 Source Documentation

The general standard is that all accounting records must be supported by source documentation (2 CFR 200.302(b)(3)). Supporting records are necessary to prove that subrecipients incurred the costs during the period of performance indicated in the subrecipient agreement, actually paid or properly accrued the costs, spent the funds on items that are allowable, and confirmed that the subrecipient's responsible official(s) approved the payment. The source documentation must explain the basis of the costs incurred as well as show the actual dates and amounts of expenditures.

## 2.7 Investigation of Fraud Allegations

The County established procedures specifically for the CDBG-DR Program to prevent fraud, waste, and abuse. The Prevention of Fraud, Waste, and Abuse policy can be found on the [Resilient SRQ](#) website.

## 2.8 CDBG-DR Funds as Match

As provided by the Housing and Community Development Act of 1974 (HCDA), grant funds may be used to satisfy a match requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG-DR activity. This includes programs or activities administered by the FEMA or the U.S. Army Corps of Engineers (USACE). By law, (codified in the HCDA as a note to section 105(a)) only \$250,000 or less of CDBG-DR funds may be used for the non-Federal cost share of any project funded by USACE. Appropriations acts prohibit the use of CDBG-DR funds for any activity reimbursable by, or for which funds are also made available by FEMA or USACE.

In response to a disaster, FEMA may implement, and Sarasota County and its subrecipients may elect to follow alternative procedures for FEMA's Public Assistance Program, as authorized pursuant to section 428 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act). Like other projects, Sarasota County and its subrecipient's may use CDBG-DR funds as a matching requirement, share, or contribution for section 428 Public Assistance Projects. For all match activities, Sarasota County and its subrecipients will document that CDBG-DR funds have been used for the actual costs incurred for the assisted project and for costs that are eligible, meet a national objective, and meet other applicable CDBG requirements.

## 2.9 Program Income

Sarasota County does not anticipate any program income generated by the CDBG-DR program. If program income is generated, Sarasota County will account for and manage utilizing separate accounts established within financial reporting systems and controls already established. The County will follow requirements as provided under 88 FR 32046.

“Program income” is defined as gross income generated from the use of CDBG–DR funds, except as provided in III.E.1.b. under 88 FR 32046 and received by Sarasota County or a subrecipient. Income received before or after grant closeout that generated program income, is considered CDBG-DR funds and subject to the requirements in the Consolidated Notice and the Action Plan.

Examples of program income include, but are not limited to, the following:

- Proceeds from the sale or long-term lease of real property purchased or improved with CDBG-DR funds.
- Proceeds from the disposition of equipment purchased with CDBG-DR funds.
- Gross income from the use or rental of property acquired by the subrecipient with CDBG-DR funds, less the costs incidental to the generation of such income.
- Gross income from the use or rental of property owned by the subrecipient that was constructed or improved with CDBG-DR funds, less any costs incidental to the generation of such income.
- Proceeds from the sale of obligations secured by loans made with CDBG funds.
- Interest earned on program income, pending disposition of such program income.

In the event a subrecipient generates program income, the subrecipient will be required to submit a program income plan for County approval. The County will determine if the subrecipient agreement requires an amendment.

## 2.10 Funds Disbursement Deadline

The County expects to complete program activities as quickly as possible to address the unmet infrastructure need. The County is required by HUD to disburse CDBG-DR funding allocated through this program to be disbursed by February 28, 2030, unless HUD grants an extension. However, the awarded project must be completed within the period of performance as specified in the subrecipient agreement unless an executed amendment to the subrecipient agreement allows for additional time.

## 2.11 Financial Management Resources

Resource Name	Link	Description
Financial Management Regulations (2 CFR 200.302)	<a href="#">2 CFR 200.302</a>	Federal requirements for financial management systems.
US Government Accountability Office Standards for Internal Control in the Federal Government (Green Book)	<a href="#">Green Book</a>	Standards for internal control structures.
Committee of Sponsoring Organizations (COSO) Internal Control Integrated Framework	<a href="#">COSO Internal Controls</a>	Standards for internal control structures.

## 3. Procurement

### 3.1 General Procurement Requirements

Subrecipients must adopt a procurement policy (or amend their current policy) to comply with the federal procurement requirements of 2 CFR 200.318-327. Subrecipients may follow their own procurement policies, provided the policies are equal to or more stringent than and not in conflict with those found in 2 CFR 200. In the event of a conflict, 2 CFR applies. **The County will work with subrecipients to review the**

procurement method and documentation, at a minimum, prior to being advertised, amended, awarded, and the resulting agreement to ensure compliance with the requirements specified herein.

### 3.1.1 Procurement Process Flow



**Note:** The procurement process flow above is a high-level overview and does not reflect all required steps of getting approval on a procurement.

### 3.1.2 Cost Standards for Grant Charges

All costs charged to the grant must meet three key standards: **Necessary**, **Reasonable**, and **Allowable**. Below are the definitions and criteria for each standard:

#### I. **Necessary (2 CFR 200.405)**

Costs must be essential for the performance of the contract. While many costs may be allowable, they must also be directly related to the work required under the contract to be allocable.

- A. Is the cost incurred specifically for the CDBG-DR grant?
- B. Does the cost benefit both the CDBG-DR project and other projects? If so, can it be proportionally allocated across relevant funding sources?
- C. Has an indirect cost plan been approved? This plan should be used to allocate indirect costs appropriately.

#### II. **Reasonable (2 CFR 200.404):**

A cost is considered reasonable if it reflects what a prudent person would pay in a competitive marketplace. To determine if a cost is reasonable, consider the following:

- A. Is the cost ordinary and necessary for the completion of the activity?
- B. What are the current market prices for the goods or services in the area?
- C. Has the staff exercised sound judgment in making the purchase?

#### III. **Allowable (2 CFR 200.403):**

For a cost to be allowable, it must meet the following criteria:

- A. Be necessary and reasonable as defined above.
- B. Comply with the requirements of the Federal award.
- C. Be consistent with established policies and procedures.
- D. Be determined in accordance with Generally Accepted Accounting Principles (GAAP), except where exceptions are made in 2 CFR Part 200 for state and local governments.
- E. Not be included as a cost or cost-sharing contribution for any other federally funded project.
- F. Be adequately documented with supporting records.

### 3.1.3 Key Procurement Requirements

Please note that the information provided in this section is not a comprehensive representation of all applicable requirements. Additional details and specific guidelines are outlined within other sections of this manual. It is essential to review the entire manual to ensure full compliance with all relevant regulations and procedures.

Subrecipients must adhere to the following procurement guidelines to ensure compliance with HUD and 2 CFR Part 200 regulations:

#### I. Contract Administration

Maintain a contract administration system that ensures contractors perform according to the terms, conditions, and specifications of their contracts or purchase orders. This system should ensure that all contractors fulfill the terms, conditions, and specifications outlined in their contracts or purchase orders. The system must include procedures for monitoring contractor performance, addressing non-compliance issues, and ensuring that all deliverables are met on time and within budget.

#### II. Procurement Documentation

Subrecipients must maintain comprehensive records that document every step of the procurement process. This includes:

##### A. Rationale for Procurement Method

Justification for selecting the procurement method (e.g., competitive bidding, non-competitive) used for each contract.

##### B. Contract Type Selection

Explanation for choosing the contract type (e.g., fixed-price, cost-reimbursement, time and materials) and the rationale behind selecting or rejecting particular contractors.

##### C. Contract Pricing

A detailed basis for determining the contract price, including cost analysis or price analysis as appropriate.

#### III. Time and Material (T&M) Contracts

T&M contracts are generally discouraged unless no other contract type is suitable. This contract type should only be used after thorough determination that it is the most appropriate for the procurement situation. All T&M contracts must include a ceiling price. This ceiling price represents the maximum amount that the contractor can charge under the contract. If the contractor exceeds this amount, they do so at their own risk, and any costs above the ceiling price are not reimbursable by the subrecipient or HUD. **The subrecipient must obtain County written approval for this method.**

#### IV. Competition Requirements

All procurement transactions for the acquisition of property or services must be conducted in a manner providing full and open competition consistent with the standards of this section and 2 CFR 200.320. All procurements must adhere to the principles of free and open competition. This means that no unreasonable requirements should be imposed that would restrict competition, and all eligible vendors should have an equal opportunity to compete for contracts.

- A. Contractors who take part in preparing specifications or Invitation for Bid (IFBs) may not bid on those same projects.
- B. Geographic preferences may not be used in evaluation of bids or proposals, except:
  1. Federally required geographic preferences, such as some provisions of Section 3;
  2. Procurement of architectural or engineering services, if geographic preference does not restrict competition; or
  3. Requirement that a vendor possess a valid state license in a particular field.
- C. Procurements must not include provisions that would restrict or eliminate competition such as:
  1. Placing unreasonable requirements on firms for them to qualify to do business;
  2. Requiring unnecessary experience and excessive bonding;
  3. Noncompetitive pricing practices between firms or affiliated companies;
  4. Noncompetitive awards to consultants that are on retainer contracts;
  5. Organizational conflicts of interest;
  6. Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance of other relevant requirements of the procurement; and
  7. Any arbitrary action in the procurement process.

#### V. Conflict of Interest

Subrecipients must ensure that there are no conflicts of interest in the procurement process. This includes preventing any individuals who are involved in the procurement process from having a financial or personal interest in the firms being considered for contracts.

#### VI. Independent Cost Estimate (ICE):

- A. An ICE must be prepared in advance of awarding any contract that exceeds the simplified acquisition threshold (currently \$250K). This estimate serves as a benchmark to evaluate bids or proposals received during the procurement process.
- B. The ICE should be completed before initiating the procurement process to ensure that cost expectations are realistic and align with market conditions. The ICE should detail all anticipated costs, including labor, materials, overhead, and profit. This analysis helps in determining the reasonableness of the bids or proposals received. ***Selecting the lowest bidder without an ICE does not satisfy HUD or 2 CFR Part 200 procurement requirements.***

#### VII. Minority Business Enterprises/Women's Business Enterprises (MBE/WBE)

Subrecipients must take all necessary steps to affirmatively ensure MBE/WBE firms are notified of bidding opportunities and utilized whenever possible.

- A. Subrecipients are required to notify MBE/WBE firms of the opportunity to bid on CDBG-DR funded contracts.
- B. Each subrecipient must ensure appropriate outreach has been completed to ensure MBE/WBE firms have the opportunity to participate. Subrecipients will need to establish outreach steps to comply with the MBE/WBE requirements. This could include:
  1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists to be notified.

2. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises.
3. Establishing delivery schedules, where the requirement permits, which encourage participation by MBE/WBE.
4. 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.
5. Require the prime contractor to take the affirmative steps listed above.
6. Including MBE/WBE criteria with additional points in selection criteria for professional services procurement.

#### **VIII. Public Advertisement Requirements**

- A. Any contracts or procurement opportunities that exceed the micro-purchase threshold (as defined by 2 CFR 200.67) (currently \$10K) are required to be posted on the County's website.
- B. Certain procurement methods require a formal advertisement in the newspaper. Formal advertisements shall include a general description of the commodities, services or construction to be purchased, the location where specifications may be obtained, closing date, and the time and place for receipt of and the opening of the competitive procurement. Depending on the type and amount of the procurement, additional requirements are as follows:
  1. **Construction projects that are anticipated to cost more than \$200,000 but less than \$500,000:**  
The solicitation shall be publicly advertised at least once in a newspaper of general circulation in the County where the project is located at least 21 days prior to the established bid opening and at least 5 days prior to any scheduled pre-bid conference.
  2. **Construction projects that are anticipated to cost more than \$500,000:**  
The solicitation shall be publicly advertised at least once in a newspaper of general circulation in the County where the project is located at least 30 days prior to the established bid opening and at least 5 days prior to any scheduled pre-bid conference.
  3. **Architectural, engineering, and similar professional services (including design and planning):**  
The solicitation for projects where the estimated cost of construction exceeds \$325,000 or the cost of professional services exceeds \$35,000 shall be publicly advertised at least once in a newspaper of general circulation in the County where the project is located at least 21 days prior to the established bid opening and at least 5 days prior to any scheduled pre-bid conference.

#### **IX. Procurement of Professional Services**

This method is generally for engineering, architectural, or surveying services. Procurements for these services shall comply with the requirements at 2 CFR 200.459. Contracts for professional services should specify deliverables, performance metrics, and timelines. If T&M contracts are used, they must include clear documentation and tracking of hours worked and materials used.

#### **X. Contract Preferences:**

##### **A. Fixed-Price Contracts**

Subrecipients should prioritize the use of firm fixed-price contracts, as these provide cost certainty and reduce the risk of cost overruns. These contracts should clearly define the scope of work, deliverables, and total compensation. Firm fixed-price contracts are preferred, except for professional services contracts, which may be Time and Materials (T&M) contracts.

#### **B. T&M Contracts**

When using T&M contracts, ensure that there is strict oversight of hours billed and materials used. Subrecipients must require detailed timesheet documentation for all labor charges and maintain records of material costs to prevent abuse. Timesheet documentation is required for all T&M contracts.

#### **C. Goods and Services Contracts**

Contracts for goods and services must include a clearly defined period of performance or completion date. This ensures that the work is completed in a timely manner and allows for effective contract management. These contracts should include performance requirements that specify the expected standards for delivering goods or services. Liquidated damages clauses may be included to address any delays or failures in meeting contract terms, providing a financial incentive for timely and satisfactory completion.

### **XI. Labor Standards Reporting**

#### **A. Davis-Bacon Act**

Procurements and contracts that trigger Davis-Bacon labor standards must include provisions that specify wage determinations and other labor standards requirements. Contractors must be informed of their obligations to comply with prevailing wage laws and to submit certified payroll records. Contract documents should clearly outline the contractor's responsibility to report labor standards compliance, including submission timelines for certified payroll and other required documentation. Subrecipients must ensure that these records are reviewed and retained.

#### **B. Section 3:**

***Section 3 applies to the subrecipient's project if CDBG-DR funds are used for construction-related activities, such as housing construction, rehabilitation, or infrastructure projects, and the total amount of CDBG-DR assistance provided to the project exceeds \$200,000.*** Section 3 projects must include provisions for tracking labor hours in three categories: total labor hours, Section 3 labor hours (hours worked by Section 3 residents), and targeted Section 3 labor hours (hours worked by residents of public housing or low-income persons). Both procurement documents and contract agreements should specify Section 3 reporting requirements, including the need for contractors to maintain records that support their reported labor hours. A Section 3 Plan will be provided upon request by emailing [section3coordinator@scgov.net](mailto:section3coordinator@scgov.net).

### **3.3 Bonding Requirements**

Bonding is required on construction or facility improvement projects exceeding \$200,000.00. To satisfy the bonding requirement, a subrecipient shall use the following:

- ***Bid Bond:*** 5% of the bid price. Assures that the bidder will execute contract documents within the timeframe specified or subrecipient may move to the next lowest bidder and use bid bond to

make up the difference. There should be either a bid bond guaranteed by a surety or a certified check.

- **Performance Bond:** Assures that the contractor will complete the project according to the requirements of the contract. Equal to 100% of the contract price. Must be issued by a reputable surety company.
- **Payment Bond:** Ensures payment of subcontractors and suppliers in connection with the project. Equal to 100% of the contract price. Must be issued by a reputable surety company. May be combined with performance bond as “Performance/Payment Bond.”

### 3.4 Establishing Cost Reasonableness

Subrecipients must establish and document that all costs are necessary and reasonable. There are two parts to establishing cost reasonableness:

- Completing an independent cost estimate prior to seeking bids, proposals or quotes, and comparing the pricing returned by vendors against independent cost or price data.
- Perform a cost or price analysis, required with every procurement action above the federal simplified acquisition threshold (currently \$250K), even for change orders.

For procurement actions under the Simplified Acquisition Threshold, subrecipients must still document cost reasonableness but may do so less formally such as a narrative statement in the procurement file. Simply getting more than one bid is **NOT** enough to establish cost reasonableness.

#### 3.4.1 Independent Cost Estimates (ICE)

Subrecipients must perform an independent cost estimate in connection with every procurement action that exceeds the simplified acquisition threshold (currently \$250K), including competitive sealed bids (2 CFR 200.318). The County requires all subrecipients to submit documentation of an independent cost estimate as part of the application or procurement process.

There is no prescribed cost estimation formula or method in the regulations. The following are some considerations for establishing an ICE:

- May use previous bids or contract amount from recent procurements for similar projects undertaken by your agency or regional partners
- May use current online published price quotes or advertisements or third-party cost data
- Cannot use statements or opinions from subject matter experts without data to substantiate
- The ICE should **NOT** be shared publicly with bidders. It is an internal compliance document.

The ICE is an internal compliance document and should not be shared publicly with bidders. After receiving bids, compare them to the ICE. If the bids are significantly higher, identify the reasons for the discrepancy and determine if re-bidding is necessary. Document these findings appropriately and use this information to improve your approach for future ICEs.

#### 3.4.2 Price Analysis and Cost Analysis

Cost reasonableness must be established using a **price or cost analysis** for every procurement action above the federal simplified acquisition threshold (currently \$250K).

##### I. Price Analysis

A price analysis is a comparison of prices when the subrecipient requests several bids, proposals, or quotes for the materials, supplies, or service being procured. It is the evaluation of a proposed price (i.e. lump sum) without analyzing any of the separate cost elements that it is composed of. The



winning offeror is the firm that offers the most competitive price for the requested materials, supplies, and services.

- A. Micro Purchase and Small Purchase** procurement methods require Price Analysis when selecting vendors and suppliers. There are a variety of ways of analyzing price, some of which are illustrated below, but the method and degree of analysis of subrecipient use is dependent on the facts surrounding the particular procurement situation. Price Analysis should be documented in the procurement file.
- B. Potential methods for performing a Price Analysis may include:**
  - Compare competitive prices received in response to the solicitation to each other.
  - Compare proposed prices to prices on existing contracts or contracts proposed in the recent past. Be sure to factor in any changing conditions, including market, inflation, material price changes.
  - Apply rough approximations and review significant inconsistencies, which may require a deeper look at prices to determine if the items are truly comparable. The types of approximations might include price per pound, per square foot, per hour or other typical unit pricing mechanism.
  - Review price lists, catalogs or market prices of similar products to determine the market prices.

## **II. Cost Analysis**

A cost analysis is the evaluation of the individual elements that comprise the total cost proposal to determine whether they are allowable, relevant, and reasonable. Subrecipients should prepare an ICE before receiving bids, proposals and contract modifications. A cost analysis is performed when there is inadequate price competition, such as in the following situations:

- A.** Competitive proposal methods are required to show the separate elements of the proposed cost (e.g. labor, materials, overhead and profit).
- B.** Sole source or other non-competitive procurement.
- C.** If you receive only one bid using the competitive sealed bid method of procurement and it differs substantially from the ICE.
- D.** When negotiating modifications to contracts that impact the price or estimated cost.

### **3.5 Conflicts of Interest and Standards of Conduct**

Subrecipients must maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the subrecipient shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, is involved. Such a conflict would arise when the employee, officer or agent, any member of his/her immediate family, his or her partner, or an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.

Except for the use of CDBG-DR funds to pay salaries and other related administrative or personnel costs, the general rule is that persons (including employees, agents, consultants, officers, immediate family, partners, or elected officials) who exercise or have exercised any functions or responsibilities with respect to CDBG-DR activities assisted under this subpart or who are in a position to participate in a decision-making process or to gain inside information with regard to such activities:

- May **not** obtain financial interest or benefit from a CDBG-DR-assisted activity.
- May **not** have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-DR -assisted activity, or with respect to the proceeds of the CDBG-DR-assisted activity, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.
- May **not** solicit or accept gratuities, favors or other items of monetary value from contractors.

State of Florida’s Code of Ethics for Public Officers and Employees, Chapter 112, Florida Statutes states in section 112.311(5) that no officer or employee of a state agency or of a county, city, or other political subdivision of the state, and no member of the Legislature or legislative employee, shall have any interest, financial or otherwise, direct or indirect; engage in any business transaction or professional activity; or incur any obligation of any nature which is in substantial conflict with the proper discharge of his or her duties in the public interest.

Individuals who have a potential or actual conflict of interest in relation to activities funded as a whole or in part with CDBG-DR are required to disclose the conflict to the County in writing. Although not every circumstance will be deemed an actual conflict, individuals must disclose a potential, actual, real, or perceived conflict.

### 3.6 Procurement Methods

Subrecipients must have and use documented procurement procedures consistent with the standards of 2 CFR 200.318 through 200.327. **Sarasota County internal department’s infrastructure projects will be procured under Sarasota County’s Procurement Manual.**

Micro-purchases	Small Purchases	Competitive Sealed Bids	Competitive Proposals	Qualifications-Based Procurement	Noncompetitive Proposals (Sole Source)
Under \$2K for Construction	Up to \$250K	Above \$250K	Above \$250K	Generally used for architectural and engineering services.	May only use when product or service is unique, in a public emergency or if insufficient competition after attempting competitive procurement.
Up to \$10K for Other Purchases	Rate quotes	Generally used for construction projects	Generally used for professional services and consulting	Request for Professional Services (RPS)	Requires written pre-approval by Sarasota County.
Simple Price Analysis	Competitive analysis	Invitation for Bids (IFB)	Request for Proposals (RFP) with scoring criteria		
No quotes needed		Formal advertising and public bid opening			
Equitable distribution among vendors		Must award to lowest qualified bidder			
Not to be used for any construction services.					

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### 3.6.1 Micro-Purchases

#### I. When to Use

For procurement of (non-construction) supplies or services up to \$10K.

#### II. Procedure

- A. To the extent practicable, micro purchases must be distributed equitably among qualified suppliers.
- B. Competitive solicitation is not required, but cost reasonableness must still be documented
- C. Ensure that MBE/WBE contractors are notified of opportunity.
- D. Davis Bacon applies to construction services over \$2,000, so this method is not appropriate for construction procurement.

### 3.6.2 Small Purchases

#### I. When to Use

For procurement of services, supplies or other personal property that is expected to cost up to \$250,000. In general, the small purchases procedures should **not** be used to acquire construction contractors.

#### II. Procedure

Subrecipients shall send a request for quotes to potential vendors with a detailed description of the goods or services needed. Subrecipients shall receive competitive written quotations from an adequate number of qualified sources. Each quote should include pricing information that allows subrecipients to compare costs across bidders and ensure cost reasonableness. Documentation of the quotes shall be maintained in the subrecipient’s files. The award shall be made to the lowest responsive and responsible source.

- A. Price or rate quotations must be obtained from an adequate number of qualified sources (preferably at least 3).

- B. Quotes must be specific enough to permit comparison.
- C. Cost reasonableness must be documented.
- D. Ensure that MBE/WBE firms are notified of opportunity.

### 3.6.3 Competitive Sealed Bids

#### I. When to Use

Projects estimated to exceed \$250K. This is the method most often used for construction services. The sealed bid method is the preferred solicitation method where the following conditions exist:

- A. A complete, adequate and realistic specification or purchase description is available;
- B. Two or more responsible suppliers are willing and able to compete effectively for the business;
- C. The procurement lends itself to a firm fixed-price contract (a specified price to be paid when the items or services are delivered); and
- D. Selection of a successful bidder can appropriately be made principally based on price.

#### II. Procedure

In a sealed bid process, the subrecipient publishes a detailed scope of work, inviting qualified bidders to submit bids that are then publicly opened and announced with the award going to the lowest priced, responsible bidder. Non-profit subrecipients are not required to hold a public meeting for the bid opening but should document the process in how sealed bids are opened (i.e. record the meeting, sign-in sheet).

The following requirements apply:

- A. Bids must be solicited from an adequate number of known suppliers, providing them with sufficient response time prior to the date set for opening the bids.
- B. Davis Bacon applies to construction services for over \$2,000.
- C. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services for the bidder to properly respond.
- D. The invitation for bids must be publicly advertised in the Herald Tribune and all bids will be opened publicly at the time and place prescribed in the invitation for bids. (See exception for non-profit subrecipients in section II. Procedure)
- E. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder.
- F. Any or all bids may be rejected if there is a sound documented reason.

Subrecipients are advised, but not obligated, to hold a pre-bid conference. Such conferences are useful for highlighting key requirements and discussing the expected performance outlined in the bid package. It is important to note that contractors will only rely on statements that are documented in the bid package or any addendums; verbal statements made during these conferences will not be considered part of the project requirements. Holding a pre-bid conference, either in person or virtually, is recommended to address any overarching or specific project queries. Subrecipients should consider utilizing an agenda, a sign-in sheet, and draft minutes for these meetings.

### 3.6.4 Competitive Proposals

#### I. When to Use

A Request for Proposals (RFP) is used when it is not practicable to specifically define the scope of work for which the commodities, services or construction are needed, or when price is not the sole factor. RFPs should describe what the desired outcome or need of the project but the methods or means to accomplish the desired outcome cannot be easily defined and therefore, proposals from qualified firms are needed.

## II. Procedure

Typically, under this procurement method, a subrecipient publishes an RFP, including the qualifications and broad scope of work, evaluates the proposals received based on established selection criteria as advertised in the RFP, discusses with evaluation committee (publicly advertised), committee scores, facilitator averages scores, and award is recommended to the qualified firm.

The following requirements apply:

- A. RFP must be solicited from an adequate number of known suppliers, providing them with sufficient response time prior to the date set for opening the RFP.
- B. RFPs must be publicized and identify all evaluation factors and scoring criteria.
- C. The subrecipient must have a written procedure for conducting technical evaluations of the proposals received and for selecting the proposer.

### 3.6.5 Qualifications-Based Procurement

#### I. When to Use

A Request for Professional Services (RPS) is used to procure professional architectural, engineering, landscape architectural, or surveying and mapping service. Unlike RFPs, **price cannot be considered** when using an RPS.

#### II. Procedure

Typically, under this procurement method, a subrecipient publishes an RPS, including the qualifications and broad scope of work, evaluates the proposals received based on established selection criteria as advertised in the RPS, discusses with evaluation committee (publicly advertised), committee scores, facilitator averages scores, and award is recommended to the qualified firm.

The following requirements apply:

- A. RPS must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the RPS.
- B. RPS must be publicized and identify all evaluation factors and scoring criteria (**Price cannot be considered**).
- C. The subrecipient must have a written procedure for conducting technical evaluations of the proposals received and for selecting the proposer.
- D. Following scoring, and averaging of scores, the award is recommended to the qualified firm, subject to negotiation of fair and reasonable compensation.

### 3.6.6 Non-Competitive Solicitation

A non-competitive solicitation, also referred to as a sole source, is a procurement method resulting from a lack of competition in the marketplace. A sole source may also be used in cases where a public emergency or condition requiring urgency existed which did not permit the use of competitive procurement. The subrecipient must obtain the County's written pre-approval before using this method.

## I. When to Use

Projects of any dollar threshold where one or more of the following circumstances exist:

- A. There is only one vendor who can provide the item or services.
- B. No other vendor can provide a comparable product or service, regardless of cost or timeline.
- C. The product or service is proprietary (only one vendor has the legal right to sell it)
- D. Competition was determined to be inadequate after attempting to receive bids or proposals.  
Documentation required to demonstrate efforts.

## II. When Not to Use:

This method is not appropriate to use for the following reasons:

- A. Time or cost savings
- B. Vendor preference
- C. Consistency
- D. Continuation of work under an expired or unexpired contract

## III. Procedure

Request written pre-approval from the County, including appropriate and requested documentation to support request. The County may require the subrecipient to advertise an intent to sole source.

- A. If no vendors or suppliers respond, the Sole Source procurement will be approved by the County.
- B. If vendors or suppliers respond that they can provide products or services that meet the advertised specifications, a combined review with the subrecipient and County will be performed. Competition may be required based on the results of that review, at the sole discretion of the County.

## 3.7 Procurement Resources

Resource Name	Link	Description
HUD Buying Right – CDBG-DR and Procurement: A Guide to Recovery	<a href="#">Procurement - Buying Right</a>	This HUD Toolkit provides guidance to CDBG-DR grantees and subrecipients on how to comply with HUD requirements.
General Procurement Standards Regulations (2 CFR 200.318 – 200.327)	<a href="#">2 CFR 200.318-200.327</a>	Federal procurement standards

## 4. Environmental Reviews

### 4.1 Environmental Review Process

An Environmental Review is the process of reviewing a project and its potential environmental impacts to determine whether it complies with the National Environmental Policy Act (NEPA) and related laws and authorities. All HUD-assisted projects are required to undergo an Environmental Review to evaluate environmental impacts that may harm people and the surrounding environment. The process ensures that environmental information is available to the public before decisions are made or actions are taken. The analysis includes both how the project can affect the environment and how the environment can affect the project, site, and end users. Environmental and historic preservation compliance reviews must be

completed before any work can begin on a project following the CDBG-DR award. Site specific mitigation measures may be required, depending on analysis findings.

CDBG-DR appropriation acts prohibit HUD from waiving these requirements. The County will work with the subrecipient to ensure completion of the reviews. It will be the responsibility of Sarasota County to orchestrate Environmental Reviews.

In the event an Environmental Review concludes site conditions are deemed unacceptable, the award will be rescinded. “Unacceptable” sites include, without limitation, those containing an immitigable environmental factor that may adversely affect the health and safety of the residents.

The following general measures are required as conditions for approval of the project, as applicable.

- Acquire all required federal, state, and local permits prior to commencement of construction and comply with all permit conditions.
- If the scope of work of a proposed activity changes significantly, the application for funding must be revised and resubmitted for re-evaluation as required by 24 CFR 58.47.

The Environmental Review process includes:



#### 4.1.1 Levels of Environmental Review

Please note that the following content is provided as a general summary of the federal environmental review process applicable to various types of review. Depending on the scope of the project, there are five possible levels of Environmental Review:

##### I. Exempt

Activities that have no physical impact on the environment. This includes the following:

- A. Environmental and other studies
- B. Information and financial services
- C. Administrative and management activities
- D. Public services that will not have a physical impact or result in any physical changes
- E. Inspections and testing of properties for hazards and defects
- F. Purchase of insurance
- G. Engineering and design costs
- H. Technical Assistance and training
- I. Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration.
- J. Payment of principal and interest on loans made or obligations guaranteed by HUD
- K. Public services that will not have a physical impact or result in any physical changes

- L. Any of the categorical exclusions listed in Sec. 58.35(a) provided that there are no circumstances that require compliance with any other federal laws and authorities cited in Sec. 58.5.

## II. Categorical Exclusion Not Subject To 58.5 (CENST):

HUD has determined that certain activities would not alter any conditions that would require an environmental review or compliance determination under federal laws and authorities cited in §58.5. Examples include:

- A. Tenant-based rental assistance.
- B. Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction, including closing costs and down payment assistance, interest buy downs, and similar activities that result in the transfer of title.

**Warning:** homebuyer assistance for units not already under construction must be treated as a categorical exclusion requiring compliance with the authorities cited in §58.5.

- C. Housing pre-development costs including legal, consulting, developer and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities that do not have a physical impact.
- D. Operating costs including maintenance, furnishings, security, equipment, operation, supplies, utilities, staff.

## III. Categorical Exclusion Subject To 58.5 (CEST):

A category of actions that do not individually or cumulatively have a significant effect on the human environment. Categorically excluded activities include, but are not limited to:

- A. Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings) when the facilities and improvements are already in place and will be retained in same use without change in size or capacity of more than 20%. Includes:
  - 1. Replacement of water or sewer lines
  - 2. Reconstruction of curbs & sidewalks
  - 3. Repaving of streets
- B. Special projects directed toward the removal of material and architectural barriers that restrict the mobility of and accessibility to the elderly and handicapped.
- C. Single Family Housing Rehab – only if
  - 1. Unit density is not increased beyond 4 units.
  - 2. Project doesn't involve change in land use from residential to non-residential.
  - 3. The footprint of the building is not increased in a floodplain or a wetland.
- D. Multifamily Housing Rehab – only if
  - 1. Unit density change is not more than 20%.
  - 2. Project doesn't involve change in land use from residential to non-residential.
  - 3. Cost of rehabilitation is less than 75% of the estimated cost of replacement after rehab.



- E. Non-Residential Structures – only if
  1. Facilities and improvements were in place and will not be changed in size or capacity by more than 20%.
  2. Activity does not involve change in land use from non-residential to residential, commercial to industrial, or one industrial use to another.
- F. Individual action (e.g., disposition, new construction, demolition, acquisition) on a 1 to 4 family dwelling; or individual action on five or more units scattered on sites more than 2000 feet apart and no more than 4 units per site.
- G. Acquisition (including leasing) or disposition of, or equity loans on an existing structure or acquisition (including leasing) of vacant land provided that the structure or land acquired or disposed of will be retained for the same use.
- H. Combinations of the above activities.

#### IV. NEPA Environmental Assessment (EA):

Activities that require a full Environmental Assessment to be conducted include:

- A. Activities are neither CENST or CEST, unless Environmental Impact Statement is required
- B. New construction of five or more residential units
- C. Major rehabilitation and reconstruction of five or more residential units.
- D. Conversion of non-residential land use to residential land use.
- E. Acquisition of vacant land for development when five or more units are involved.

#### V. Environmental Impact Statement (EIS):

An EIS may be required when:

- A. The project is so large that it triggers density thresholds, and common sense suggests it
- B. may have a substantial environmental impact.
- C. A Finding of Significant Impact (FOSI) is found as a result of completing an environmental
- D. assessment for the project.
- E. Preparation of an EIS is mandatory if the project meets any of these requirements below:
  1. Any project to provide a site or sites for hospitals and nursing homes with a total of at least 2,500 beds.
  2. Any project to remove, destroy, convert or substantially rehabilitate at least 2,500 existing housing units.
  3. Any project to construct, install or provide sites for at least 2,500 housing units.
  4. Any project to provide water and sewer capacity for at least 2,500 housing units.
  5. Any project that exceeds the 2,500-unit threshold for nonresidential housing construction.

#### 4.1.2 Environmental Assessment Determinations

Based on the relevant information and analysis that is entered for each factor, environmental assessment preparers can make a determination using one of four codes: 1) Minor beneficial impact; 2) No impact anticipated; 3) Minor adverse impact; or 4) Significant or potentially significant impact.

The codes are provided to cover the four types of impact that could be determined for any given factor. Environmental assessment preparers must explain the basis for each code entered and provide a list of sources, agencies, and persons consulted (40 CFR 1501.5(c)) as well as documentation of additional studies performed for making a final determination.

#### I. Minor beneficial impact

The outcome of the project is positive in some way, but the community improvement is limited.

#### II. No impact anticipated

The proposed project will likely have no beneficial or adverse effect on the community.

#### III. Minor adverse impact

Analysis of the proposal shows that some aspect(s) of the project will negatively affect the community, but the impact can be easily mitigated. While not required, mitigation may be appropriate to improve project and environmental quality.

#### IV. Significant or potentially significant impact

The environmental assessment description of existing conditions and trends establishes the baseline environmental conditions at the site. When project impacts would significantly change conditions from this baseline (40 CFR 1501.3(b)), especially in a manner that is adverse and affects one of the environmental assessment factor categories listed here, this is considered a “significant impact.”

- A. The threshold for a degree of change that is considered significant depends on the baseline conditions at each project site and is determined as part of the environmental assessment process
- B. When there is potential significant impact, NEPA requires either:
  - 1. Identification of mitigation measures that reduce the impact below the level of significance (which, for HUD projects, often involves mitigating changes that are adverse).
  - 2. Preparing an EIS.

### 4.2 Choice Limiting Actions

“Choice-limiting actions” are defined as any activity that would have an adverse environmental impact or limit the choice of reasonable alternatives, such as acquisition by the subrecipient (or any subsidiary of the subrecipient), construction, demolition of buildings, or rehabilitation or reconstruction of buildings.

HUD’s regulations at 24 CFR 58.22 prohibit a subrecipient from committing or spending CDBG-DR funds on any activity that could have an adverse environmental impact or limit the choice of reasonable alternatives prior to completion of an environment review once a project has become “federal.” Activities that have physical impacts or which limit the choice of alternatives cannot be undertaken, even with the grantee or other project participant’s own funds, prior to obtaining environmental clearance. This prohibition on “choice-limiting actions” prohibits physical activity, including acquisition, rehabilitation, and construction, as well as contracting for or committing to any of these actions. **This means that no choice-limiting actions can be undertaken until environmental clearance is received, and a Notice to Proceed is issued.** The concept of prohibiting “choice-limiting” actions is to prevent the subrecipient from investing in a project before all necessary environmental clearances are obtained.

Per 24 CFR Part 58.22, failure to comply with the prohibition against committing funds or taking physical action (using either HUD funds or non-HUD funds) before the completion of the environmental review process could result in loss of HUD assistance, cancellation of the project, reimbursement by the developer/owner to HUD for the amount expended, or suspension of the disbursement of funds for the affected activity.

#### I. Actions that may *not* be taken before an environmental review is completed

- Execution of legally binding agreements
- Awarding construction contracts
- Purchase of materials for use in construction/rehab projects
- Hiring a consultant to prepare a special study\*
- Demolition, dredging, filling, and excavation
- Real property acquisition,
- Leasing, rehabilitation, site improvements, relocation of buildings, solicitation of bids, new construction activities

## II. Actions that *may* be taken before an environmental review is completed

- Market studies
- Environmental Studies
- Plan development
- Engineering or design
- Inspections and tests
- A statement of funding reservation
- Soft costs for scoping a larger development project.
- A non-legally binding agreement (such as an option agreement for acquisition of a property). For conditions related to option agreements, refer to [HUD’s memo](#)

### 4.3 Funding Approval & Environmental Clearance Requirements

Before committing or expending funds on a project (i.e. closing on a piece of property (unless option agreement), signing a construction contract, etc.) it is required for the subrecipient to receive either a **Release of Funds (ROF) or Pre-Agreement Release of Funds** letter from Sarasota County. The subrecipient may execute contracts and begin construction once Sarasota County has informed the subrecipient, in writing of the approval of the environmental review.

### 4.4 Environmental Resources

Resource Name	Link	Description
Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities	<a href="#">24 CFR Part 58</a>	24 CFR Part 58 explains Environmental Review procedures for CDBG-DR funding
HUD CDBG Chapter 15 Environmental Review	<a href="#">Chapter 15</a>	An overview of the applicable regulations, responsibilities, guidance on classifying the activity and the appropriate level of review.
HUD Memo on Option Agreement	<a href="#">Option Agreement Memo</a>	Additional guidance surrounding the use of an option agreement for property acquisition prior to an ER being approved.

## 5. Flood Insurance Requirements

The Subrecipient shall comply with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001). The Subrecipient shall assure that for activities located in an area identified by FEMA as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including

rehabilitation). If flood insurance is required to be obtained and maintained, it will be specified in the subrecipient agreement.

**I. 100 Year Flood Plain**

All structures funded by the Resilient SRQ CDBG-DR Program, if in, or partially in, the 100-year floodplain as shown on the Flood Insurance Rate Maps (FIRM) that are official (not Preliminary or Advisory), will be required to have flood insurance. This includes all buildings acquired, rehabilitated or constructed with federal assistance and located within a SFHA designated by FEMA (Zones beginning with A or V).

**II. Continuity of Coverage**

For this program, coverage must be continued for the life of the property, regardless of transfer of ownership of such property. This requirement is mandated by Section 582(c) of the Community Development and Regulatory Improvement Act of 1994 which states “The requirement of maintaining flood insurance shall apply during the life of the property, regardless of transfer of ownership of such property”.

**5.1 Flood Insurance Resources**

Resource Name	Link	Description
FEMA Flood Map	<a href="#">Flood Map</a>	Search property to determine zone designation
FEMA’s National Flood Hazard Layer Viewer	<a href="#">National Flood Hazard Layer Viewer</a>	Layered Flood Hazard mapping tool
Federal Register – Flood Insurance Requirements	<a href="#">Section IV.E.</a>	Flood Insurance Requirements
United States Code – Flood Insurance	<a href="#">42 USC 4012a</a>	Flood Insurance Regulation

**6. Construction Standards**

**6.1 Construction Requirements**

Nonresidential structures, including infrastructure, funded by CDBG–DR, must adhere to specific elevation or floodproofing standards to ensure resilience against flood risks. These standards, aligned with FEMA regulations, require the following:

**I. Elevation Standards: 100 Year Flood Plain**

- A.** Nonresidential structures must be elevated or floodproofed in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(3)(ii) or successor standards.
- B.** These structures must be elevated to at least two feet above the 100-year (or one percent annual chance) floodplain.

**II. Elevation Standards: 500 Year Flood Plain**

- A.** Critical actions, as defined by 24 CFR 55.2(b)(3), within the 500-year (or 0.2 percent annual chance) floodplain, must be elevated or floodproofed in accordance with FEMA standards at 44 CFR 60.3(c)(2)– (3) or successor standards.
- B.** These actions must be elevated to the higher of either the 500-year floodplain elevation or three feet above the 100-year floodplain elevation.

- C. If the 500-year floodplain elevation is unavailable, and the critical action is located within the 100-year floodplain, the structure must be elevated or floodproofed at least three feet above the 100-year floodplain elevation.

### III. Compliance with Accessibility and Local Codes

- A. Activities subject to these elevation requirements must also comply with applicable federal accessibility mandates.
- B. Subrecipients must adhere to state, local, and tribal codes for floodplain management, which include elevation, setbacks, and cumulative substantial damage requirements.

### IV. Critical Actions

**Critical actions** are defined as “any activity for which even a slight chance of flooding would be too great, because such flooding might result in loss of life, injury to persons or damage to property.” For example, critical actions include hospitals, nursing homes, emergency shelters, police stations, fire stations, and principal utility lines.

### V. Use of CDBG-DR funds in Flood-Prone Areas

Subrecipients understand and agree that CDBG-DR funds will not be used for any activity within flood-prone areas unless the activity is designed or modified to minimize harm, in accordance with Executive Order 11988 and 24 CFR 55.

### VI. Alternative Elevation Requirements

For projects where CDBG-DR funds are used as a non-federal match in FEMA-funded projects, subrecipients may apply alternative elevation standards as outlined in section IV.D.5 of the applicable guidelines.

## 6.3 Mitigation Measures

Mitigation measures help ensure that communities are more resilient to the impacts of recurring natural disasters and climate change. Examples of mitigation measure include:

- Incorporating resilient construction standards
- Using resilient building materials and technology
- Elevating facilities above the Base Flood Elevation (BFE)
- Buyout/Acquisition of properties
- Utilization of backup power for critical facilities
- Integration of open space or use of nature to manage flooding

When determining which mitigation measures to incorporate, subrecipients should design and construct structures to withstand existing and future climate impacts expected to occur over the service life of the project.

## 6.4 Resilience Performance Metrics

All newly constructed Infrastructure assisted with CDBG-DR funds must be designed and constructed to withstand extreme weather events and the impacts of climate change. To satisfy this requirement, Sarasota County and its subrecipients will identify and implement resilience performance metrics as described in section II.A 2 of the Consolidated Notice and are as follows:

- **Alignment with mitigation plans:** Sarasota County will ensure that the mitigation measures identified in our action plan will align with existing hazard mitigation plans submitted to FEMA or other state, local, or tribal hazard mitigation plans.

- **Mitigation Measures:** Sarasota County and its subrecipients must demonstrate that they have incorporated mitigation measures into CDBG-DR activities as a construction standard to create communities that are more resilient to the impacts of recurring natural disasters and the impacts of climate change. Sarasota County and its Subrecipients will design and construct structures to withstand existing and future climate impacts expected to occur over the service life of the project.
- **Resilience performance metrics:** Sarasota County and its subrecipients will establish resilience performance metrics for the activity including:
  - an estimate of the projected risk to the completed activity from natural hazards, including those hazards that are influenced by climate change (e.g., high winds destroying newly built homes),
  - identification of the mitigation measures that will address the projected risks (e.g., using building materials that are able to withstand high winds), and
  - an assessment of the benefit of the project measures through verifiable data (e.g., 10 newly built homes will withstand high winds up to 100 mph).

Before carrying out CDBG–DR funded activities to construct, reconstruct, or rehabilitate residential or non-residential structures, subrecipients must establish resilience performance metrics for the activity.

The process for developing resilience performance metrics includes:

- An estimate of the projected risk to the completed activity from natural hazards, including those hazards that are influenced by climate change (e.g., high winds destroying newly built homes),
- Identification of the mitigation measures that will address the projected risks (e.g., using building materials that are able to withstand high winds), and
- An assessment of the benefit of the mitigation measures through verifiable data (e.g., 10 newly built homes will withstand high winds up to 100 mph).

#### 6.4.1 Resilience Metrics Reporting

Reporting In Disaster Recovery Grant Reporting (DRGR) system, HUD has published specific measures for mitigation activities such as the number of non-residential buildings constructed, number of fewer outages of critical facilities and utilities, number of linear feet of public improvement, number of public facilities, and number of residents protected from future flooding. Examples of other resilience performance metrics include:

- Number of acres no longer vulnerable to flooding events
- Number of floodplain design standards updated
- Number of properties with access above 100 year or 500-year flood level
- Number of linear feet/miles of public improvement
- Number of public facilities constructed or reconstructed
- Number of residents protected from future flooding

#### 6.5 Requirements for Flood Control Structures

The use of CDBG–DR funds to assist flood control structures (i.e., dams and levees) are prohibited from using CDBG– DR funds to enlarge a dam or levee beyond the original footprint of the structure that existed before the disaster event, without obtaining pre-approval from HUD and any Federal agencies that HUD determines are necessary based on their involvement or potential involvement with the levee or dam.

The use of CDBG–DR funds for levees and dams are required to: (1) register and maintain entries regarding such structures with the USACE National Levee Database or National Inventory of Dams; (2) ensure that the structure is admitted in the USACE PL 84–99 Program (Levee Rehabilitation and Inspection Program); (3) ensure the structure is accredited under the FEMA National Flood Insurance Program; (4) enter the exact location of the structure and the area served and protected by the structure into the DRGR system; and (5) maintain file documentation demonstrating that the grantee has conducted a risk assessment before funding the flood control structure and documentation that the investment includes risk reduction measures.

## 7. Uniform Relocation Assistance (URA)

### 7.1 URA Policy

The Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA) is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displaced persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects.

The objectives of the URA are:

- To provide uniform, fair and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.
- To ensure relocation assistance is provided to displaced persons to lessen the emotional and financial impact of displacement.
- To ensure that no individual or family is displaced unless decent, safe, and sanitary housing is available within the displaced person's financial means.
- To help improve the housing conditions of displaced persons living in substandard housing.
- To encourage and expedite acquisition by agreement and without coercion.

The URA applies to any acquisition of real property for programs and projects where there is federal financial assistance, regardless of whether rehabilitation or demolition is also part of the project. **All acquisitions “for” a federally-assisted project are subject to the URA requirements, whether or not there is federal assistance for the acquisition itself.** Subrecipients should be aware that acquisition activities covered by the URA include not only fee title purchases but the acquisition of:

- Permanent Easements.
- Temporary Easements except for the acquisition of temporary easements which exclusively benefit the property owner, and which work may not be done if agreement cannot be reached.
- Leases. Under the URA regulations, leases of 50 years or more are considered acquisitions. Under the CDBG-DR programs, leases of 15 years or more are considered acquisitions by HUD for the purposes of the URA.

CDBG-DR funding is subject to the URA, section 104(d), and to the CDBG program regulatory requirements at 24 CFR 570.606. Some of those Federal requirements are subject to waivers and/or alternative requirements for disaster recovery purposes.

#### 7.1.1 Residential Anti-Displacement Relocation Assistance Plan (RARAP) Policy

Should any proposed projects or activities cause the displacement of people, the County has adopted a CDBG-DR specific Residential Anti-Displacement Relocation Assistance Plan (RARAP) policy to ensure the

requirements of URA, as amended, are met. Subrecipients will be required to adopt the County's RARAP policy.

## 7.2 Acquisition

The URA regulations have different requirements for acquisitions of a voluntary nature and for acquisitions under threat or use of eminent domain (condemnation). The simple fact that there is a "willing seller" or "amicable agreement" does not mean a transaction is "voluntary."

- Voluntary acquisitions (transactions with no threat or use of eminent domain) must meet the criteria set forth in 49 CFR 24.101(b)(1) through (5).
- Involuntary acquisitions (acquisitions subject to threat or use of eminent domain) are acquisitions that do not satisfy the requirements of 49 CFR 24.101(b)(1)-(5). All involuntary acquisitions trigger the full acquisition requirements of the URA found in 49 CFR Part 24 Subpart B.

### 7.2.1 Voluntary Acquisition

For an acquisition to be considered Voluntary under the URA, the following criteria must be met:

- I. Subrecipients **with** eminent domain authority must obtain the proper easements or voluntary acquisition of property to be eligible to participate in the Program. However, for municipalities that wish to use the power of eminent domain, and the property is needed for a critical public service, Sarasota County will review those applications on a case-by-case basis.
- II. Subrecipients **without** eminent domain authority must complete the following:
  - A. Notify the owner in writing of the property's market value;
  - B. Notify the owner prior to making an offer, that it will not acquire property if an amicable settlement cannot be reached; and
  - C. Provide relocation assistance to displaced tenants.

### 7.2.2 Involuntary Acquisition

The following steps represent the general process a subrecipient must follow under the URA when acquiring property under threat of eminent domain:

- A. Notify the owner of the subrecipient's intentions to acquire the property and their protections under the URA.
- B. Appraise the property and invite the owner to accompany the appraiser.
- C. Review the appraisal.
- D. Establish just compensation for the property.
- E. Provide the owner with a written offer and summary statement for property to be acquired.
- F. Negotiate with owner for the purchase of property.
- G. If negotiations are successful, complete the sale and reimburse the property owner for related incidental expenses.
- H. If negotiations are unsuccessful, contact County staff to discuss if an administrative settlement is appropriate to complete the sale.
- I. If negotiations are still unsuccessful, contact County staff to discuss whether the subrecipient may proceed to acquire the property using eminent domain.

## 7.3 Relocation Notices

If relocation is necessary for displaced persons, the URA regulations require three notices to be issued to eligible persons. These notices provide important information about the project, the affected persons'



resulting rights, their protections, and their eligibility for relocation assistance and payments under the URA. It is critical for subrecipients to issue appropriate notices to affected persons at the appropriate time.

#### **I. General Information Notice (GIN)**

Informs affected persons of the project and that they may be displaced by the project. The GIN is issued as soon as feasible to both owners and tenants to provide preliminary information on the proposed project and potential rights and protections. "As soon as feasible" is typically the time of application for federal assistance or when site control is obtained.

#### **II. Notice of Relocation Eligibility (NOE)**

Informs persons that they will be displaced by the project and establishes their eligibility for relocation assistance and payments. Eligibility for relocation assistance at Initiation of Negotiations (ION), actual property acquisition, or upon issuance of a Notice of Intent to Acquire, whichever occurs first. Once eligibility begins, the NOE must be issued promptly. "Promptly" is within 7 to 10 days of ION, actual acquisition, or the date of a Notice of Intent to Acquire, whichever occurs first.

#### **III. 90 Day Notice**

Informs displaced persons of the earliest date by which they will be required to move. This notice may not be issued unless a comparable replacement dwelling is available, the displaced person is informed of its location and has sufficient time to lease or purchase the property. Permanently displaced households must be provided with a minimum of 90 days' written notice prior to being required to move. The 90-day notice may not be issued prior to the NOE, but the two notices may be combined.

### **7.4 Relocation Advisory Services**

Relocation advisory services are required by law to be provided to all eligible displaced persons, including nonresidential displaced persons. Key relocation advisory services requirements include:

- Determining the needs and preferences of displaced persons.
- Explaining available relocation assistance.
- Explaining a person's right to appeal if they are not satisfied with agency decisions.
- Offering and providing transportation to locate replacement housing.
- Offering other assistance (e.g. social services or financial referrals, housing inspection, etc.)
- Providing current and ongoing listings of comparable dwellings for residential displacements and replacement sites for businesses.
- Supplying information on other federal and state programs offering assistance.
- Providing counseling and other assistance to minimize hardship in adjusting to relocation.

In addition to relocation advisory services, nonresidential displaced persons may be eligible for other relocation assistance including relocation payments for moving expenses and re-establishment. The URA provides the following moving options:

- Payment for the actual, reasonable moving costs and related expenses, and
- Payment for actual, reasonable reestablishment expenses, or
- A fixed payment "in lieu of" moving and re-establishment costs

## 7.5 Housing of Last Resort

In addition to relocation advisory services, residential displaced persons may be eligible for other relocation assistance including relocation payments for moving expenses and replacement housing payments for the increased costs of renting or purchasing a comparable replacement dwelling.

In accordance with the requirements found at 49 CFR 24.404(a)(2), a determination to exceed the monetary limits established under the provisions found at 49 CFR 24.401 or 24.402 and provide, as appropriate, additional assistance, is based on the following:

There is little, if any, comparable replacement housing available for households who will be deemed “displaced” from units receiving assistance.

Providing information and assistance with relocation payments for moving expenses and replacement housing payments for the increased costs of renting or purchasing a comparable replacement dwelling.

Due to the damage and immediate impact relating to the loss of decent, safe, and sanitary affordable rental housing, an assisted property cannot advance to completion and satisfy the timeliness requirements imposed by HUD in the CDBG-DR grant award without “last resort” housing assistance.

The provision of additional assistance that exceeds the monetary limits established under the URA is the most cost-reasonable (as tenant-based or project-based housing subsidies are not available). Additionally, the last resort housing assistance is cost effective as special measures such as new construction, physical relocation of housing, and purchase of land and/or housing exceeds the CDBG-DR resources allocated to the Program.

## 7.6 URA Resources

Resource Name	Link	Description
Tenant Assistance, Relocation and Real Property Acquisition Handbook (49 CFR 24 Subpart E and HUD Handbook 1378)	<a href="#">HUD Handbook 1378</a>	Guidance on relocation, replacement housing payments, moving and related expenses.
URA and Real Property Acquisition for Federal and Federally Assisted Programs (49 CFR part 24 URA)	<a href="#">49 CFR part 24 URA</a>	The URA establishes the minimum Federal requirements for the acquisition of real property for Federally funded programs and projects, and for the relocation of persons who must move from their homes, businesses, or farms as a direct result of acquisition, rehabilitation, or demolition for a Federally-funded program or project.
Part 42 – Displacement, Relocation Assistance, and Real Property Acquisition for HUD and HUD Assisted Programs (24 CFR Part 42)	<a href="#">24 CFR Part 42</a>	Guidance on applicable rules, applicability, definitions and requirements related to a residential anti-displacement and relocation assistance plan, relocation assistance for displaced persons, one-for-one replacement of lower-income dwelling units, and appeals.
Allocations for Community Development Block Grant Disaster Recovery and Implementation of the CDBG-DR Consolidated Waivers and	<a href="#">88 FR 32046 Waivers and Alternative Requirements</a>	Waivers and Alternate Requirements: Consolidated Notice, includes waivers and alternative requirements, relevant regulatory requirements, the grant award process,

Alternative Requirements Notice (88 FR 32046)		criteria for action plan approval, and eligible disaster recovery activities.
Sarasota County’s Residential Anti-Displacement Relocation Assistance Plan (RARAP) Policy	<a href="#">RARAP Policy</a>	Sarasota County’s CDBG-DR RARAP serves as a supplement to the acquisition and relocation requirements stated in the URA.

## 8. Labor Standards

### 8.1 Overview of Policies for Compliance with Labor Standards

Subrecipients are responsible for compliance with labor laws on construction work funded with CDBG-DR funds. The labor laws that may apply to CDBG-DR funded construction work include the following:

#### 8.1.1 Davis-Bacon Act

Under Section 110(a) of the Housing and Community Development Act of 1974 (HCDA), laborers and mechanics employed by contractors, apprentices, laborers, employees, and subcontractors on construction work “financed in whole or in part” with CDBG assistance must be paid not less than wages determined to be prevailing on similar construction work in the locality by the Secretary of Labor in accordance with the Davis Bacon Act (40 U.S.C. 3141 et seq.).

Davis- Bacon prevailing wage requirements **do not** apply in the following situations:

- Construction work prime contracts of \$2,000 or less.
- Bona fide volunteers where procedures and requirements of 24 CFR § 70 are met.
- Force account work.
- Non-construction activities like storm debris removal, architectural and engineering contracts, and acquisition.
- Demolition that is not followed by construction
- Equipment installation costs so long as they do not exceed 13% of the total equipment cost
- Rehabilitation, reconstruction, and demolition of residential property containing fewer than eight units.

To demonstrate Davis-Bacon compliance, subrecipients will maintain a file with the following documentation for each construction contract for a minimum of five (5) years after the completion date of applicable project:

- Labor Standards Officer Designation Form
- Wage Determination Form(s)
- Wage Rate Decision(s)
- Request(s) for Additional Wage Classification and Rate\*
- Pre-construction conference report minutes and sign-in sheet(s)\*
- Labor Standards Record
- Eligibility Verification printouts from SAM (for each prime and/or subcontractor)
- Payrolls (weekly), with evidence of compliance review (including LSO Payroll Certification)
- Employee interviews
- Interim inspection reports
- Wage violations (amount of restitution, number of hours and days) \*
- Liquidated damages fees and documentation (if any) \*
- Certificate(s) of Construction Completion

### 8.1.2 The Copeland Anti-Kickback Act

Subrecipients must ensure that any contractor that is performing work on the project complies with the Copeland Anti-Kickback Act. The Copeland Act applies to contractors and subcontractors that perform work on contracts for the construction, prosecution, repair, or completion of public buildings, public works, or works that are financed in whole or in part by loans or grants from the Federal Government. The Act prohibits any person from inducing a worker on a federally funded project to give up any part of the compensation to which the worker is entitled. No payroll deductions are permitted that are not specifically listed in the Copeland Act unless the contractor has obtained written permission from the employee as specified in 29 CFR 3.5 for otherwise permissible payroll deductions. Under this act, workers must be paid weekly and weekly payrolls with a statement of compliance that will be required to be submitted for reporting.

### 8.1.3 The Contract Work Hours and Safety Standards Act

Subrecipients must ensure that any contractor that is performing work on the project complies with the Contract Work Hours and Safety Standards Act (CWHSSA). CWHSSA requires that for any federally assisted construction contract over \$100,000 subject to Davis-Bacon and Related Acts wage standards where the Federal Government is not a direct party, contractors and subcontractors must pay laborers and mechanics, including watchmen and guards, employed in the performance of covered contracts one-and-a-half times their normal hourly rate for any hours worked in excess of 40 hours weekly, based on a work week of 7 consecutive days. The CWHSSA requires contractors to maintain records that provide the following information for each covered worker:

- Name
- Telephone number
- Email Address
- Street Address
- Social Security number
- Correct classification(s) of work performed
- Hourly rates of wages paid, including rates of contributions or costs anticipated for bona fide fringe benefits or their cash equivalents
- Daily and weekly number of hours worked
- Deductions made
- Actual wages paid

Contractors must maintain these records throughout the course of the work and for a period of three years after all the work on the prime contract is completed. They also must be made available to the contracting agency and the Department of Labor upon request.

### 8.1.4 Housing and Urban Development Act of 1968

Subrecipients shall direct employment, training, and contracting opportunities to low-income individuals and the businesses that employ these persons within their community. These opportunities are, to the greatest extent feasible, required to be given to low- and very low-income persons and business concerns, particularly those who are recipients of government assistance for housing or residents of the community in which the federal funds are spent. Where feasible, subrecipients should give priority for contracting opportunities and training to Section 3 workers residing within the service area or the neighborhood of the project, and participants in YouthBuild programs.

## 8.2 Bidding and Contracting Requirements

Once it is determined that a construction project is subject to federal and/or state labor standards provisions, the following steps must be taken to ensure compliance:

### I. Request Applicable Federal Wage Rate Decision

The subrecipient may access federal wage rate decisions at <https://sam.gov/content/wage-determinations>. The subrecipient must use the applicable category for wage rate decision from Sarasota County. **Prior to the scheduled bid opening, the subrecipient must verify that no wage decision updates were made. If updates were to wages, the subrecipient must issue an addendum to the bid package.**

Note that federal wage determinations are issued for four categories: Building, Residential, Heavy, and Highway. In determining which type of wage decision to request, it is important to understand the differences to avoid paying wages from an inappropriate determination.

- **Building** construction generally includes construction of sheltered enclosures with walk-in access for housing persons, machinery, equipment or supplies. This includes all construction within and including the exterior walls, both above and below grade.
- **Residential** projects involve the construction, alteration or repair of single-family houses or apartment buildings one to four stories tall.
- **Highway** projects include construction, alteration or repair of roads.
- **Heavy and Highway** all construction not properly classified as Highway, Residential, or Building is considered heavy. Water and sewer line construction will typically be categorized as Heavy construction.

Sarasota County should be consulted if there are questions about properly identifying the type of construction on the project and the wage determination necessary.

NOTE: Contractors and subcontractors must also adhere to state wage requirements. Effective September 30, 2023, the Florida minimum wage is \$12.00 per hour. On November 3, 2020, Florida voters approved a constitutional amendment to gradually increase the state's minimum wage each year until reaching \$15.00 per hour in September 2026. Resuming in 2027, the minimum wage will be adjusted annually for inflation.

### II. Add Labor Conditions to the Bid Package

The wage rate decision must be a physical part of the bid package. **If the subrecipient fails to include the correct wage rate determination(s), the subrecipient may have to rebid the project.** The bid package must contain the labor standards requirements below.

- Davis-Bacon provisions;
- Contract Work Hours and Safety Standards clause;
- Copeland Anti-Kickback clause;
- Employment of Apprentices/Trainee clause; and
- Applicable wage rate determination(s).

### III. Equal Opportunity Requirements

Sarasota County will review all draft bid and contract documents to ensure compliance with equal opportunity requirements and establish procedures for monitoring compliance during project execution.

### 8.3 Labor Reporting

Sarasota County and subrecipients must report to HUD biannually on all contracts awarded and on all enforcement actions taken. Semi-annual labor reports are due to HUD in April (for the period October 1 through March 31) and October (for the period April 1 through September 30). Sarasota County monitors its subrecipients for completion of the reports. The Semi-Annual Labor Standards Enforcement Report form ([HUD-4710](#)) and Instructions ([HUD-4710i](#)) are available on HUD’s website. The County reserves the right to monitor and request records, reports, etc. from the subrecipient on an on-going basis or at any time at the County’s discretion.

### 8.4 Labor Resources

Resource Name	Link	Description
HUD Labor Standard Compliance Requirements	<a href="#">Labor Standards Compliance</a>	Guidance on labor requirements for self-employed laborers, subcontractors and mechanics
HUD Davis Bacon and Labor Standards and Related Forms	<a href="#">HUD Labor Standards Forms</a>	A repository of HUD forms for labor reporting.
HUD Semi-Annual Labor Standards Enforcement Report (4170)	<a href="#">4710</a>	Agencies are required to file this labor enforcement report semi-annually (Oct 1-Mar 31 and April 1-Sept 30)
HUD Semi-Annual Labor Standards Enforcement Report Instructions (4710i)	<a href="#">4710i</a>	Instructions for filing the 4710
HUD-4010 Federal Labor Standards Provisions	<a href="#">HUD-4010</a>	Federal Labor Standards Provisions must be included in each contract.
HUD Fair Housing and Related Laws	<a href="#">Fair Housing</a>	Fair housing and related statutes, regulations, and executive orders
DOL Davis Bacon and Related Acts	<a href="#">Davis Bacon</a>	Updated DOL policy, guidance and resources
DOL Davis-Bacon Poster (Government Construction)	<a href="#">Davis Bacon Poster</a>	Every employer performing work covered by the labor standards of The Davis-Bacon and Related Acts shall post a notice at the site of the work in a prominent and accessible place where it may be easily seen by employees.
DOL Payroll reporting form	<a href="#">Payroll Form</a>	For optional use by contractors to report payroll.
DOL Contract Work Hours and Safety Standards Act (CWHSSA)	<a href="#">CWHSSA</a>	DOL policy and compliance for CWHSSA
DOL Copeland Anti-Kickback Act	<a href="#">Copeland Anti-Kickback Act</a>	DOL policy and compliance for anti-kickback.
Sam.gov - Wage Rate Determinations	<a href="#">Sam.gov</a>	Prevailing wage determinations for each work classification (updates weekly)

## 9. Section 3

Section 3 is a provision of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) that is regulated by the provisions of 24 CFR 75. Section 3 regulations ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

Section 3 requirements apply to all CDBG-DR funded constructions project that have a total project cost of \$200,000 or more. The project includes the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing. Section 3 applies to the entire project even when the CDBG-DR funds are only a portion of the total funding.

In accordance with 24 CFR 75.3(b), Section 3 requirements do not apply to material supply contracts. Please direct questions regarding Section 3 to [section3coordinator@scgov.net](mailto:section3coordinator@scgov.net). Monthly reporting requirements, certification forms and a Section 3 plan will be provided for you.

### 9.1 Benchmarks

Subrecipients will make every effort to comply with HUD benchmarks when undertaking applicable projects to satisfy Section 3 requirements. Subrecipients will be considered to have complied with requirements of HUD's Section 3 final rule if it certifies that it has followed the prioritization effort in 24 CFR Part 75.19 and it has met or exceeded the following Section 3 benchmarks:

- 25% of all labor hours are performed by a Section 3 worker.
- 5% of all labor hours are performed by Targeted Section 3 workers.

In addition to the benchmarks above to the greatest extent feasible, subrecipients shall ensure the following:

- Contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the area in which the project is located;
- Where feasible, priority for contracting opportunities should be given to Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and to YouthBuild programs;
- Employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located; and
- Where feasible, priority opportunities and training should be given to Section 3 workers within the service area or the neighborhood of the project and to YouthBuild programs.

### 9.2 Section 3 Worker

A Section 3 worker is defined as any worker who currently fits or when hired within the past five years, fits at least one of the following categories, as documented:

- The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
- The worker is employed by a Section 3 business concern.
- The worker is a YouthBuild participant.

The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction. Nothing in 24 CFR Part 75 shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

### 9.3 Targeted Section 3 Worker

A 'Targeted' Section 3 Worker for housing and community development financial assistance is defined as a worker that is a Section 3 worker who is also:

- A worker employed by a section 3 business concern
- A worker who currently fits or when hired fits at least one of the following categories, as documented within the past five years:
  - Living within the service area or the neighborhood of the project, as defined in 24 CFR Part 75.5. Service area or the neighborhood of the project means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.
  - A YouthBuild participant.

The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.

Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

### 9.4 Section 3 Business Concern

A Section 3 business concern is defined as a business concern meeting at least one of the following criteria, documented within the last six-month period:

- It is at least 51 percent owned and controlled by low- or very low-income persons;
- Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
- It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

### 9.5 Section 3 Reporting

Subrecipients will report monthly for the total number of labor hours worked, the total number of labor hours worked by Section 3 workers, and the total number of labor hours worked by Targeted Section 3 workers.

### 9.6 Section 3 Recordkeeping

Subrecipients must maintain and provide the County documentation for any section 3 worker that works on a construction project that is estimated \$200,000, contractor, or subcontractor that employs the worker maintains documentation, to ensure that workers meet the definition of a Section 3 worker or Targeted Section 3 worker, at the time of hire or the first reporting period. All Section 3 records related to CDBG-DR must be maintained for a minimum of 5 years after grant closeout.

For a worker to qualify as a Section 3 worker, one of the following must be maintained:

- A worker's self-certification that their income is below the income limit from the prior calendar year;



- A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;
- Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;
- An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or
- An employer's certification that the worker is employed by a Section 3 business concern.

For a worker to qualify as a Targeted Section 3 worker, the following must be maintained:

- An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;
- An employer's certification that the worker is employed by a Section 3 business concern; or
- A worker's self-certification that the worker is a YouthBuild participant.

## 9.7 Section 3 Resources

Resource Name	Link	Description
Section 3 Coordinator	<a href="mailto:section3coordinator@scgov.net">section3coordinator@scgov.net</a>	Email address for primary contact for section 3 related questions.
HUD Section 3 New Rule Requirements	<a href="#">Section 3 Guidance for Job Training, Employment and Contracting</a>	Section 3 new rule guidance and training attachments.
HUD Section 3 Overview	<a href="#">HUD Section 3 Overview</a>	HUD's overview and resources on Section 3
Section 3 of the Housing and Urban Development Act of 1968	<a href="#">Section 3</a>	Section 3 policy

## 10. Recordkeeping

Subrecipients must retain all CDBG-DR records for a minimum of five (5) years after closeout of the subrecipient agreement. 24 CFR 570.506 In addition, subrecipients must provide access to the County, HUD, the Comptroller General of the United States, or other authorized governmental agencies to any pertinent records for purposes of monitoring and to make audits, examinations, excerpts, and transcripts (2 CFR 200.337). Consistent with applicable state and local laws regarding privacy and obligations of confidentiality, subrecipients must also provide citizens with reasonable access to records on the past use of CDBG-DR funds (24 CFR 570.508 and 2 CFR 200.338).

The subrecipient must establish a record-keeping system to document compliance with all federal, state, local, and program requirements. If using electronic records, the subrecipient must have ownership of the records and be able to access the information for a minimum of five (5) after closeout. The table below represents examples of records to be maintained and is not an exhaustive list of the documents that may be required to maintain.

## 10.1 Records to Maintain

Record Category	Records and Files to be Maintained
Administrative	<ul style="list-style-type: none"> <li>• Agreements with contractors and any amendments (if any)</li> <li>• Application for CDBG-DR funding, all supporting documentation</li> </ul>
Financial	<ul style="list-style-type: none"> <li>• Invoices, receipts and other financial documents supporting all expenditures of CDBG funds.</li> <li>• An account of all financial transactions related to the use of CDBG funds</li> <li>• Draw requests and supporting documentation</li> <li>• Payroll records</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>• Procurement policies and procedures</li> <li>• Competitive procurement (advertisements, proposals, awards, contracts, etc.)</li> <li>• Bid rejection documentation</li> </ul>
Project	<ul style="list-style-type: none"> <li>• Description, geographic location and budget of each activity</li> <li>• Construction Records</li> <li>• National Objective Documentation</li> <li>• Status of the project/activity</li> <li>• Project reports</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• Complete Environmental review record</li> <li>• Authority to Use Grant Funds form</li> </ul>
Civil Rights, Fair Housing, EEO, and Citizen Participation	<ul style="list-style-type: none"> <li>• Fair Housing and Equal Opportunity records</li> <li>• Documentation of compliance with crosscutting requirements (e.g., Davis-Bacon, and Uniform Relocation Act)</li> <li>• Outreach performed to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible;</li> </ul>
Compliance with Labor Standards	<p><b><i>Davis-Bacon Compliance</i></b></p> <ul style="list-style-type: none"> <li>• Labor Standards Officer Designation Form</li> <li>• Wage Determination Form(s)</li> <li>• Wage Rate Decision(s)</li> <li>• Request(s) for Additional Wage Classification and Rate*</li> <li>• Pre-construction conference report minutes and sign-in sheet(s)*</li> <li>• Labor Standards Record</li> <li>• Eligibility Verification printouts from SAM (for each prime and/or subcontractor)</li> <li>• Payrolls, with evidence of compliance review (including LSO Payroll Certification)</li> <li>• Employee interviews</li> <li>• Interim inspection reports</li> <li>• Wage violations (amount of restitution, number of hours and days) *</li> <li>• Liquidated damages fees and documentation (if any) *</li> <li>• Certificate(s) of Construction Completion</li> </ul>
Section 3 Compliance	<ul style="list-style-type: none"> <li>• Section 3 forms and labor hour reports</li> </ul>
Tieback to Hurricane Ian Documentation	<p>For every funded project that stated there was a tie-back, the subrecipient must document a tieback to Hurricane Ian. Documentation may include:</p> <ul style="list-style-type: none"> <li>• Damage or building estimates for physical losses</li> <li>• Insurance claims</li> <li>• FEMA data</li> </ul>
National Objective Documentation	Eligibility and national objective determinations for each activity

## 10.2 Recordkeeping Resources

Resource Name	Link	Description
Playing by the Rules Recordkeeping and Reporting Requirements	<a href="#">Chapter 5</a>	HUD's guidance on recordkeeping
Criteria for national objectives	<a href="#">570.208 CFR</a>	Documentation for national objective being met

## 11. Reporting Requirements

### 11.1 Reporting Overview

The County is responsible for carrying out programs to meet compliance requirements. Sarasota County will provide a CDBG-DR System of Record that will serve as the repository for project documentation, including monitoring and compliance. The System of Record will enable Sarasota County to review document files and conduct Duplication of Benefits, Verification of Benefits and related verifications required to comply with CDBG-DR regulations. Subrecipients are required to assemble and review all compliance documentation and upload it to the System of Record in an orderly manner. Sarasota County will provide training to subrecipients on how to manage their CDBG-DR projects with the System of Record. The County may request the subrecipient to provide additional data outside the frequency and scope of the information specified below.

### 11.2 Monthly Reporting

In accordance with the subrecipient agreement, a subrecipient will receive a notice to proceed (NTP) from the County once the project has received the required environmental clearance from HUD.

Prior to the issuance of an NTP, the subrecipient may be requested to provide information regarding the project as requested by the County. Additional information may be requested from the County to ensure the awarded project will be completed within budget, on time, and compliant with all federal and program requirements.

Following the issuance of an NTP, project activities may begin. The subrecipient is required to submit monthly reports to the County using the reporting form provided. These reports are due by the 5th of each month from the preceding month and should cover the following areas, though not limited to:

- Narrative of the activities completed.
- Financial metrics that demonstrate costs incurred to date and projected future spending.
- Documentation showing the total number of beneficiaries served or accomplishments completed.
- Section 3 reporting on total labor hours, section 3 labor hours and targeted section 3 labor hours.
- Data in accordance with Federal Funding Accountability and Transparency Act (FFATA) guidelines.

The County will review the submitted data and may request additional information if needed. The subrecipient must provide the requested information, which may include resubmitting the monthly report within the timeframe specified by the County. If any issues are identified, either by the subrecipient or through the County's analysis, the County will collaborate with the subrecipient to provide necessary training, technical assistance, and monitoring.

### 11.3 Other Reporting

The subrecipient must provide data and documentation as requested by the County for the project at various intervals outside the regular monthly reporting period. This may include, for example, Davis-Bacon reports and project closeout documentation. The County will use the system of record to request reporting information, and the subrecipient must respond by submitting the required documentation by the specified due date.

Additionally, the subrecipient must provide data related to closeout activities, including mitigation measures and resilience performance metrics, as outlined in the executed Subrecipient Agreement.

### 11.4 After Closeout

Following the closeout of a project, on an annual basis, subrecipients may be required to continue reporting on several areas to ensure ongoing compliance with CDBG-DR program requirements and to verify that the project continues to meet its intended objectives. These areas may include, but are not limited to:

#### I. Continued Compliance with National Objectives

Subrecipients may need to report on how the project continues to meet one of the CDBG-DR national objectives, such as benefiting low- and moderate-income persons or addressing an urgent need.

#### II. Use of Real Property

- A. Subrecipients must comply with the standards outlined in [24 CFR 570.505](#) when managing real property acquired or improved with CDBG-DR funds in excess of \$25,000. These standards apply from the date CDBG-DR funds are first expended on the property and continue for five years after the closeout of the grant.

#### III. Program Income

If the project generates program income, subrecipients could be required to report on how this income is being utilized.

These reporting areas help ensure that projects continue to provide their intended benefits and comply with all relevant regulations. The County will work closely with subrecipients to determine the specific reporting requirements and timelines for each project.

### 11.4 Reporting Resources

Resource Name	Link	Description
Records to Be Maintained (24 CFR 570.208)	<a href="#">24 CFR 570.208</a>	Establishes the minimum requirements for recordkeeping for CDBG funded projects
Use of real property (24 CFR 570.505)	<a href="#">24 CFR 570.505</a>	Applies to property acquired or improved with CDBG-DR funds.

## 12. Monitoring and Compliance

### 12.1 Monitoring Overview

As part of its oversight and monitoring responsibilities, the County requires subrecipients awarded infrastructure projects to complete a Subrecipient Risk Assessment Questionnaire. This questionnaire collects key information, including experience, past audits, and other relevant details. Resilient SRQ staff

will use this information, along with the project application, to determine appropriate monitoring activities in alignment with the County's monitoring policy. Additionally, the assessment helps identify opportunities for training and technical assistance to support compliance and project success.

The County is required to provide oversight and monitoring of its subrecipients and internal county departments. Oversight will include ongoing generic reviews, and monitoring will include targeted area-focused reviews of administrative, financial, performance, reporting, and compliance with applicable federal crosscutting requirements. The objective of the oversight and monitoring activities is to facilitate the achievement of performance goals while ensuring that subaward funds are used for authorized purposes in compliance with Federal statutes, regulations, and the terms and conditions of the subaward.

The subrecipient shall ensure that all records and files pertaining to the project, as well as any additional information requested by the County, is made available at the monitoring visit or at the time specified by the County. The County may request a visit to the project site as part of the monitoring visit.

The County will notify subrecipients of monitoring events in advance. Selected compliance areas, projects or activities, and duration of the visit are examples of information that will be provided in the notification letter. In response to subrecipient monitoring, the County will provide technical assistance to mitigate identified risks and to address concerns and findings.

Each monitoring will address project-specific issues and may be carried out through a combination of desk review, remote monitoring, and/or on-site monitoring. The primary goals of monitoring are to:

- Review activity eligibility and achievement of national objectives;
- Evaluate conformance to the subrecipient agreement;
- Ensure compliance with CDBG-DR program and all other applicable federal, state, and County requirements, including, but not limited to appropriate insurance coverage, assessment management processes, procurement procedures, conflicts of interest disclosures, and fair housing and civil rights compliance;
- Review and ensure accuracy and completeness of record keeping and financial management systems;
- Evaluate organizational, program and project performance, as well as on-going project viability (financial health, management capacity, etc.);
- Design any corrective actions necessary to improve or reinforce performance; and
- Identify the technical assistance needs of CDBG-DR subrecipients.

Upon completion of a monitoring, the County will provide a monitoring letter to each subrecipient outlining the results of the monitoring. If corrective actions are needed due to findings or concerns, a corrective action plan will be included with the letter. The subrecipient will be provided with the opportunity to respond to the monitoring results, and County staff will work collaboratively with the subrecipient to resolve any findings or concerns.

### 12.1.1 Monitoring Process



### 12.1.2 Monitoring Frequency

At a minimum, subrecipients will be monitored at least once annually, and before project closeout. The County will determine the frequency and type of monitoring with each subrecipient and reserves the right to change the frequency at any time at the County’s discretion. The County will use monitoring checklists to ensure consistency and to provide a detailed record.

### 12.1.3 Types of Monitoring

- Remote Reviews – Remote meetings/calls that are used to stay in touch and keep up with the project status, timeline, environmental review, etc. These meetings may be used on a recurring or as needed basis as a form of communication for Resilient SRQ staff and subrecipient to keep each other updated on status and next steps.
- Desk Reviews – Desk reviews require subrecipients to provide adequate documentation to sufficiently review selected project(s) or activities and the related compliance area(s) via electronic means.
- Onsite Reviews – Onsite monitoring reviews at the subrecipient’s office or project location. Review may include, but not limited to, review documentation related to eligible activity, national objective compliance, financial expenditure records, interviews with staff, and inspection of records for the project as it relates to CDBG-DR compliance.

### 12.1.4 Desk Review

A desk review can occur at any time. Desk reviews require subrecipients or contracted vendors to provide adequate documentation to sufficiently review selected project(s) or activities and the related compliance area(s) via electronic means. The County generally conducts a desk review in the following situations:

- Where the size, scope, or complexity of the review allows a desk review to be performed;
- An interim review or a complaint is received that warrants a desk review; or
- The subrecipient or contracted vendor requests a desk review, and the request is approved by the County.

### 12.1.5 On-Site

An on-site review requires subrecipients to provide adequate documentation to sufficiently review selected project(s) or activities and the related compliance area(s) during a scheduled visit at the subrecipient's location of operation. The County generally conducts an on-site review in the following situations:

- Where the size, scope, or complexity of the review would benefit from an on-site review to be performed;
- An interim on-site review or a complaint is received that warrants a visit; or
- The subrecipient requests an on-site review and the request is approved by the County.

### 12.1.6 Results of Monitoring Reviews

The County may determine any of the following as a result from a monitoring review:

- Performance was adequate or exemplary.
- A "finding" is a violation of statutory or regulatory noncompliance that must be addressed immediately through corrective actions.
  - Where an identified deficiency results in a finding, the finding must include the condition, criteria, cause, effect, and required corrective action.
- A "concern" is an issue that is not an instance of statutory or regulatory noncompliance but may result in a noncompliance "finding" if they are not addressed.
  - Staff will suggest or recommend actions that the subrecipient can take to address a concern, based on sound management principles or other guidelines. However, corrective actions are not required for concerns.
- An "observation" is a comment about an area where the funded entity can improve program performance or recognize exceptional success and best practices.

The County may issue written correspondence to the subrecipient, detailing the results of its review, including the areas covered and the basis for any conclusions reached. This correspondence may also outline any actions required from the subrecipient. The subrecipient is responsible for taking the necessary steps to resolve the issues or address the areas of concern within the timeframe specified by the County. If the subrecipient fails to correct or address the issues within the given timeframe or if the same issues recur, the County may take further action, which could include terminating the agreement with the subrecipient and requiring repayment of the awarded grant funds.

### 12.1.7 Remedies for Non-Compliance

If corrective actions are needed due to findings or concerns, a corrective action plan will be included with the letter. The subrecipient will be provided with the opportunity to respond to the monitoring results, and County staff will work collaboratively with the subrecipient to resolve any findings or concerns. The subrecipient is responsible for taking the necessary steps to resolve the issues or address the areas of concern within the timeframe specified in the letter by the County. If the subrecipient fails to correct or address the issues within the given timeframe or if the same issues recur, the County may take further action, which could include terminating the agreement with the subrecipient and requiring repayment of the awarded grant funds.

## 12.2 Resources

Resource Name	Link	Description
HUD Monitoring Handbook	<a href="#">CPD Monitoring Handbook</a>	This handbook provides the exhibits used by HUD reviewers to assess grantee compliance with program regulations, applicable federal statutes, grant requirements, and terms and conditions of the grant awards.

## 13. Project Closeout

### 13.1 Closeout Criteria

The subrecipient can request final funds when the project meets the following conditions:

- All eligible activities are completed and meet a national objective.
- All funds are expended in full, or the remaining funds are intended to be returned to HUD.
- All reporting requirements as required (e.g., Quarterly Performance Reports, HUD Monthly Status Reports, HUD Contract Reports, other internal reporting) are completed and submitted.
- Any special conditions of the program are met.
- All audit and monitoring issues are resolved.

#### 13.1.1 Closeout Documentation and Process

The County will work with subrecipients to collect all closeout documentation for their files to support HUD requirements for closeout. A final closeout file review will be required to ensure that all documentation required in each step of the process is completed and is compliant. Subrecipients may be asked to provide any of the following documentation:

- Documentation reporting the grant accomplishments and expenditures of each project to the residents of the jurisdiction, including that the HUD national objective was met.
- Documentation that funds were expended in full or certification of the return of the remaining funds.
- Documentation describing the resolution of any outstanding audit or monitoring issues
- Duplication of benefits verification.
- Certification of completion from an engineer.
- Flood insurance documentation, where applicable.
- Final inspection and documentation.

As part of the closeout, subrecipients are required to have a final DOB review, resolve any outstanding findings from Sarasota County or HUD, execute all final payments to vendors and employees, repay any funds subject to recapture, and forfeit any unspent CDBG-DR funds. These actions are essential to finalize the grant closeout process.



## 14. Appendix

### 14.1 Abbreviations and Definitions

Term	Definition
Acquisition	The acquiring of real property, in whole or in part, by the recipient or other public or private non-profit entity through purchase, long-term lease, donation, or otherwise for any public purpose, subject to the limitation of 24 CFR 570.207. Real property includes air rights, water rights, rights-of-way, easements, and other interests therein (24 CFR 570.201).
Allocable Costs	Costs assigned to a Community Development Block Grant-Disaster Recovery eligible activity with a methodology for clear determination of where to attribute costs.
Allowable Costs	Costs deemed allowable under the Community Development Block Grant-Disaster Recovery rules and regulations and 2 CFR 200 Subpart E.
Americans with Disabilities Act (ADA)	Effective July 20, 1990, a federal law prohibiting discrimination and ensuring equal opportunity for persons with disabilities in employment, state and local government services, public accommodations, commercial facilities, and transportation. It also mandates the establishment of TDD/telephone relay services.
CFR	Code of Federal Regulations.
Community Development Block Grant (CDBG)	Supports community development activities to build stronger and more resilient communities. Activities are identified through an ongoing process and may address needs such as infrastructure, economic development projects, public facilities installation, community centers, housing rehabilitation, public services, clearance/acquisition, microenterprise assistance, code enforcement, homeowner assistance, etc.
Community Development Block Grant-Disaster Recovery (CDBG-DR)	The Community Development Block Grant Disaster Recovery Program, administered by the U.S. Department of Housing and Urban Development, as authorized under Title I of the Housing and Community Development Act of 1974, as amended. These funds are provided as a last resort to help cities, counties, and states recover from Presidentially declared disasters.
Consolidated Notice	The U.S. Department of Housing and Urban Development’s Community Development Block Grant-Disaster Recovery Consolidated Notice, Appendix B of Federal Register Vol. 88, No. 96. The Consolidated Notice governs all Office of Long-Term Resiliency Community Development Block Grant-Disaster Recovery grants beginning with 2020 disasters and includes amended requirements from previous Federal Register Notices and Community Planning and Development Notices that have regulated Community Development Block Grant-Disaster Recovery funds in the past. It includes waivers, alternative requirements, the grant award process, criteria for action plan approval, and eligible disaster recovery activities.
Cost Reimbursement	Payment made to the subrecipient after a request for funds has been submitted along with proper supporting documentation and has been approved by Sarasota County. In Community Development Block Grant-Disaster Recovery subrecipient agreements, the subrecipients are required to pay in advance for all completed work associated with the

Term	Definition
	deliverables set forth in the subrecipient agreement and are reimbursed based on the invoice and supporting documentation submitted to Sarasota County.
Davis-Bacon and Related Acts (DBRA)	Federal law requires contractors and subcontractors performing on federally funded or assisted contracts for the construction, alteration, or repair of public buildings or public works to pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area.
Direct Cost	Any project cost or project delivery cost that is identified specifically with completing an activity or product such as materials and labor. Costs identified specifically within a contract are the direct costs of that contract. Administrative expenses are not generally considered direct costs.
Disability	Federal nondiscrimination laws define a person with a disability to include any (1) individual with a physical or mental impairment that substantially limits one or more major life activities; (2) individual with a record of such impairment; or (3) individual who is regarded as having such an impairment consistent with federal law under The Social Security Act, as amended, 42 U.S.C. §423(d), The Americans with Disabilities Act of 1990, as amended, 42 U.S.C. §12102(1) -(3), and in accordance with the U.S. Department of Housing and Urban Development regulations at 24 CFR 5.403 and 891.505.
Disaster Recovery Grant Reporting (DRGR) System	The U.S Department of Housing and Urban Development’s web-based reporting and grants management system.
DRGR	Disaster Recovery and Grant Reporting System developed by HUD. It is primarily used by grantees to access grant funds and report performance accomplishments for grant-funded activities.
Duplication of Benefits (DOB)	When a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need for assistance.
Elderly	A person at least 62 years of age [24 CFR § 5.100].
Federal Register (FR)	The official journal of the Federal Government of the United States that contains government agency rules, proposed rules, and public notices issued by federal administrative agencies.
FEMA	Federal Emergency Management Agency.
FFATA	Federal Funding Accountability and Transparency Act.
Force Account Work	The use of a subrecipient's own labor force to carry out a capital project. Force account work may consist of design, construction, refurbishment, inspection, and construction management activities if eligible for reimbursement under the grant. Incremental labor costs from flagging protection, service diversions, or other activities directly related to the capital grant may also be defined as force account work. Documentation can include a force account plan for the work accomplished or planned, or

Term	Definition
	any other documentation that reflects that in-house labor forces were "budgeted" to accomplish the work.
Grantee	As used in this document, the grantee is Sarasota County, Florida as the recipient of Community Development Block Grant-Disaster Recovery funds from the U.S. Department of Housing and Urban Development.
HCDA	Housing and Community Development Act of 1974, as amended.
HUD	The United States Department of Housing and Urban Development.
Indirect Cost	Any expense not directly identified with a cost objective, such as a specific project, facility, or function. Indirect costs include administration, personnel, and security costs.
Low Moderate Area Benefit (LMA)	An eligible activity that benefits all residents in a particular area, where at least 51 percent of the residents are Low-to-Moderate Income Persons as determined by the most recently available decennial Census information, together with the Section 8 income limits that would have applied at the time the income information was collected by the Census Bureau, or a current survey of the residents of the service area.
Low Moderate Clientele	An eligible activity that benefits at least 48.33% of LMI persons. LMI presumption covers abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers.
LMI	Low to moderate income persons.
Project Delivery Cost	Costs used specifically to meet the requirements to complete a particular project, especially as it applies to meeting Community Development Block Grant requirements.
Project/Program/Activity	The housing, infrastructure, economic development, or planning endeavor undertaken by Sarasota County, the subgrantee and/or subrecipient using Community Development Block Grant-Disaster Recovery funds.
Quarterly Performance Report (QPR)	The Community Development Block Grant-Disaster Recovery Quarterly Performance Report that is required to be uploaded quarterly in the Disaster Recovery Grant Reporting system for the U.S. Department of Housing and Urban Development's review of Sarasota County's disaster recovery programs.
Reasonable Costs	Costs that do not exceed what a prudent person would incur under similar circumstances, as demonstrated by the market price for comparable goods and services. For contracted work, the Responsible Entity should conduct an independent cost estimate to establish cost reasonableness as outlined in 2 CFR Part 200.
Subsidized Loans	Loans, including forgivable loans, other than private loans. Both Small Business Administration and Federal Emergency Management Agency provide subsidized loans for disaster recovery.
Section 3	Section 3 of the Housing and Urban Development Act of 1968, as amended, and the implementing regulations at 24 CFR Part 135 and 24 CFR Part 75, as applicable, relating to employment and other economic opportunities for low and very low-income persons.

Term	Definition
Service Area	The total geographic area to be directly or indirectly served by a subgrant project that addresses the Low-to-Moderate Income National Objective, in which at least 48.33 percent of the residents are low-to-moderate income persons
Special Flood Hazard Area (SFHA)	Areas where the National Flood Insurance Program’s (NFIP’s) floodplain management regulations must be enforced, and the mandatory purchase of flood insurance applies.
Subcontract	A contract entered into by a subcontractor to furnish supplies or services for performance of a prime contract, or another subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.
Subrecipient	Sarasota County Public Entity or Non-Profit, that is provided Community Development Block Grant-Disaster Recovery funds from Sarasota County to perform agreed upon eligible disaster recovery activities documented in a Subrecipient Agreement.
Subrecipient Agreement	An agreement between the Sarasota County and the subrecipient for the subrecipient to undertake activities using Community Development Block Grant- Disaster Recovery funds.
Uniform Relocation Assistance and Real Property Acquisition Act (URA) of 1970, as amended	A federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects pursuant to 49 CFR Part 24 and applicable waivers provided in the U.S. Department of Housing and Urban Development’s Community Development Block Grant-Disaster Recovery Consolidated Notice, Appendix B of Federal Register Vol. 87, No. 23.
Urgent Need	A need that poses a serious and immediate threat to the health or welfare of the community.
Waiver	A revision to the standard Community Development Block Grant-Disaster Recovery regulations, requirements, and activities, granted by the U.S. Department of Housing and Urban Development.