



FEMA

November 10, 2011

Mr. Bryan Koon, Director
Florida Division of Emergency Management
2555 Shumard Oak Boulevard
Tallahassee, Florida 32399-2100

Attention: Mr. Miles Anderson

Reference: **Hazard Mitigation Grant Program (HMGP) DR-1609-111-R (State Project Number 1609-240) City of Key West, Monroe County, Patricia/Ashby Street Drainage Project, Supplemental Funding and Period of Performance (POP) Extension Approval**

Dear Mr. Koon:

The Federal Emergency Management Agency (FEMA) has reviewed the Florida Division of Emergency Management (FDEM) letter dated September 8, 2011 requesting that FEMA consider supplemental funding for DR-1609-111-R, referenced above. An increase to the total project budget is the result of additional costs associated with materials and labor necessary to complete project activities.

The original project cost for the City of Key West was \$1,108,802 with a Federal share of \$831,602.

After review of submitted documentation, FEMA approves the FDEM request for a cost increase. The additional project cost for the City of Key West is \$445,876 of which the Federal share is \$334,407. This additional obligation amount, along with the corresponding grantee administrative expenses of \$1,706 and subgrantee administrative expenses of \$6,649 yields a total additional obligation of \$342,762. This obligation was processed under NEMIS Supplemental Report Number 279.

	Total Project Costs	Federal Share	Grantee Admin Expenses	Subgrantee Admin Expenses	Total
Previous Obligation	\$1,108,802	\$831,602	\$4,236	\$15,778	\$851,616
Additional Obligation	\$445,876	\$334,407	\$1,706	\$6,649	\$342,762
Total	\$1,554,678	\$1,166,009	\$5,942	\$22,427	\$1,194,378

The original Scope of Work (SOW) for this project remains the same:

This project will provide protection by constructing a drainage system capable of solving or reducing the flooding problem at the intersection of Patricia and Ashby Street, Key West, Florida 33040. The project entails the construction of an emergency discharge to the Atlantic Ocean, consisting of +/- 2, 100 linear-foot of pipeline that will connect to the existing Patricia and Ashby Street pump station and terminate at a new outfall structure at the end of Bertha Street. The project will also include a 230-kilowatt generator for the pump station secured to an elevated platform above the 100-year flood elevation. All stormwater will be treated with an existing vortex sediment separator prior to discharging to the outfall.

The Period of Performance (POP) for this project will expire on February 28, 2012.

In order to allow for sufficient time to complete project activities, the FDEM requested to extend the Period of Performance (POP) to August 31, 2012.

In accordance with FEMA Memorandum *Guidance on Period of Performance* dated June 18, 2002, and signed by Robert F. Shea, all activities must be completed no later than 3 years from the date of the grant award to the State. Upon request, FEMA may extend the period of performance by one year, if it is determined that unusual circumstances exist. After review of the submitted justification, while project activities will exceed the designated three-year project completion deadline, the FDEM request is approved.

The State HMGP Administrative Plan defines the procedure whereby the Governor's Authorized Representative (GAR) may advance portions of the approved Federal share to the subgrantee. Upon completion of the HMGP project, the subgrantee's closeout reimbursement for the final Federal share of eligible project costs must be submitted to the Regional Director for review and determination.

Quarterly progress reports for HMGP projects are required. Please include this HMGP project with future quarterly reports. Note that 44 CFR 206.438(c) indicates that the State must provide a quarterly progress report to FEMA indicating the status and completion date for each project funds. The report will include any problems or circumstances affecting completion dates, scope of work, or project cost that may result in non-compliance with the approved grant conditions.

Section 206.438(d) of 44 CFR requires the GAR to "certify that reported costs were incurred in the performance of eligible work, that the approved work was completed and that the mitigation measure is in compliance with the provisions of the FEMA-State Agreement."

The National Environmental Policy Act (NEPA) stipulates that additions or amendments to an HMGP subgrantee SOW may have to be reviewed by all State and Federal agencies participating in the NEPA process.

The State (grantee) must obtain prior approval from FEMA before implementing changes to the approved project SOW. According to the Uniform Administrative Requirements for grants and cooperative agreements to State and Local Governments:

- For construction projects, the grantee must “obtain prior written approval for any budget revision which would result in a need for additional funds” [44 CFR 13(c)].
- A change in the scope of work must be approved by FEMA in advance regardless of the budget implications.
- The grantee must notify FEMA as soon as significant developments become known, such as delays or adverse conditions that might raise costs or delay completion, or favorable conditions allowing lower cost or earlier completion. Any extensions of the POP must be submitted to FEMA 60 days prior to the expiration date.
- The grantee must avoid duplication of benefits between the HMGP and any other form of assistance, as required by Section 312 of the Stafford Act, and further clarified in 44 CFR 206.191.

The obligation and project management reports are included for the FDEM records. The obligated funds are available for withdrawal from Smartlink on sub-account number **1609DRFLP00000005**.

If the FDEM has any questions, please contact Linda Wells-Back, Acting Mitigation Branch Director at (407) 858-2806.

Sincerely,



Clayton E. Saucier, Chief
Hazard Mitigation Assistance Branch
Mitigation Division