RESOLUTION NO. 22-069

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, APPROVING THE ATTACHED "STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION CORONAVIRUS STATE FISCAL RECOVERY FUNDS SUBRECIPIENT GRANT AGREEMENT" BETWEEN THE FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT) AND THE CITY OF KEY WEST FOR ASSISTANCE THROUGH THE AMERICAN RESCUE PLAN ACT (ARPA) (FINANCIAL PROJECT NUMBER 449492-1-84-01) IN AN AMOUNT OF UP TO $5,018,855.00; AUTHORIZING NECESSARY BUDGET TRANSFERS AND ADJUSTMENTS; AUTHORIZING THE CITY MANAGER TO EXECUTE NECESSARY DOCUMENTS AND ANY SUBSEQUENT AMENDMENTS THAT MAY INCREASE FUNDING OR MODIFY THE PROJECT SCOPE UPON CONSENT OF THE CITY ATTORNEY; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the American Rescue Plan Act (ARPA) provides financial assistance supporting critical national infrastructure, to respond to the negative economic impacts of the COVID-19 public health emergency, by stabilizing subrecipients (including the Port of Key West) and providing working capital to lay the foundation for a strong and equitable recovery; and

WHEREAS, Coronavirus Fiscal Recovery Grant Funds are available to seaports affected by required closures due to the pandemic. For ports in the State of Florida it was determined that the pandemic generated economic harms totaling $245.7 million dollars, and FDOT calculated the negative economic impact to the Port of Key West to be $5,018,854.94; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the attached "State of Florida Department of Transportation Coronavirus State Fiscal Recovery Funds Subrecipient Grant Agreement" (Financial Project Number 449492-1-84-01/FLAIR 085152) between FDOT and the City for funding through ARPA appropriations is hereby approved in an amount of up to $5,018,855.00 (100% Federal reimbursement of eligible expenses).

Section 2: That upon approval of the Agreement, the City will receive up to a maximum disbursement amount of $5,018,855.00 to be recorded in Budget Account 001-0000-331-9000 (General Fund/Revenue/Other Federal Grants). Expenses will be recorded in the appropriate account as they are developed and approved. Any necessary budget transfers or adjustments are hereby authorized.

Section 3: That the City Manager is authorized to execute the Agreement, and any subsequent amendments that may increase funding or adjust the project(s) scope, upon the advice and consent of the City Attorney.

Section 4: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the Presiding Officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 1st day of March, 2022.

Authenticated by the Presiding Officer and Clerk of the Commission on 2nd day of March, 2022.

Filed with the Clerk on March 2, 2022.

Mayor Teri Johnston	Yes
Vice Mayor Sam Kaufman	Yes
Commissioner Gregory Davila	Yes
Commissioner Mary Lou Hoover	Yes
Commissioner Clayton Lopez	Yes
Commissioner Billy Wardlow	Yes
Commissioner Jimmy Weekley	Yes

TERI JOHNSTON, MAYOR

ATTEST:

CHERYL SMITH, CITY CLERK

THE CITY OF KEY WEST
Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

MEMORANDUM

EXECUTIVE SUMMARY

TO: Patti McLauchlin, City Manager

CC: Todd Stoughton, Assistant City Manager
Christina Bervaldi, Interim Finance Director
Doug Bradshaw, Port and Marine Services Director

FROM: Carolyn Sheldon, Senior Grants Administrator

DATE: February 9, 2022

RE: **Approving the attached "Coronavirus Fiscal Recovery Funds Subrecipient Grant Agreement" with the Florida Department of Transportation (FDOT) in the amount of $5,018,855.00 (FM No. 449492-1-84-01). Authorizing the City Manager to approve and execute the funding agreement and related documents; Authorizing the City Manager to approve and execute subsequent amendments to this funding agreement which may adjust to increase funding allocations to the City or modify the project scope; and authorizing necessary budget amendments and transfers to accept the funding.**

ACTION STATEMENT:
This resolution will approve the attached "Coronavirus Fiscal Recovery Funds Subrecipient Grant Agreement" with the Florida Department of Transportation (FDOT) in the amount of $5,018,855.00 (FM No. 449492-1-84-01). Authorizing the City Manager to approve and execute the funding agreement and related documents; Authorizing the City Manager to approve and execute subsequent amendments to this funding agreement which may adjust to increase funding allocations to the City or modify the project scope; and authorizing necessary budget amendments and transfers to accept the funding.

BACKGROUND:
Florida has fourteen (14) deep-water seaports, geographically disbursed with business operations that generate $117.6 billion positive economic impact. Since the first case of COVID–19 was discovered in the United States in January 2020, the disease has infected tens of millions and killed hundreds of thousands of Americans. As global social distancing became a necessity, transportation sharply reduced, including the movement of cargo and passengers at both domestic and international seaports. Florida seaports have been affected by required closures lasting from March 2020 through June 2021 and resulting economic fallout both domestically and internationally due to the pandemic creating significant economic harms totaling

$245.7 million. To address this, FDOT is providing $250 million of fiscal resources to immediately stabilize seaports and provide working capital to lay the foundation for a strong and equitable recovery.

PURPOSE AND JUSTIFICATION:
Florida seaports revenues are tied to the movement of passengers, cargo, customer service fees, and customer lease agreements. Domestically, from March 2020 through June 2021 (15 months of negative economic impacts), business revenues from the movement of passengers declined nearly -100.0% for some seaports. Using average annual business revenue growth from 2016 to 2019, FDOT calculated the extent of the reduction in business revenue for all 14 seaports which resulted in a negative economic impact of -$245,677,409.13 for all seaports, -$5,018,854.94 for Key West.

$250 million has been allocated among the 14 seaports through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Program established by the American Rescue Plan Act (ARPA) of 2021. Key West's allocation is $5,018,855.00.

Allowable costs include capital expenditures (facility expansions or upgrades) and operating expenses. Table 10 in the attached Subrecipient Grant Agreement lists examples of eligible uses.

STRATEGIC PLAN:
This capital project was planned and was under way prior to the development of the Key West Forward Strategic Plan and its six (6) priorities. Maintaining and improving City assets and infrastructure is continuous and may not be linked to the strategic plan. However, any aspect of the project that through design or engineering can incorporate one or multiple priorities will be implemented.

FINANCIAL IMPACT:
With the approval of the Coronavirus Fiscal Recovery Funds Subrecipient Grant Agreement, the City will receive up to a maximum reimbursement amount of $5,018,855.00 to be budgeted in revenue Account 0010000 3319000 (General Fund / Revenue / Other Federal Grants). Expenses will be budgeted as projects are developed.

RECOMMENDATION:
Staff recommends that the City Commission approve the attached "Coronavirus Fiscal Recovery Funds Subrecipient Grant Agreement" in the amount of $5,018,855.00 (FM No. 449492-1-84-01).

CORONAVIRUS STATE FISCAL RECOVERY FUNDS SUBRECIPIENT GRANT AGREEMENT

Financial Project Number(s): (item-segment-phase-sequence)		Fund(s):	ARPA	FLAIR Category:	085152
449492-1-84-01		Work Activity Code/Function:	215	Object Code:	780000
		Federal Award Identification Number (FAIN):		Org. Code:	55062020629
		Federal Award Date:		Vendor Number:	F596000346036
Contract Number:	C2708	Recipient DUNS Number:			
County Number:	54				
Catalog of Federal Domestic Assistance (CFDA): 21.027, Coronavirus State and Local Fiscal Recovery Funds					

THIS SUBRECIPIENT GRANT AGREEMENT ("Agreement") is entered into this _____ day of 3/17/2022 | 4:59 PM EDT, 2022 (the "Effective Date"), between the State of Florida, Department of Transportation, an agency of the State of Florida (the "Department"), and Port of Key West, City Of Key West (the "Sub-recipient") (each a "Party" and collectively, the "Parties").

The Parties agree as follows:

1. **Authority:** The Department is authorized to enter into this Agreement pursuant to Chapter 2021-36 Laws of Florida (Senate Bill No. 2500). The Sub-recipient by Resolution or other form of official authorization, a copy of which is attached as **Exhibit D, Sub-recipient Resolution** and made a part of this Agreement, has authorized its officers to execute this Agreement on its behalf.

2. **Purpose of Agreement.** The purpose of this Agreement is to provide a subaward of the Coronavirus State Fiscal Recovery Fund established under the American Rescue Plan Act of 2021 (ARPA) to respond to the negative economic impacts of the COVID-19 public health emergency, by stabilizing the Sub-recipient and provide working capital to lay the foundation for a strong and equitable recovery (the "Project"). The Project is more particularly described in **Exhibit A, Project Description and Responsibilities** to this Agreement.

3. **The Project.** The Sub-recipient agrees to perform and complete the Project in a satisfactory, timely and proper manner in accordance with all applicable laws and the terms and conditions of this Agreement. **Exhibit A** describes the scope of work to be performed by the Sub-recipient and provides a proposed schedule for the completion of the Project. The Project scope in **Exhibit A** identifies the ultimate project deliverables. Deliverables for requisition, payment and invoice purposes will be the incremental progress made toward completion of Project scope elements. All Project activities must be consistent with the scope described in **Exhibit A**. An amendment to this Agreement is required for any proposed change in the scope of work.

4. **Term of Agreement.** The term of this Agreement and the period for performance of the Project under this Agreement extends from the Effective Date through December 31, 2024 (the "Completion Date"). If the Sub-recipient does not complete the Project on or before the Completion Date, this Agreement will expire, unless the Completion Date is extended by an executed amendment to this Agreement. Expiration of this Agreement will be considered termination of the Project.

5. **Project Funding and Budget.**

a. **Project Cost.** The estimated cost of the Project is $5,018,855 (the "Project Estimate"), and is allocated among the Project activities in **Exhibit B, Schedule of Financial Assistance**. An amendment to the grant agreement is required for any re-budgeting of Project funds provided under this Agreement.

b. **Department Subaward.** Under this Agreement, the Sub-recipient, a non-federal entity, is the subrecipient of the Coronavirus State Fiscal Recovery Funds awarded under ARPA. The Department will provide financial assistance for the Project up to the maximum amount of the federally funded subaward made under this Agreement, $5,018,855 (the "Maximum Federal Financial Assistance"), as more specifically detailed in **Exhibit B**, in accordance with the terms and conditions of this Agreement. Any terms and conditions that are specific to this subaward are attached as **Exhibit A**, and shall control over any inconsistent provisions in the body of this Agreement or the other exhibits attached to this Agreement.

c. **Matching Funds.** The Sub-recipient agrees to provide all matching funds required under the terms of the federal grant. The eligibility and use of matching funds shall be governed by applicable federal law, regulations and guidance. The Sub-recipient is also responsible for all costs required to complete the Project that exceed the Project Estimate. The Sub-recipient shall take all actions required for the Sub-recipient to provide the necessary funds for the Project. The Department will have no responsibility for any Project costs in excess of the Maximum Federal Financial Assistance.

d. **Eligible Costs.** Financial assistance provided by the Department under this Agreement will only be available for eligible project costs as specifically detailed in **Exhibit A**, and prior to termination or expiration of this Agreement.

e. **Ineligible Costs.** In determining the amount of any payment, the Department will exclude all Project costs incurred after the expiration of the Agreement, costs which are not provided for in the latest approved schedule of financial assistance in **Exhibit B** for the Project, costs agreed to be borne by the Sub-recipient or its contractors and subcontractors for not meeting the Project commencement and final invoice time lines, and costs attributable to goods or services received under a contract or other arrangements which have not been approved in writing by the Department. The federal funds awarded under this Agreement will not be provided for any cost not incurred in accordance with applicable federal and state laws, regulations and grant program requirements. If the federal government of the United States or the Department determines that any cost claimed is not eligible, the Department will notify the Sub-recipient. The notification will identify the items and amounts not eligible for reimbursement with federal financial assistance and the reason the items and amount are not eligible. If the Sub-recipient is not in compliance with requirements of this Agreement, but such non-compliance is correctable during the term of this Agreement, financial assistance may be withheld by the Department until the non-compliance is corrected. If the Sub-recipient's non-compliance is not correctable during the term of this Agreement, the Department may deny use of federal funds, in whole or in part. If as a result of the Sub-recipient's failure to comply with the terms of this Agreement the federal government of the United States determines that federal financial assistance will no longer be available for the Project: (i) the Department is authorized to discontinue federal financial assistance for the Project under this Agreement; and (ii) the Department is not required to provide any additional state financial assistance for the Project. A determination by federal government of the United States that federal financial assistance is no longer available for the Project is final. The Sub-recipient waives any right to contest a discontinuance of financial assistance under this Agreement if federal government of the United States determines federal financial assistance is no longer available.

f. **No Federal Obligation.** This Agreement is financed by federal funds. However, payments to the Sub-recipient will be made by the Department. The United States is not a party to this Agreement and no reference in this Agreement, to the United States, U.S. Department of Transportation (USDOT), federal government of the United States or any representatives of the federal government makes the United States a party to this Agreement.

g. **Subaward Contingent on Federal Funding.** The Sub-recipient acknowledges and agrees that the Department's payment of funds under this Agreement is contingent on the Department receiving the funds from the federal government of the United States. If, for any reason, the federal government of the United States reduces the amount of federal funds available for this subaward, or otherwise fails to pay part of the cost or expense of the Project in this Agreement, only outstanding incurred costs within the limits of federal government of the United States provided financial assistance shall be eligible for reimbursement.

h. **Repayment of Grant Funds.** Upon a finding by federal government of the United States, or the Department in lieu of federal government of the United States, that the Sub-recipient has made an unauthorized or undocumented use of grant funds, or that any Project costs are ineligible for federal reimbursement, and upon a written demand for repayment issued by the Department, the Sub-recipient shall repay such amounts to the Department within 40 days of written demand. The Sub-recipient shall also repay any other grant funds received by the Sub-recipient under this Agreement in excess of the amount to which the Sub-recipient is entitled. Such funds shall be repaid to the Department within 40 days of written demand.

i. **Reversion of Unexpended Grant Funds.** All funds granted by the Department under this Agreement that have not been expended for Project activities during the term of this Agreement shall revert to the Department.

6. Invoices.

a. **Requests for Reimbursement.** In order to obtain any of the federal funds available from the Department under this Agreement, the Sub-recipient shall file with the Department Grant Manager its request for reimbursement and any other information regarding to the Project and the Project Accounts (defined below) required to justify and support the payment request. Payment requests must include a certification, signed by an official who is authorized to legally bind the Sub-recipient, which reads as follows:

> "By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729–3730 and 3801–3812)."

In the event the failure to timely submit invoices to the Department results in federal government of the United States removing any unbilled financial assistance or the loss of state appropriation authority, the Sub-recipient will be solely responsible to provide all funds necessary to complete the Project and the Department will not be obligated to provide any additional financial assistance for the Project.

b. **Deliverables and Supporting Documentation.** Requests for reimbursement or advance payment by the Sub-recipient shall include an invoice and supporting documentation for the period of work being billed that are acceptable to the Department. The Sub-recipient shall use the format for the invoice that is approved by the Department. Approved invoice formats are found in **Exhibit F, Project Invoice Form**. Invoices shall be submitted by the Sub-recipient in detail sufficient for a proper pre-audit and post-audit based on the quantifiable, measurable and verifiable units of deliverables identified in **Exhibit A**. Supporting documentation must substantiate the amount of progress made on the Project in a quantifiable, measurable, and verifiable manner, and provide evidence that the payment requested is commensurate with the accomplished incremental progress and costs incurred by the Sub-recipient. Supporting documentation must also establish to the Department Grant Manager's satisfaction that deliverables were received and accepted in writing by the Sub-recipient and must also establish that the required minimum level of service to be performed and criteria for evaluating successful completion have been met.

c. **Travel Expenses.**

☒ Travel expenses are NOT eligible for reimbursement under this Agreement.

☐ Travel expenses ARE eligible for reimbursement under this Agreement.

Bills for travel expenses specifically authorized in this Agreement shall be submitted on the Department's Contractor Travel Form No. 300-000-06 and will be paid in accordance with Section 112.061, Florida Statutes and the most current version of the Disbursement Handbook for Employees and Managers.

d. **Final Invoice.** The Sub-recipient must submit its final invoice and request for reimbursement for the Project to the Department within 120 days after the Completion Date, or completion of the Project if earlier. Invoices submitted after the 120-day time period may not be paid.

7. Provision of Subaward Funds.

a. **Payments and Withholding.** Subject to other provisions of this Agreement, the Department will reimburse the Sub-recipient for eligible project costs, up to the amount of the Maximum Federal Financial

Assistance. Notwithstanding any other provision of this Agreement, the Department may elect by written notice not to make a payment if:

i. The Department determines that the Sub-recipient has misrepresented a material fact in any documents submitted to obtain the subaward of federal funds made under this Agreement, or any document or data furnished with its application or pursuant to this Agreement;

ii. There is any pending litigation with respect to the performance by the Sub-recipient of any of its duties or obligations which may jeopardize or adversely affect the Project, the Agreement or payments for the Project;

iii. The Sub-recipient takes any action on the Project which, under this Agreement, requires the approval of the Department or makes a related expenditure or incurs related obligations without Department approval when required;

iv. There has been any violation of the conflict of interest provisions contained in this Agreement; or

v. The Department determines the Sub-recipient is otherwise in default under any provisions of this Agreement.

b. Reimbursement Basis. Payment shall be made only after receipt and approval of deliverables and costs incurred unless advance payments are authorized by the Chief Financial Officer of the State of Florida under Chapters 215 and 216, Florida Statutes or the Department's Comptroller under Section 334.044(29), Florida Statutes. Advance payment is authorized for this Agreement and **Exhibit B2, Advance Payment Financial Provisions** is attached and incorporated into this Agreement.

c. Financial Consequences for Unsatisfactory Performance. If the Department determines that the performance of the Sub-recipient is unsatisfactory, the Department shall notify the Sub-recipient of the deficiency to be corrected, which correction shall be made within a time-frame to be specified by the Department. The Sub-recipient shall, within five (5) days after notice from the Department, provide the Department with a corrective action plan describing how the Sub-recipient will address all issues of contract non-performance, unacceptable performance, failure to meet the minimum performance levels, deliverable deficiencies, or contract non-compliance. If the corrective action plan is unacceptable to the Department, the Sub-recipient will not be reimbursed to the extent of the non-performance. The Sub-recipient will not be reimbursed until the Sub-recipient resolves the deficiency. If the deficiency is subsequently resolved, the Sub-recipient may bill the Department for the unpaid reimbursement request(s) during the next billing period. If the Sub-recipient is unable to resolve the deficiency, the funds shall be forfeited at the end of the term of this Agreement.

d. Florida Prompt Payment Law. The Sub-recipient should be aware of the following time frames.

i. The Department has 20 days to deliver a request for payment (voucher) to the Department of Financial Services. The 20 days are measured from the <u>later</u> of the date the invoice is received or the date the goods or services are received, inspected, and approved. Approval and inspection of goods or services shall take no longer than 20 days following the receipt of a complete and accurate invoice.

ii. If a payment is not available within 40 days, then a separate interest penalty at a rate established pursuant to Section 55.03(1), Florida Statutes, will be due and payable, in addition to the invoice amount, to the Sub-recipient. The 40 days are measured from the <u>later</u> of the date the invoice is received or the date the goods or services are received, inspected, and approved. Interest penalties of less than one (1) dollar will not be enforced unless the Sub-recipient requests payment. Invoices that have to be returned to the Sub-recipient because of Sub-recipient preparation errors will result in a delay in the payment. The invoice payment requirements do not start until a properly completed invoice is provided to the Department. A Vendor Ombudsman has been established within Department of Financial Services. The duties of this individual include acting as an advocate for Agencies who may be experiencing

problems in obtaining timely payment(s) from the Department. The Vendor Ombudsman may be contacted at (850) 413-5516.

e. **Offsets.** If, after Project completion, any claim is made by the Department resulting from an audit or for work or services performed pursuant to this Agreement, the Department may offset the amount claimed from payments due for work or services under any other agreement it has with the Sub-recipient if, upon demand, payment of the claimed amount is not made within 60 days to the Department. Offsetting any amount pursuant to this paragraph shall not be considered a breach of contract by the Department.

f. **Appropriation Contingency.** The Department's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature and the availability of the federal financial assistance awarded to the Sub-recipient under this Agreement.

g. **Multi-year Contracts.** In the event this Agreement is in excess of $25,000 and has a term for a period of more than one year, the provisions of Section 339.135(6)(a), Florida Statutes, are hereby incorporated:

> "The Department, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The Department shall require a statement from the comptroller of the Department that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years, and this paragraph shall be incorporated verbatim in all contracts of the Department which are for an amount in excess of $25,000 and which have a term for a period of more than 1 year."

8. Records.

a. **Project Records.** The Sub-recipient shall establish for the Project, consistent with the Department's program guidelines/procedures and "Principles for State and Local Governments", 2 Code of Federal Regulations ("CFR") Part 225, separate accounts to be maintained within its existing accounting system or separate independent accounts ("Project Accounts"). The Sub-recipient shall charge to the Project Accounts all eligible costs of the Project except costs agreed to be borne by the Sub-recipient or its contractors and subcontractors. All costs recorded in the Project Accounts shall be supported by properly executed payrolls, time records, invoices, contracts or vouchers evidencing in proper detail the nature and propriety of charges.

b. **Project Costs.** Records of costs incurred under terms of this Agreement shall be maintained in the Project Accounts and made available upon request to the Department at all times during the period of this Agreement and for five (5) years after final payment is made for the applicable state fiscal year, or such longer period as may be required by applicable law. Copies of these documents and records shall be furnished to the Department and federal government of the United States upon request. Records of costs incurred include the Sub-recipient's general accounting records and the Project records, together with supporting documents and records of the Sub-recipient and all contractors and subcontractors performing work on the Project. If any litigation, claim, or audit is started before the expiration of the required retention period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

c. **Reports.** The Sub-recipient shall submit to the Department such data, reports, records, contracts and other documents relating to the Project as the Department or federal government of the United States may require, including those documents listed in **Exhibit A** to this Agreement. The Department may, at its discretion, require a progress report on a monthly basis. The progress report will include details of the progress of the Project towards meeting the requirements of the Agreement.

d. **Federal Requirements.** The Sub-recipient agrees to maintain property records, conduct physical inventories and develop control systems as required by 2 CFR Part 200, when applicable. In addition to the

requirements of section 8, the Sub-recipient shall comply with the record retention requirements of 2 CFR 200.333, as amended or replaced from time to time.

e. **Right-of-Way.** For any project requiring additional right-of-way, the Sub-recipient must submit to the Department an annual report of its real property acquisition and relocation assistance activities on the project. Activities shall be reported on a federal fiscal year basis, from October 1 through September 30. The report must be prepared using the format prescribed in 49 CFR Part 24, Appendix B, and be submitted to the Department no later than October 15 of each year. Upon completion of right-of-way activities on the Project, the Sub-recipient must certify compliance with all applicable federal and state requirements. Certification is required prior to advertisement for or solicitation of bids for construction of the Project.

9. Audits. The administration of resources awarded through the Department to the Sub-recipient by this Agreement may be subject to audits and/or monitoring by the Department. The following requirements do not limit the authority of the Department to conduct or arrange for the conduct of additional audits or evaluations of Federal awards or limit the authority of any State agency inspector general, the State of Florida Auditor General or any other State official. The Sub-recipient shall comply with all audit and audit reporting requirements as specified below:

a. In addition to reviews of audits conducted in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, and section 215.97 Florida Statutes, monitoring procedures may include but not be limited to on-site visits by Department staff, limited scope audits as defined by 2 CFR 200.425, and/or other procedures including, reviewing any required performance and financial reports, following up, ensuring corrective action, and issuing management decisions on weaknesses found through audits when those findings pertain to Federal awards provided through the Department by this Agreement. By entering into this Agreement, the Sub-recipient agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the Department. In the event the Department determines that a limited scope audit of the Sub-recipient is appropriate, the Sub-recipient agrees to comply with any additional instructions provided by Department staff to the Sub-recipient regarding such audit. The Sub-recipient further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Department, State of Florida Chief Financial Officer (CFO) or State of Florida Auditor General.

b. The Sub-recipient, a non-Federal entity as defined by 2 CFR Part 200, Subpart F – Audit Requirements as a subrecipient of a Federal award awarded by the Department through this Agreement is subject to the following requirements:

i. In the event the Sub-recipient expends a total amount of Federal awards equal to or in excess of the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, the Sub-recipient must have a Federal single or program-specific audit for such fiscal year conducted in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements. **Exhibit E, Federal Financial Assistance (Single Audit Act)** to this Agreement identifies the Federal resources awarded through the Department by this Agreement. In determining Federal awards expended in a fiscal year, the Sub-recipient must consider all sources of Federal awards, including Federal award resources received from the Department. The determination of amounts of Federal awards expended should be in accordance with the guidelines established in 2 CFR §§200.502-503, as amended. An audit of the Sub-recipient conducted by the State of Florida Auditor General in accordance with the provisions of 2 CFR §200.514, will meet the requirements of this part.

ii. In connection with the audit requirements, the Sub-recipient shall fulfill the requirements relative to the auditee responsibilities as provided in 2 CFR §§200.508-512, as amended.

iii. In the event the Sub-recipient expends less than the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, in Federal awards, the Sub-recipient is exempt from Federal audit requirements for that fiscal year. However, the Sub-recipient must provide a single audit exemption statement to the Department at FDOTSingleAudit@dot.state.fl.us no later than nine months after the end of the Sub-recipient's audit period for each applicable audit year. In the event the Sub-recipient expends less than the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, in Federal awards

in a fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements, the cost of the audit must be paid from non-Federal resources (i.e., the cost of such an audit must be paid from the Sub-recipient's resources obtained from other than Federal entities).

iv. Copies of reporting packages for audits conducted in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, and required by this section, shall be submitted, when required by 2 CFR §200.512, by or on behalf of the Sub-recipient directly to the Federal Audit Clearinghouse (FAC) as provided in 2 CFR §200.36 and §200.512. The FAC's website provides a data entry system and required forms for submitting the single audit reporting package. Updates to the location of the FAC and data entry system may be found at the OMB website. The FAC is the repository of record for audits required by 2 CFR Part 200, Subpart F – Audit Requirements, and this Agreement. However, the Department requires a copy of the audit reporting package also be submitted to FDOTSingleAudit@dot.state.fl.us within the earlier of 30 calendar days after receipt of the auditor's report(s) or nine months after the end of the audit period as required by 2 CFR Part 200, Subpart F – Audit Requirements.

v. Within six months of acceptance of the audit report by the FAC, the Department will review the Sub-recipient's audit reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate action on all deficiencies has been taken pertaining to the Federal award provided through the Department by this Agreement. If the Sub-recipient fails to have an audit conducted in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, the Department may impose additional conditions to remedy noncompliance. If the Department determines that noncompliance cannot be remedied by imposing additional conditions, the Department may take appropriate actions to enforce compliance, which actions may include, but are not limited to, the following:

(a) Temporarily withhold cash payments pending correction of the deficiency by the Sub-recipient or more severe enforcement action by the Department;
(b) Disallow (deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;
(c) Wholly or partly suspend or terminate the Federal award;
(d) Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and Federal awarding agency regulations (or in the case of the Department, recommend such a proceeding be initiated by the Federal awarding agency);
(e) Withhold further Federal awards for the Project or program;
(f) Take other remedies that may be legally available.

vi. As a condition of receiving this Federal award, the Sub-recipient shall permit the Department, or its designee, the CFO or State of Florida Auditor General access to the Sub-recipient's records including financial statements, the independent auditor's working papers and project records as necessary. Records related to unresolved audit findings, appeals or litigation shall be retained until the action is complete or the dispute is resolved.

vii. Copies of financial reporting packages required by this section shall be submitted by or on behalf of the Sub-recipient <u>directly</u> to each of the following:

The Department at the following address:

Office of Comptroller, MS 24
605 Suwannee Street
Tallahassee, Florida 32399-0450
FDOTSingleAudit@dot.state.fl.us

The Auditor General's Office at the following address:

Auditor General

Local Government Audits/342
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, Florida 32399-1450

The Auditor General's website (https://flauditor.gov/) provides instructions for filing an electronic copy of a financial reporting package.

viii. Any reports or other information required to be submitted to the Department pursuant to this Agreement shall be submitted timely in accordance with 2 CFR §200.512, section 215.97, Florida Statutes, and Chapters 10.550 (local government entities) and 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

ix. The Sub-recipient, when submitted financial reporting packages to the Department for audits done in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, or Chapters 10.550 (local government entities) and 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the Sub-recipient in correspondence accompanying the reporting package.

c. The Sub-recipient shall retain sufficient records demonstrating its compliance with the terms of the award and this Agreement for a period of five years from the date the audit report is issued and shall allow the Department, or its designee, the CFO or State of Florida Auditor General access to such records upon request. The Sub-recipient shall ensure that the audit working papers are made available to the Department, or its designee, the CFO, or State of Florida Auditor General upon request for a period of five years from the date the audit report is issued unless extended in writing by the Department. The Sub-recipient shall further permit access to all Project records by the Secretary and Inspector General of the federal government of the United States and the Comptroller General of the United States, or their designees.

d. The Sub-recipient shall permit, and shall require its contractors to permit, the Department's and federal government of the United States' authorized representatives to access the Project site; inspect all work, materials, payrolls, and records; and to audit the books, records and accounts pertaining to the financing and development of the Project.

10. Termination and Suspension.

a. Generally. If: (i) the Sub-recipient abandons or, before the end of the state fiscal year for which financial assistance for the Project is provided under this Agreement, finally discontinues the Project; (ii) the Sub-recipient fails to comply with applicable law or the terms of this Agreement; or (iii) for any other reason, the commencement, prosecution, or timely completion of the Project by the Sub-recipient is rendered improbable, infeasible, impossible, or illegal, the Department may, by written notice to the Sub-recipient, suspend any or all of its obligations under this Agreement until such time as the event or condition resulting in such suspension has ceased or been corrected, or the Department may terminate any or all of its obligations under this Agreement. Termination of this Agreement shall be governed by the provisions of 2 CFR Part 200.

b. Actions Upon Termination or Suspension. Upon receipt of any final termination or suspension notice from the Department, the Sub-recipient shall proceed promptly to carry out the actions required in such notice, which may include any or all of the following: (1) necessary action to terminate or suspend, as the case may be, Project activities and contracts and such other action as may be required or desirable to keep to the minimum the costs upon the basis of which the financing is to be computed; (2) furnish a statement of the Project activities and contracts, and other undertakings the cost of which are otherwise includable as Project costs; and, (3) remit to the Department such portion of the financing and any advance payment previously received as is determined by the Department to be due under the provisions of the Agreement. The termination or suspension shall be carried out in conformity with the latest schedule, plan, and budget as approved by the Department or upon the basis of terms and conditions imposed by the Department upon the failure of the Sub-recipient to furnish the schedule, plan, and budget within a reasonable

time. The approval of a remittance by the Sub-recipient shall not constitute a waiver of any claim which the Department may otherwise have arising out of this Agreement.

11. Contracts of the Sub-recipient.

a. Approval Required. Except as otherwise authorized in writing by the Department, the Sub-recipient shall not execute any contract or obligate itself in any manner requiring the disbursement of Department funds, including consultant or construction contracts or amendments thereto, with any third party with respect to the Project without the written approval of the Department. Failure to obtain such approval shall be sufficient cause for nonpayment by the Department. The Department specifically reserves the right to review the qualifications of any consultant or contractor and to approve or disapprove the employment of such consultant or contractor.

b. Consultant Services. The Sub-recipient acknowledges and agrees that any Project consultant contract for engineering, architecture or surveying services must be procured in compliance with the provisions of Chapter 287.055, Florida Statutes, Consultants' Competitive Negotiation Act, and the federal Brooks Act, 23 CFR 172, and 23 U.S.C. 112. At the discretion of the Department, the Sub-recipient will involve the Department in the consultant selection process for all applicable project agreements funded under this Agreement. In all cases, the Sub-recipient's attorney shall certify to the Department that selection has been accomplished in compliance with Chapter 287.055, Florida Statutes, the Consultants' Competitive Negotiation Act and the federal Brooks Act.

c. Compliance with Federal Requirements. The Sub-recipient shall comply with, and require its consultants and contractors to comply with applicable federal law pertaining to the use of federal-aid funds. The Sub-recipient shall comply with and include the applicable provisions described in Appendix II to 2 CFR Part 200 — Contract Provisions for non-Federal Entity Contracts Under Federal Awards — in each contract it enters into for the Project.

d. Preference for State Residents. If the Project is procured pursuant to Chapter 255, Florida Statutes, for construction services and at the time of the competitive solicitation for the Project fifty (50) percent or more of the cost of the Project is to be paid from state-appropriated funds, the Sub-recipient must comply with the requirements of Section 255.099(1), Florida Statutes. However, for all Project work eligible for reimbursement with the federally funded subaward under this Agreement, this paragraph may not be enforced in such a manner as to conflict with or be contrary to federal law prescribing a labor preference to honorably discharged soldiers, sailors, or marines, or prohibiting as unlawful any other preference or discrimination among the citizens of the United States.

e. Force Account Work, Indirect Costs.

☒ If this box is checked, the Sub-recipient is permitted to utilize its own forces in performing the Project. If the Sub-recipient proceeds with any phase of the Project utilizing its own forces, the Sub-recipient will only be reimbursed for direct costs (this excludes general overhead).

☐ If this box is checked, the Sub-recipient will seek reimbursement for indirect program expenses allowable under 2 CFR Par 200 (select one):

- ☐ The Sub-recipient has elected to seek reimbursement from the Department for actual indirect expenses (no rate).
- ☐ The Sub-recipient has elected to apply a de minimis rate of 10% of modified total direct costs in the manner described in 2 CFR 200.414. [The de minimis rate is available only to entities that have never had a negotiated indirect cost rate. When selected, the de minimis rate must be used consistently for all federal awards until such time the Sub-recipient chooses to negotiate a rate. A cost policy statement and de minimis certification form must be submitted to the Department for review and approval.]
- ☐ The Sub-recipient has elected to apply a federally approved indirect cost rate based on a federally approved rate agreement.

f. **Claims and Requests for Additional Work.** The Sub-recipient shall have sole responsibility for resolving claims and requests for additional work for the Project. The Sub-recipient will make best efforts to obtain the Department's input in its decisions. The Department is not obligated to reimburse for claims or requests for additional work.

g. The Sub-recipient shall require its consultants and contractors to take emergency steps to close any public road whenever there is a risk to life, health and safety of the travelling public. The safety of the travelling public is the Department's first priority for the Sub-recipient . If lane or road closures are required by the Sub-recipient to ensure the life, health, and safety of the travelling public, the Sub-recipient must notify the District Construction Engineer and District Traffic Operations Engineer immediately once the travelling public are not at imminent risk. The Department expects professional engineering judgment be applied in all aspects of locally delivered projects. Defect management and supervision of the Project's structures components must be proactively managed, monitored, and inspected by department prequalified structures engineer(s). The District Construction Engineer must be notified immediately of defect monitoring that occurs in Sub-recipient's project construction, whether or not the defects are considered an imminent risk to life, health, or safety of the travelling public. When defects, including but not limited to, structural cracks, are initially detected during bridge construction, the engineer of record, construction engineering inspector, design-build firm, or local agency that owns or is responsible for the bridge construction has the authority to immediately close the bridge to construction personnel and close the road underneath. The Sub-recipient shall also ensure compliance with the CPAM, Section 9.1.8 regarding actions for maintenance of traffic and safety concerns.

12. **Disadvantaged Business Enterprise (DBE) Policy and Obligation.** It is the policy of the Department that DBE's, as defined in 49 CFR Part 26, as amended, shall have the opportunity to participate in the performance of contracts financed in whole or in part under this Agreement. The DBE requirements of applicable federal and state laws and regulations apply to this Agreement. The Sub-recipient and its contractors agree to ensure that DBE's have the opportunity to participate in the performance of this Agreement. The Sub-recipient and its contractors shall take all necessary and reasonable steps in accordance with applicable federal and state laws and regulations to ensure that the DBE's have the opportunity to compete for and perform contracts. The Sub-recipient and its contractors and subcontractors shall not discriminate on the basis of race, color, national origin or sex in the award and performance of contracts, entered pursuant to this Agreement.

13. **Project Property.**

a. **Federal Requirements.** The title, acquisition, use, management, and disposition of all property acquired or constructed with grant funds under this Agreement shall be governed by applicable federal law, rule, and guidance including without limitation, the provisions of 2 CFR Part 200.

b. **Tangible Personal Property.** This Agreement does not involve the purchase of Tangible Personal Property, as defined in Chapter 273, Florida Statutes.

c. **Disposal.** If the Sub-recipient disposes of any Project facility or equipment, acquired in whole or in part with the federal financial assistance provided under this Agreement, during its useful life for any purpose except its replacement with like facility or equipment for public transportation use, the Sub-recipient will comply with the terms of 2 CFR Part 200 relating to property management standards. Except as otherwise provided in 2 CFR Part 200, the Sub-recipient agrees to remit to the Department a proportional amount of the proceeds from the disposal of such facility or equipment. Such proportional amount shall be determined on the basis of the ratio of the Department financing of the facility or equipment provided under this Agreement to the total cost of such facility or equipment. Sale of Project property developed or acquired with Department funds shall be at market value as determined by appraisal or public bidding process, and the contract and process for sale must be approved in advance by the Department. If any portion of the proceeds from the sale to the Sub-recipient are non-cash consideration, reimbursement to the Department shall include a proportional amount based on the value of the non-cash consideration. The Sub-recipient must remit such proportional amount to the Department within ninety (90) days after the official date of disposal. The terms of this paragraph shall remain in full force and effect throughout the useful life of facilities developed, equipment acquired, or Project items acquired, construed or installed with the

proceeds of the subaward provided under this Agreement, except that the terms of this paragraph shall have unlimited duration with respect to real property acquired with the proceeds of the subaward provided under this Agreement.

14. Restrictions, Prohibitions, Controls, and Labor Provisions. During the performance of this Agreement, the Sub-recipient agrees as follows, and shall require the following provisions to be included in each contract and subcontract entered into pursuant to this Agreement:

a. Convicted Vendors. A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

b. Discriminatory Vendors. In accordance with Section 287.134, Florida Statutes, an entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity.

c. Certificates of Qualification. An entity or affiliate who has had its Department issued certificate of qualification suspended, revoked, denied or have further been determined by the Department to be a non-responsible contractor or consultant may not submit a bid or perform work on a contract with the Sub-recipient, including the design, construction or repair of a public building or public work.

d. Code of Conduct. The Sub-recipient has established, and will maintain, a written code or standard of conduct applicable to its officers, employees, board members or agents, and those individuals' relatives, that prohibits their involvement in the selection, award, or administration of any contract in connection with the Project if they have a present or potential financial or other significant interest therein and prohibits the acceptance of any gratuity, favor, or other thing of monetary value from any person interested or involved in the performance of work on the Project.

e. Debarment and Suspension. The Sub-recipient must comply with the provisions in 2 CFR Part 180 OMB Guidelines to Agencies on Government Debarment and Suspension (Non-procurement) and 2 CFR Part 1200 DOT Non-procurement Suspension and Debarment. These provisions restrict federal awards, subaward and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in federal programs or activities. The Sub-recipient shall not enter into any arrangement to participate in the development or implementation of the Project with any person or entity that is debarred or suspended except as authorized by applicable Federal law and regulations. If required by applicable federal law and regulations, the Sub-recipient will review the U.S. GSA System of Award Management at https://www.sam.gov. The Sub-recipient shall include the requirements of this paragraph in each of its contracts related to the Project and shall require its contractors and consultants to include similar requirements in each of their contracts related to the Project. Execution of this Agreement constitutes a certification that the Sub-recipient is in compliance with, and will require its contractors and subcontractors to comply with, all requirements imposed by applicable federal, state, and local laws and regulations, including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions," in 49 CFR Part 29, and 2 CFR Part 200 when applicable.

f. Human Trafficking. The Sub-recipient shall include a provision in each contract it enters into with a private entity in connection with the Project by which the Sub-recipient's contractor agrees that it and its employees that perform any work on the Project shall not, during the term of this Agreement, engage in trafficking in persons, procure a commercial sex act, or use forced labor in the performance of work on the Project.

g. **Unauthorized Aliens.** The Department shall consider the employment by the Sub-recipient of unauthorized aliens a violation of Section 274A(e) of the Immigration and Nationality Act. If the Sub-recipient knowingly employs unauthorized aliens, such violation will be cause for unilateral cancellation of this Agreement.

h. **Contract Work Hours and Safety Standards.** Where applicable, all contracts funded under this Agreement in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

i. **E-Verify.** The Sub-recipient shall:

i. Utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the Sub-recipient during the term of the Agreement; and

ii. Expressly require any contractors and subcontractors performing work or providing services pursuant to the Agreement to likewise utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the contractor or subcontractor during the Agreement term; and

iii. Adhere to requirements in section 448.095, Florida Statutes.

15. Indemnification and Insurance.

a. **Indemnification.** It is specifically agreed between the Parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to create in the public or any member thereof, a third-party beneficiary under this Agreement, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement. The Sub-recipient guarantees the payment of all just claims for materials, supplies, tools, or labor and other just claims against the Sub-recipient or any subcontractor, in connection with this Agreement. Additionally, to the extent permitted by law and as limited by and pursuant to the provisions of Section 768.28, Florida Statutes, the Sub-recipient shall indemnify, defend, and hold harmless the Department, including the Department's officers and employees, from liabilities, damages, losses, and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness, or intentional wrongful misconduct of the Sub-recipient and persons employed or utilized by the Sub-recipient in the performance of this Agreement. Nothing contained in this paragraph is intended to nor shall it constitute a waiver of the Department's or Sub-recipient's sovereign immunity, nor shall the same be construed to constitute agreement by Sub-recipient to indemnify the Department for the negligent acts or omissions of the Department, its officers, agents, or employees, or for the acts of third parties. This indemnification shall survive the termination of this Agreement.

b. **Sub-recipient Contracts.** Sub-recipient agrees to include the following indemnification clause in all contracts with contractors, subcontractors, consultants, or subconsultants who perform work in connection with this Agreement (modified to appropriately identify the parties):

"The Sub-recipient's contractor/consultant shall indemnify, defend, and hold harmless the Sub-recipient and the State of Florida, Department of Transportation, including the Department's officers and employees, from liabilities, damages, losses and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the

negligence, recklessness or intentional wrongful misconduct of the contractor/consultant and persons employed or utilized by the contractor/consultant in the performance of this Agreement.

The foregoing indemnification shall not constitute a waiver of the Department's or the Sub-recipient's sovereign immunity. Nor shall the same be construed to constitute agreement by Sub-recipient's contractor/subconsultant to indemnify the Sub-recipient for the negligent acts or omissions of the Sub-recipient, its officers, agents, or employees, or for the acts of third parties. Nor shall the same be construed to constitute agreement by Sub-recipient's contractor/subconsultant to indemnify the Department for the negligent acts or omissions of the Department, its officers, agents, or employees, or for the acts of third parties.

This indemnification shall survive the termination of this Agreement."

c. **Workers' Compensation.** The Sub-recipient shall provide Workers' Compensation Insurance in accordance with Florida's Workers' Compensation law for all employees. If contracting for any of the work, the Sub-recipient shall ensure that its contractors have Workers' Compensation Insurance for their employees in accordance with Florida's Workers' Compensation law. If using "leased employees" or employees obtained through professional employer organizations ("PEO's"), the Sub-recipient shall ensure that such employees are covered by Workers' Compensation insurance through the PEO's or other leasing entities. Ensure that any equipment rental agreements that include operators or other personnel who are employees of independent contractors, sole proprietorships or partners are covered by insurance required under Florida's Workers' Compensation law.

d. **General Liability.** If the Sub-recipient elects to self-perform the Project, and such self-performance is approved by the Department in accordance with the terms of this Agreement, the Sub-recipient may self-insure and proof of self-insurance shall be provided to the Department. If the Sub-recipient elects to hire a contractor or consultant to perform the Project, then the Sub-recipient shall, or cause its contractor or consultant to carry Commercial General Liability insurance providing continuous coverage for all work or operations performed under the Agreement. Such insurance shall be no more restrictive than that provided by the latest occurrence form edition of the standard Commercial General Liability Coverage Form (ISO Form CG 00 01) as filed for use in the State of Florida. Sub-recipient shall, or cause its contractor to cause the Department to be made an Additional Insured as to such insurance. Such coverage shall be on an "occurrence" basis and shall include Products/Completed Operations coverage. The coverage afforded to the Department as an Additional Insured shall be primary as to any other available insurance and shall not be more restrictive than the coverage afforded to the Named Insured. The limits of coverage shall not be less than $1,000,000 for each occurrence and not less than a $5,000,000 annual general aggregate, inclusive of amounts provided by an umbrella or excess policy. The limits of coverage described herein shall apply fully to the work or operations performed under the Agreement, and may not be shared with or diminished by claims unrelated to the Agreement. The policy/ies and coverage described herein may be subject to a deductible and such deductibles shall be paid by the Named Insured. No policy/ies or coverage described herein may contain or be subject to a Retention or a Self-Insured Retention unless the Sub-recipient is a state agency or subdivision of the State of Florida that elects to self-perform the Project. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, the Department shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The Department shall be notified in writing within ten days of any cancellation, notice of cancellation, lapse, renewal, or proposed change to any policy or coverage described herein. The Department's approval or failure to disapprove any policy/ies, coverage, or ACORD Certificates shall not relieve or excuse any obligation to procure and maintain the insurance required herein, nor serve as a waiver of any rights or defenses the Department may have.

e. **Railroad Protective Liability.**When the Agreement includes the construction of a railroad grade crossing, railroad overpass or underpass structure, or any other work or operations within the limits of the railroad right-of-way, including any encroachments thereon from work or operations in the vicinity of the railroad right-of-way, the Sub-recipient shall, or cause its contractor to, in addition to the insurance coverage required above, procure and maintain Railroad Protective Liability Coverage (ISO Form CG 00 35) where the railroad is the Named Insured and where the limits are not less than $2,000,000 combined single limit for bodily injury and/or property damage per occurrence, and with an annual aggregate limit of not less than $6,000,000. The railroad shall also be added along with the Department as an Additional Insured on the policy/ies procured pursuant to the paragraph above. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work,

both the Department and the railroad shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The insurance described herein shall be maintained through final acceptance of the work. Both the Department and the railroad shall be notified in writing within ten days of any cancellation, notice of cancellation, renewal, or proposed change to any policy or coverage described herein. The Department's approval or failure to disapprove any policy/ies, coverage, or ACORD Certificates shall not relieve or excuse any obligation to procure and maintain the insurance required herein, nor serve as a waiver of any rights the Department may have.

f. **Utilities.** When the Agreement involves work on or in the vicinity of utility-owned property or facilities, the utility shall be added along with the Department as an Additional Insured on the Commercial General Liability policy/ies procured above.

16. General Federal Requirements. The Sub-recipient acknowledges that federal grant requirements are subject to change and agrees that the most recent requirements shall govern its obligations under this Agreement at all times.

a. **Governing Regulations.** In performing the Project, the Sub-recipient agrees to comply with all applicable requirements of 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." If applicable to the award of funds to the Sub-recipient pursuant to this Agreement, the Sub-recipient will comply with all applicable requirements of the current Federal Transit Administration Master Agreement. The Sub-recipient certifies that its procurement system complies with the requirements of this paragraph. The Sub-recipient agrees to include adequate provisions to ensure compliance with applicable federal requirements in each lower tier third party contract financed in whole or in part with financial assistance under this Agreement including all applicable provisions of this Agreement.

b. **Equal Employment Opportunity.** No person shall, on the grounds of race, color, religion, sex, handicap, or national origin, be excluded from participation in, be refused the benefits of, or be otherwise subjected to discrimination under this Agreement, or any project, program, or activity that receives or benefits from this Agreement. The Sub-recipient agrees to comply with Executive Order (E.O.) 11246, as amended by E.O. 11375, and as supplemented by 41 CFR, Part 60, herein incorporated by reference. The Equal Opportunity Clause contained in 41 CFR section 60-1.4 is included in this Agreement by reference.

In connection with the carrying out of the Project, the Sub-recipient shall not discriminate against any employee or applicant for employment because of race, age, creed, color, sex or national origin and will comply with all Federal statutes and implementing regulations relating to nondiscrimination. The Sub-recipient will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, creed, color, sex, or national origin. Such action shall include, but not be limited to, the following: Employment upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Sub-recipient shall insert the foregoing provision modified only to show the particular contractual relationship in all its contracts in connection with the development or operation of the Project, except contracts for standard commercial supplies or raw materials, and shall require all such contractors to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials. When the Project involves installation, construction, demolition, removal, site improvement, or similar work, the Sub-recipient shall post, in conspicuous places available to employees and applicants for employment for Project work, notices to be provided by the Department setting forth the provisions of the nondiscrimination clause.

c. **Title VI - Civil Rights Act of 1964.** Execution of this Agreement constitutes a certification that the Sub-recipient will comply with all the requirements imposed by Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d, et seq.), and the regulations of the federal government issued thereunder. The Sub-recipient shall include the attached **Exhibit C, Title VI Assurances**, in all contracts with consultants and contractors performing work on the Project.

d. **Title VIII - Civil Rights Act of 1968.** Execution of this Agreement constitutes a certification that the Sub-recipient will comply with all the requirements imposed by Title VIII of the Civil Rights Act of 1968 (42

U.S.C. 3601, et seq.), which among other things, prohibits discrimination in employment on the basis of race, color, national origin, creed, sex, and age.

e. **Americans with Disabilities Act of 1990 (ADA).** Execution of this Agreement constitutes a certification that the Sub-recipient will comply with all the requirements imposed by the ADA (42 U.S.C. 12102, et seq.), the regulations of the federal government issued thereunder, and the assurance by the Sub-recipient pursuant thereto.

f. **Federal Financial Assistance Policy to Ban Text Messaging While Driving.** As used in this paragraph:

"Driving" - Means operating a motor vehicle on an active roadway with the motor running, including while temporarily stationary because of traffic, a traffic light, stop sign, or otherwise. Does not include operating a motor vehicle with or without the motor running when one has pulled over to the side of, or off, an active roadway and has halted in a location where one can safely remain stationary.

"Text messaging" - means reading from or entering data into any handheld or other electronic device, including for the purpose of short message service texting, e-mailing, instant messaging, obtaining navigational information, or engaging in any other form of electronic data retrieval or electronic data communication. The term does not include glancing at or listening to a navigational device that is secured in a commercially designed holder affixed to the vehicle, provided that the destination and route are programmed into the device either before driving or while stopped in a location off the roadway where it is safe and legal to park.

This section implements Executive Order 13513, Federal Leadership on Reducing Text Messaging while Driving, dated October 1, 2009.

The Sub-recipient should -

Adopt and enforce policies that ban text messaging while driving- (i) Sub-recipient-owned or -rented vehicles or government-owned vehicles; or (ii) Privately-owned vehicles when on official government business or when performing any work for or on behalf of the government.

Conduct initiatives in a manner commensurate with the Sub-recipient's size, such as- (i) Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and (ii) Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

Sub-agreements/sub-contracts. The Sub-recipient shall insert the substance of this section, including this sentence, in all sub-agreement/subcontracts funded with the subaward provided under this Agreement that exceed the Federal Highway Administration micro-purchase threshold.

g. **Integrity Certification.** By signing this Agreement, the Sub-recipient certifies that neither it nor its participants is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in this Agreement by any federal department or agency. This certification is a material representation of fact upon which the Department is relying in entering this Agreement. If it is later determined that the Sub-recipient knowingly rendered an erroneous certification, in addition to other remedies available to the federal government, the Department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment. The Sub-recipient shall provide to the Department immediate written notice if at any time the Sub-recipient learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

h. **Ownership of Data and Creative Material.** The ownership of material, discoveries, inventions and results developed, produced, or discovered by this Agreement are governed by the terms of 2 CFR, Section 200.315, Intangible Property.

i. **Certification of Restrictions on Lobbying Disclosure.** The Sub-recipient certifies to the best of its knowledge and belief that no federally-appropriated funds have been paid, or will be paid by or on behalf of the Sub-recipient, to any person or organization for influencing or attempting to influence any officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.

If any funds other than federally-appropriated funds have been paid by the Sub-recipient to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

The Sub-recipient acknowledges that the certifications made in this section are material representations of fact upon which the Department is relying in entering into this Agreement.

The Sub-recipient shall require that the language of this section be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

j. **Buy America.** The Sub-recipient agrees to comply and require its consultants and contractors to comply with all applicable standards, orders, and regulations issued pursuant to the Buy America Act regarding the use of steel and iron manufactured in the United States, in accordance with the Buy America provisions of 23 CFR 635.410, as amended. The Sub-recipient shall ensure that all manufacturing processes for this material occur in the United States.

k. **Federal Certification and Assurances; Execution and Incorporation.** The Sub-recipient agrees to comply with and to certify compliance with all current federally required certifications and assurances for the grant program under which the federally funded subaward provided by this Agreement is made.

l. **Environmental Regulations.** Execution of this Agreement constitutes a certification by the Sub-recipient that the Project will be carried out in accordance with all applicable environmental regulations including the securing of any applicable permits. The Sub-recipient will be solely responsible for any liability in the event of non-compliance with applicable environmental regulations, including the securing of any applicable permits, and will reimburse the Department for any loss incurred in connection therewith. Without limiting the generality of the foregoing, in connection with the Project, the Sub-recipient will not use any facilities that are in violation of the Clean Air Act or the Federal Water Pollution Control Act, will report the use of facilities placed on or likely to be placed on the U.S. EPA "List of Violating Facilities", will report the use of prohibited facilities to the Federal Transit Administration and the Regional U.S. EPA Office, and shall comply with Section 306 of the Clean Air Act, as amended, 42 U.S.C. § 7606, and other requirements of the Clean Air Act, as amended, 42 U.S.C. §§ 7401 - 7671q, and the requirements of the Federal Water Pollution Control Act, as amended, 33 U.S.C. §§ 1251 – 1377.

m. **Performance Evaluations (2 CFR 200.331).** Subrecipients are evaluated on a project-by-project basis. The evaluations provide information about oversight needs and provide input for the monitoring and risk process. Evaluations are submitted to the Sub-recipient's person in responsible charge or designee as part of the Project closeout process. The Department provides the evaluation to the Sub-recipient no more than 30 days after project close out.

17. Miscellaneous Provisions.

a. **Compliance with Conditions and Laws.** The Sub-recipient shall comply and require its contractors and subcontractors to comply with all terms and conditions of this Agreement and all federal, state, and local laws and regulations applicable to this Project.

b. **Compliance with Public Records Laws.** The Sub-recipient agrees to comply with all provisions provided in Chapter 119 Florida Statutes. If the Sub-recipient receives a public records request concerning its work undertaken pursuant to this Agreement, the Sub-recipient must take appropriate action as required by Chapter 119, Florida Statutes. The Department reserves the right to unilaterally cancel this Agreement for refusal by the Sub-recipient, contractor, sub-contractor, or materials vendor to comply with the provisions of Chapter 119, Florida Statutes.

c. **Prohibited Interests.** The Sub-recipient shall not enter into a contract or arrangement in connection with the Project or any property included or planned to be included in the Project, with any officer, director or employee of the Sub-recipient, or any business entity of which the officer, director or employee or the officer's, director's or employee's spouse or child is an officer, partner, director, or proprietor or in which such officer, director or employee or the officer's, director's or employee's spouse or child, or any combination of them, has a material interest.

i. "Material Interest" means direct or indirect ownership of more than 5% of the total assets or capital stock of any business entity.

ii. The Sub-recipient shall not enter into any contract or arrangement in connection with the Project or any property included or planned to be included in the Project, with any person or entity who was represented before the Sub-recipient by any person who at any time during the immediately preceding two (2) years was an officer, director or employee of the Sub-recipient.

iii. The provisions of this subsection shall not be applicable to any agreement between the Sub-recipient and its fiscal depositories, any agreement for utility services the rates for which are fixed or controlled by the government, or any agreement between the Sub-recipient and an agency of state government.

d. **Interest of Members of, or Delegates to, Congress or Legislature.** No member or delegate to the Congress of the United States, or the State of Florida legislature, shall be admitted to any share or part of the Agreement or any benefit arising therefrom.

e. **Department Not Obligated to Third Parties.** The Department shall not be obligated or liable under this Agreement to any party other than the Sub-recipient. It is specifically agreed between the Parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to create in the public or any member thereof, a third party beneficiary under this Agreement, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement.

f. **Relationship of Parties.** The Sub-recipient, its employees, contractors, subcontractors, consultants, and subconsultants are not agents of the Department as a result of this Agreement.

g. **When Rights and Remedies Not Waived.** In no event shall the making by the Department of any payment to the Sub-recipient constitute or be construed as a waiver by the Department of any breach of covenant or any default which may then exist, on the part of the Sub-recipient, and the making of such payment by the Department while any such breach or default shall exist shall in no way impair or prejudice any right or remedy available to the Department with respect to such breach or default.

h. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

i. **Severability.** If any provision of this Agreement is held invalid or unenforceable, the remaining provisions shall be construed and enforced as if such invalid or unenforceable provision had not been contained in this Agreement, unless the omission of the invalid or unenforceable provision would cause this Agreement to violate any applicable law or fail its fundamental purpose.

k. **Bonus or Commission.** By execution of the Agreement the Sub-recipient represents that it has not paid and, also, agrees not to pay, any bonus or commission for the purpose of obtaining an approval of its application for the financing hereunder.

l. **Notices.** Any notice, demand, or request which is required to be given under this Agreement in writing shall be delivered to the following addresses:

Contact Names and Addresses:

Sub-recipient: Port of Key West, City of Key West
Address: 201 William Street
Key West, Florida 33040

Contact Name: Director of Port and Marine Services
Contact Telephone: (305) 809-3792

Florida Department of Transportation
Address: 1000 NW 111th Avenue
Miami, Florida 33172

Contact Name: FDOT District 6 Seaport Coordinator
Contact Telephone: (305) 470-5441

m. **Agreement Format.** All words used in this Agreement in the singular form shall extend to and include the plural. All words used in the plural form shall extend to and include the singular. All words used in any gender shall extend to and include all genders.

n. **JURY TRIAL WAIVER. THE SUB-RECIPIENT AND THE DEPARTMENT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.**

o. **Execution of Agreement.** This Agreement may be simultaneously executed in a minimum of two counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute one in the same instrument.

p. **State Lobbying.** No funds received pursuant to this Agreement may be expended for lobbying the Legislature, the judicial branch or a state agency.

q. **Inspector General Cooperation.** The Parties agree to comply with Section 20.055(5), Florida Statutes, and to incorporate in all subcontracts the obligation to comply with Section 20.055(5), Florida Statutes.

r. **Agreement not Assignable.** The Sub-recipient may not assign any of its rights or obligations under this Agreement.

s. **Amendments.** This Agreement may not be amended, except by a writing signed by both Parties.

18. Exhibits.

Exhibits: The following Exhibits are attached and incorporated into this Agreement:

X Exhibit A: Project Description and Responsibilities
X Exhibit B: Schedule of Financial Assistance
___ Exhibit B2: Advance Payment Financial Provisions
X Exhibit C: Title VI Assurances

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__X__ Exhibit D: Sub-recipient Resolution
__X__ Exhibit E: Federal Financial Assistance (Single Audit Act)
__X__ Exhibit F: Project Invoice Form
__X__ Exhibit G: Program Guidelines
_____ Exhibit H: Response Spending Plan
__X__ Exhibit I: Quarterly Project and Expenditure Report
__X__ Exhibit J: Contract Payment Requirements
_____ *Additional Exhibit(s)

*** Indicates that the Exhibit is only attached and incorporated if applicable box is selected.**

[signatures on following page]

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IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year written above.

SUB-RECIPIENT
Port of Key West, City Of Key West

By: [signature]
Name: Patti McLaughlin
Title: City Manager

STATE OF FLORIDA,
DEPARTMENT OF TRANSPORTATION

By: DocuSigned by: Daniel Iglesias
6A23331EC58748A...
Name: Daniel Iglesias, P.E.
Title: Director of Transportation Development

Legal Review:

Alicia Trujillo

DocuSigned by: Alicia Trujillo
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EXHIBIT A

Project Description and Responsibilities

A. Project Description (description of Sub-recipient's project to provide context, description of project components funded via this Agreement (if not the entire project)):

As described in **Exhibit G, Program Guidelines**, the Sub-recipient is part of a group that has experienced negative economic impacts after January 27, 2020 (i.e., the beginning of the COVID-19 public health emergency). This Agreement uses Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide a substantial infusion of fiscal resources to immediately stabilize the Sub-recipient and provide working capital to lay the foundation for a strong and equitable recovery.

Disbursement and documentation procedures are listed in **Exhibit G, Program Guidelines**.

B. Project Location (limits, city, county): Key West, Florida

C. Project Scope (allowable costs: describe project components, improvement type/service type, approximate timeline, project schedule, project size):

Allowable costs are outlined in **Exhibit G, Program Guidelines**.

D. Deliverable(s): The project scope identifies the ultimate project deliverables. Deliverables for requisition, payment and invoice purposes will be the incremental progress made toward completion of project scope elements. Supporting documentation will be quantifiable, measurable, and verifiable, to allow for a determination of the amount of incremental progress that has been made, and provide evidence that the payment requested is commensurate with the accomplished incremental progress and costs incurred by the Sub-recipient.

E. Unallowable Costs (including but not limited to): Unallowable costs are outlined in **Exhibit G, Program Guidelines**. Additionally, travel cost are unallowable costs.

EXHIBIT B

Schedule of Financial Assistance

FUNDS AWARDED TO THE SUB-RECIPIENT AND REQUIRED MATCHING FUNDS PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

A. Fund Type and Fiscal Year:

Financial Management Number	Fund Type	FLAIR Category	State Fiscal Year	Object Code	CSFA/ CFDA Number	CSFA/CFDA Title or Funding Source Description	Funding Amount
449492-1-84-01	ARPA	085152	2022	780000	21.027	Coronavirus State and Local Fiscal Recovery Funds	$5,018,855
	Total Financial Assistance						**$5,018,855**

B. Estimate of Project Costs:

Project Costs*	State	Local	Federal	Totals	State %	Local %	Federal %
Working Capital	$0	$0	$5,018,855	$5,018,855	0	0	100
Totals	**$0**	**$0**	**$5,018,855**	**$5,018,855**	**0**	**0**	**100**

BUDGET/COST ANALYSIS CERTIFICATION AS REQUIRED BY SECTION 216.3475, FLORIDA STATUTES:

I certify that the cost for each line item budget category (grant phase) has been evaluated and determined to be allowable, reasonable, and necessary as required by Section 216.3475, Florida Statutes. Documentation is on file evidencing the methodology used and the conclusions reached.

Port of Key West
Department Grant Manager Name

Signature

3/4/2022
Date

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EXHIBIT C

TITLE VI ASSURANCES

1. **Certification.** Execution of this Contract constitutes a certification that the Consultant / Contractor will comply with all the requirements imposed by Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d, et seq.), and the regulations of the U.S. Department of the Treasury issued thereunder. The Consultant / Contractor shall include this Exhibit C, Title VI Assurances, in all contracts with sub-consultants and sub-contractors performing work on the Project.

2. **Civil Rights Compliance.** The Consultant / Contractor is a subrecipient of Federal financial assistance from the U.S. Department of the Treasury are required to meet legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds. Those requirements include ensuring that entities receiving Federal financial assistance from the Treasury do not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI) Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23. In order to carry out its enforcement responsibilities under Title VI of the Civil Rights Act, Treasury will collect and review information from recipients to ascertain their compliance with the applicable requirements before and after providing financial assistance. Treasury's implementing regulations, 31 CFR part 22, and the Department of Justice (DOJ) regulations, Coordination of Non-discrimination in Federally Assisted Programs, 28 CFR part 42, provide for the collection of data and information from recipients (see 28 CFR 42.406). Treasury may request that recipients submit data for post-award compliance reviews, including information such as a narrative describing their Title VI compliance status.

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EXHIBIT D

SUB-RECIPIENT RESOLUTION

PLEASE SEE ATTACHED

EXHIBIT E

FEDERAL FINANCIAL ASSISTANCE (SINGLE AUDIT ACT)

FEDERAL RESOURCES AWARDED PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS:

CFDA No.: 21.027
CFDA Title: Coronavirus State and Local Fiscal Recovery Funds

***Award Amount:** $5,018,855
Awarding Agency: Florida Department of Transportation
Indirect Cost Rate: _____
****Award is for R&D:** No

*The federal award amount may change with amendments.
**Research and Development as defined at §200.87, 2 CFR Part 200

FEDERAL RESOURCES AWARDED PURSUANT TO THIS AGREEMENT ARE SUBJECT TO THE FOLLOWING AUDIT REQUIREMENTS:

2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles & Audit Requirements for Federal Awards
www.ecfr.gov

FEDERAL RESOURCES AWARDED PURSUANT TO THIS AGREEMENT MAY ALSO BE SUBJECT TO THE FOLLOWING:

Title 23 – Highways, United States Code
http://uscode.house.gov/browse.xhtml

Title 49 – Transportation, United States Code
http://uscode.house.gov/browse.xhtml

MAP-21 – Moving Ahead for Progress in the 21st Century, P.L. 112-141
www.dot.gov/map21

Federal Highway Administration – Florida Division
www.fhwa.dot.gov/fldiv

Federal Funding Accountability and Transparency Act (FFATA) Sub-award Reporting System (FSRS)
www.fsrs.gov

EXHIBIT F

PROJECT INVOICE FORM

Sub-recipient Name:	**Address:** 201 William Street
Port of Key West, City of Key West	**City, State, Zip:** Key West, Florida 33040

Bill To:				
Florida Department of Transportation	**Invoice No.:**	to	**FM Number:**	449492-1-84-01
	Invoice Period:		**Allowable Cost:**	
	Contract No.:		**FDOT Grant Amount:**	$5,018,855
	Project:	Coronavirus State and Local Fiscal Recovery Funds		

Project Cost	**Total FDOT Grant Amount by Compensation Type**	**Total Previous Amount Paid for FDOT Grant**	**Current Invoice Amount Requested for FDOT Grant**	**Remaining FDOT Grant Balance**
Previously Incurred Cost (Incurred on or after March 3, 2021)	$	$	$	$ 0.00
Totals:	**$**	**$**	**$**	**$ 0.00**

Note: The cost and amounts shown on this invoice form are reflective of the values shown in the Agreement, Exhibit "B", Schedule of Financial Assistance.

SUB-RECIPIENT DESIGNATED REPRESENTATIVE

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729–3730 and 3801–3812).

Sub-recipient Representative Printed Name * _____ Title _____

Signature * _____ Date _____

* Only the Seaport Sub-recipient or Designated Representative may sign this form. A non-seaport employee (e.g., consultant) cannot sign this form.

For information regarding this invoice, please contact (Name, Phone No.):

Distribution: Project File

EXHIBIT G

PROGRAM GUIDELINES

1. **Goal.** The American Rescue Plan Act (ARPA) provides a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers.[1]

2. **Mission.** The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Program provides a substantial infusion of resources to communities working to turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.[2]

3. **Purpose.** To use Coronavirus SLFRF to respond to the negative economic impacts of the COVID-19 public health emergency, by providing a substantial infusion of fiscal resources to immediately stabilize sub-recipient Florida seaports for negative economic impacts experienced by those sub-recipients and provide working capital to lay the foundation for a strong and equitable national recovery.

4. **Roles and responsibilities.**

   a. **Recipient.** The State of Florida is the recipient of SLFRF Program funds.

   b. **Sub-recipient.** Florida's Chief Financial Officer transfers SLFRF Program funds to the Florida Department of Transportation (Department), a sub-recipient.[3]

   c. **Sub-recipient.** The Department transfers SLFRF Program funds to fourteen (14) sub-recipient Florida seaports, members of a group, who experienced negative economic impacts after January 27, 2020.[4]

5. **Pre-award data demonstrating negative economic impact and equitable response.** Florida has fourteen (14) active deep-water seaports, with business operations that generate operating revenues and operating expenses. Interim Final Rule RIN 1505-AC77, published in the Federal Register on May 17, 2021, by the United States Department of Treasury, provides guidance and standardized methodology for the calculation of negative economic impacts. This standardized methodology includes four steps:

   a. **Step 1.** Identify revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the base year revenue.

      i. End date of last full fiscal year before January 27, 2020 (month day, year): September 30, 2019
      ii. Last full fiscal year (year): 2019
      iii. Base Revenues collected in last full fiscal year (amount): See Table 1.

   b. **Step 2.** Estimate counterfactual revenue, which is equal to base year revenue * [(1 + growth adjustment) ^(n/12)], where *n* is the number of months elapsed since the end of the base year to the calculation date, and growth adjustment is the greater of 4.1 percent and the sub-recipient's average annual revenue growth in the three full fiscal years prior to the COVID-19 public health emergency.

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[1] U.S. Department of the Treasury. (05/17/2021). Interim Final Rule [IFR] RIN 1505-AC77, Coronavirus State and Local Fiscal Recovery Funds. Federal Register, Vol. 86, No. 93: p. 26787.
[2] U.S. Department of the Treasury. (2021). Recipient Compliance and Reporting Responsibilities (07/01/2021), https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds/recipient-compliance-and-reporting-responsibilities.
[3] Chapter 2021-36 Laws of Florida (Senate Bill No. 2500) authorizes the Chief Financial Officer and the Department to transfer SLFRF Program funds.
[4] U.S. Department of the Treasury. (06/24/2021). Coronavirus State and Local Fiscal Recovery Funds, Frequently Asked Questions. Section 2.17 states: "... the recipient need only demonstrate that the [entity] is within the population or group that experienced a negative economic impact. ..." And, January 27, 2020, is the beginning of the federal COVID-19 public health emergency.

i. Sub-recipient's average annual revenue growth in the three full fiscal years prior to the public health emergency (i.e., last full fiscal year before January 27, 2020): See Table 2.
ii. Determine if sub-recipient's average annual revenue growth is greater than 4.1 percent. Use the greater percentage to calculate counterfactual revenue: See Table 3.
iii. End of the base year (month day, year): September 30, 2019
iv. Calculation date (month day, year): December 31, 2020
v. Number of months elapsed since the end of the base year to the calculation date (i.e., December 31, 2020): n = 15 months
vi. Calculate counterfactual revenue: Base Revenues * ((1+ _____ % growth) ^ (15 / 12)) = $_____

c. **Step 3.** Identify actual revenue, which equals revenues collected over the past twelve months (e.g., January 2020 to December 2020) as of the calculation date (i.e., December 31, 2020).

i. Twelve-month collection period (month, year to month, year): January 2020 to December 2020
ii. Calculate actual revenues collected over the past twelve months as of the calculation date.
iii. Actual revenue collected during twelve-month period (amount): See Tables 4 and 5.

d. **Step 4.** The extent of the reduction in revenue is equal to counterfactual revenue less actual revenue. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.

i. Counterfactual revenue (amount): See Tables 4, 5 and 6.
ii. Actual revenue collected during twelve-month period (amount): See Tables 4 and 5.
iii. Extent of the reduction in revenue (amount): See Tables 4, 5 and 6.

e. **Tables**. The tables below contain the inputs and outputs outlined in United States Department of the Treasury's standardized methodology for the calculation of negative economic impacts.

Table 1. Base Business Revenues Collected in Last Full Fiscal Year

District	Seaport	Base Revenues (Fiscal Year 2019)
1	Manatee	$18,952,000
2	Fernandina	$429,127
2	Jaxport	$67,533,000
3	Panama City	$14,417,784
3	Pensacola	$2,400,834
3	St. Joe	$93,993
4	Everglades	$170,744,938
4	Fort Pierce	$221,570
4	Palm Beach	$18,382,377
5	Canaveral	$106,511,432
6	Miami	$165,591,730
6	Key West	$5,981,425
7	St. Pete	$293,823
7	Tampa Bay	$65,161,830

Table 2. Average Annual Business Revenue Growth

District	Seaport	Growth 1 (2016 to 2017)	Growth 2 (2017 to 2018)	Growth 3 (2018 to 2019)	Average Annual Revenue Growth
1	Manatee	14.90%	15.57%	19.44%	16.64%
2	Fernandina	-11.78%	-73.56%	-0.80%	-28.72%
2	Jaxport	-0.66%	15.32%	0.88%	5.18%
3	Panama City	-4.41%	4.43%	-3.77%	-1.25%
3	Pensacola	-34.20%	18.95%	90.60%	25.12%
3	St. Joe*	100.00%	-27.33%	-13.89%	19.59%
4	Everglades	-0.53%	3.87%	1.64%	1.66%
4	Fort Pierce	0.00%	0.00%	132.74%	44.25%
4	Palm Beach	3.16%	10.35%	-2.96%	3.52%
5	Canaveral	9.13%	9.04%	4.72%	7.63%
6	Miami	15.91%	-6.49%	6.20%	5.21%
6	Key West	22.02%	22.33%	24.73%	23.03%
7	St. Pete	-34.09%	191.19%	14.33%	57.14%
7	Tampa Bay	9.27%	11.06%	9.11%	9.82%

*Note: Port of Port St. Joe fiscal year 2016 reported revenues were a nominal $725.00, and fiscal year 2017 reported revenues were $150,197.00. Growth between 2016 and 2017 was set to 100%.

Table 3. Comparison of Average Annual Business Revenue Growth to National Average Growth

District	Seaport	Average Annual Business Revenue Growth	National Average Growth	Greater percentage
1	Manatee	16.64%	4.1%	16.64%
2	Fernandina	-28.72%	4.1%	4.1%
2	Jaxport	5.18%	4.1%	5.18%
3	Panama City	-1.25%	4.1%	4.1%
3	Pensacola	25.12%	4.1%	25.12%
3	St. Joe	19.59%	4.1%	19.59%
4	Everglades	1.66%	4.1%	4.1%
4	Fort Pierce	44.25%	4.1%	44.25%
4	Palm Beach	3.52%	4.1%	4.1%

5	Canaveral	7.63%	4.1%	7.63%
6	Miami	5.21%	4.1%	5.21%
6	Key West	23.03%	4.1%	23.03%
7	St. Pete	57.14%	4.1%	57.14%
7	Tampa Bay	9.82%	4.1%	9.82%

Table 4. Extent of the Reduction in Business Revenue, National Average Growth

District	Seaport	National Average Growth	Counterfactual Revenue, National Average Growth, Jan 1, 2020 thru Dec 31, 2020	12-month collection period (Jan 2020 to Dec 2020)	Extent of the Reduction in Business Revenue, National Average Growth*
1	Manatee	4.1%	$19,928,217.73	$18,086,638	-$1,841,579.73
2	Fernandina	4.1%	$451,231.34	$251,676	-$199,555.34
2	Jaxport	4.1%	$71,011,625.59	$58,216,228	-$12,795,397.59
3	Panama City	4.1%	$15,160,444.22	$15,625,479	$0
3	Pensacola	4.1%	$2,524,500.99	$2,973,761	$0
3	St. Joe	4.1%	$98,834.58	$2,240	-$96,594.58
4	Everglades	4.1%	$179,540,011.68	$121,279,131	-$58,260,880.68
4	Fort Pierce	4.1%	$232,982.74	$630,593	$0
4	Palm Beach	4.1%	$19,329,253.45	$15,278,414	-$4,050,839.45
5	Canaveral	4.1%	$111,997,837.06	$44,557,804	-$67,440,033.06
6	Miami	4.1%	$174,121,361.88	$109,534,558	-$64,586,803.88
6	Key West	4.1%	$6,289,528.27	$2,731,225	-$3,558,303.27
7	St. Pete	4.1%	$308,957.83	$759,597	$0
7	Tampa Bay	4.1%	$68,518,316.60	$53,132,186	-$15,386,130.60

*Note: If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero ($0).

Table 5. Extent of the Reduction in Business Revenue, Average Annual Revenue Growth

District	Seaport	Average Annual Revenue Growth	Counterfactual Revenue, Average Growth, Jan 1, 2020 thru Dec 31, 2020	12-month collection period (Jan 2020 to Dec 2020)	Extent of the Reduction in Business Revenue, Average Annual Revenue Growth*
1	Manatee	16.64%	$22,972,202.02	$18,086,638	-$4,885,564.02
2	Fernandina	-28.72%	$281,080.60	$251,676	-$29,404.60
2	Jaxport	5.18%	$71,932,451.51	$58,216,228	-$13,716,223.51
3	Panama City	-1.25%	$14,192,965.03	$15,625,479	$0

3	Pensacola	25.12%	$3,176,933.87	$2,973,761	-$203,172.73
3	St. Joe	19.59%	$117,553.76	$2,240	-$115,313.76
4	Everglades	1.66%	$174,293,557.54	$121,279,131	-$53,014,426.54
4	Fort Pierce	44.25%	$350,263.05	$630,593	$0
4	Palm Beach	3.52%	$19,194,320.83	$15,278,414	-$3,915,906.83
5	Canaveral	7.63%	$116,762,880.18	$44,557,804	-$72,205,076.18
6	Miami	5.21%	$176,435,597.69	$109,534,558	-$66,901,039.69
6	Key West	23.03%	$7,750,079.94	$2,731,225	-$5,018,854.94
7	St. Pete	57.14%	$516,955.85	$759,597	$0
7	Tampa Bay	9.82%	$73,253,074.84	$53,132,186	-$20,120,888.84

*Note: If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero ($0).

Table 6. Extent of Reduction in Business Revenue, Comparison

District	Seaport	Extent of the Reduction in Business Revenue, National Average Growth*	Extent of the Reduction in Business Revenue, Average Annual Revenue Growth*	Extent of the Reduction in Business Revenue*
1	Manatee	-$1,841,579.73	**-$4,885,564.02**	-$4,885,564.02
2	Fernandina	**-$199,555.34**	-$29,404.60	-$199,555.34
2	Jaxport	-$12,795,397.59	**-$13,716,223.51**	-$13,716,223.51
3	Panama City	$0	$0	$0
3	Pensacola	$0	**-$203,172.73**	-$203,172.73
3	St. Joe	-$96,594.58	**-$115,313.76**	-$115,313.76
4	Everglades	**-$58,260,880.68**	-$53,014,426.54	-$58,260,880.68
4	Fort Pierce	$0	$0	$0
4	Palm Beach	**-$4,050,839.45**	-$3,915,906.83	-$4,050,839.45
5	Canaveral	-$67,440,033.06	**-$72,205,076.18**	-$72,205,076.18
6	Miami	-$64,586,803.88	**-$66,901,039.69**	-$66,901,039.69
6	Key West	-$3,558,303.27	**-$5,018,854.94**	-$5,018,854.94
7	St. Pete	$0	$0	$0
7	Tampa Bay	-$15,386,130.60	**-$20,120,888.84**	-$20,120,888.84
Total				**-$245,677,409.13**

*Note: If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero ($0).

Table 7. Negative Economic Impact, January through December 2020

District	Seaport	Negative Economic Impact
1	Manatee	-$4,885,564.02
2	Fernandina	-$199,555.34
2	Jaxport	-$13,716,223.51
3	Panama City	$0
3	Pensacola	-$203,172.73
3	St. Joe	-$115,313.76
4	Everglades	-$58,260,880.68
4	Fort Pierce	$0
4	Palm Beach	-$4,050,839.45
5	Canaveral	-$72,205,076.18
6	Miami	-$66,901,039.69
6	Key West	-$5,018,854.94
7	St. Pete	$0
7	Tampa Bay	-$20,120,888.84
Total		**-$245,677,409.13**

f. **Equitable response, negative economic impact to Florida seaport communities.** As outlined above, Florida's fourteen (14) active deep-water seaports are members of a group, who experienced significant negative economic impacts after January 27, 2020. For the majority, the federal guidance and standardized methodology for the calculation of negative economic impacts illustrates the significant fiscal impact of the pandemic related economic fallout. For other seaports without directly quantifiable impacts, the economic fallout is more observable by impacts to the broader local and regional economies.

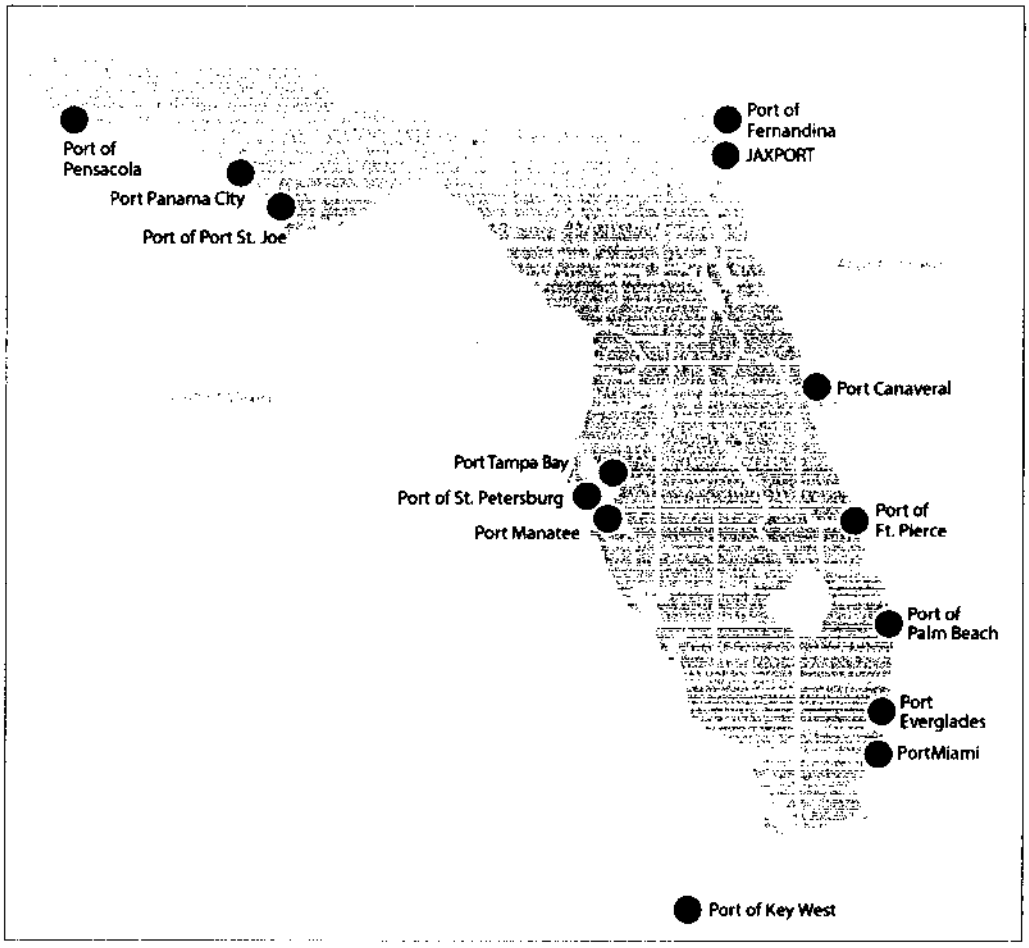
As illustrated by Figure 1, Florida's seaports are geographically disbursed, and all contribute to local and regional economies. As described below, stabilizing, and investing in Florida seaports will lay the foundation for a strong national recovery by catalyzing broader economic recovery and rebuilding. To catalyze a broader and more equitable response, minimum allocation amounts have been established, and listed in Table 8.

Table 8. Sub-recipient Allocation Amount, Coronavirus State and Local Fiscal Recovery Funds

District	Sub-recipient	Allocation Amount
1	Manatee	$4,885,564
2	Fernandina	$806,772
2	Jaxport	$13,716,224
3	Panama City	$806,772
3	Pensacola	$806,772

3	St. Joe	$806,772
4	Everglades	$58,260,881
4	Fort Pierce	$806,772
4	Palm Beach	$4,050,839
5	Canaveral	$72,205,076
6	Miami	$66,901,040
6	Key West	$5,018,855
7	St. Pete	$806,772
7	Tampa Bay	$20,120,889
Total		**$250,000,000**

Figure 1. Florida's Active Deep-Water Seaports



6. Performance metric.

a. **Sub-recipient.** Florida has fourteen (14) deep-water seaports, with business operations that generate operating revenues and operating expenses. As outlined in Section 5, Florida's seaports are members of a group, who experienced negative economic impacts after January 27, 2020.

b. **Problem.** Since the first case of coronavirus disease 2019 (COVID–19) was discovered in the United States in January 2020, the disease has infected over 32 million and killed over 575,000 Americans.[5] As global social distancing became a necessity, transportation sharply reduced, including the movement of cargo and passengers at both domestic and international seaports. Florida seaports have been affected by required closures and resulting economic fallout both domestically and internationally.

Florida seaports have business operations that generate operating revenues and operating expenses. Business revenues are tied to the movement of passengers, cargo, customer service fees, and customer lease agreements. Domestically, from March 2020 through June 2021, business revenues from the movement of passengers declined nearly -100.0% for some seaports. For calendar year 2020, Florida saw a -39.3% drop in visitors (or -51.669 million fewer) compared to the prior year, which significantly reduced demand for cargo imports from Florida seaports.[6] Internationally, world travel to Atlantic, Caribbean, Gulf of Mexico and Latin American destinations also declined sharply, which reduced demand for cargo originating from Florida seaports.

As of July 2021, required full closures for some seaport activities lasted from March 2020 through June 2021 (15 months of negative economic impacts), with partial reopening occurring in late-June 2021. As outlined in Table 7, for the period of January 2020 through December 2020, the total negative economic harm experienced by Florida seaports exceeds $245.6 million dollars.

c. **Immediate effects of the problem and how the effects may manifest over time.** Florida's seaports are economic engines for the United States economy that create primary, secondary and tertiary economic activities throughout the nation. In Florida alone, seaports have a $117.6 billion positive economic impact and account for more than 900,000 direct and indirect jobs.

Florida seaports have business operations that generate operating revenues. The overwhelming majority of operating revenues are utilized for the expansion or upgrading of tourism, transportation, and hospitality facilities. New seaport facilities often last for 30 or more years, and result in multi-generational impacts for Americans. For every $1.00 dollar invested in Florida seaports, there is nearly a $7.00 dollar return on investment (or 7:1 ROI) to the United States economy.

As described above, Florida seaports business operations have been affected by required closures and resulting economic fallout both domestically and internationally, which has resulted in economic harms arising from reductions in operating revenues. Immediate effects of the economic harm resulted in delaying expansion or upgrading projects, delaying non-critical maintenance, and reducing work forces.

In general, in early calendar year 2020, the world was uncertain how long the pandemic and related social distancing would continue. By the end of March 2020, Florida seaports were developing business operation scenarios based on projected reopening and recovery timeframes. A range of projections had reopening occurring in July 2020, while more conservative projections planned for twelve months (through February 2021) of required closures. As of July 2021, required full closures for some seaport activities lasted from March 2020 through June 2021 (15 months of negative economic impacts), with partial reopening occurring in late-June 2021.

Generally, in order to cut business expenses, seaports first delayed expansion or upgrading projects that were not already under contract. As described above, seaport investments have a significant (7:1 ROI) and

[5] U.S. Department of the Treasury, *supra* note 1, p. 26786.
[6] Visit Florida. (2021). Florida Visitor Estimates (07/09/2021), https://www.visitflorida.org/resources/research/.

long-term (≥30 year) positive impact on the United States economy. Delaying a project for a year, is a year that the United States economy does not benefit from the multiplied (7x) positive economic impacts of a given project. Despite sharply declining business revenues and uncertainties in future business cash flow, some expansion or upgrading projects continued, some of which were goodwill projects to keep the economy of the United States moving forward. These continuing projects have further eaten away any business operating revenues and the long-term fiscal ability of seaports to recover.

Early on, seaports remained hopeful that business would return to normal, keeping full payrolls of staff ready for their doors to reopen to returning customers. In addition, the seaport industry is complex, and training staff for most entry-level positions takes an average of six to nine months. In other words, if a new business owner wanted to open their doors to customers, at a minimum, they would need to hire and train entry-level staff during the preceding six months leading up to the first day of customer service delivery.

Delaying maintenance of seaport facilities located in a corrosive saltwater environment, manifests over time in terms of both costs and duration of time a facility may need to be taken out of service to customers. Long-term increased maintenance costs reduce funding available to complete other business investments, which reduces overall economic activity. Increasing the duration of time in which a facility is out of service reduces the national economic activity associated with the facility being in service.

Despite the economic fallout from the pandemic and documented economic harms Florida seaports have experienced, Florida seaports have continued to contribute to the national economy by maintaining primary jobs, creating secondary jobs across their regions, and keeping their doors open to a significantly reduced customer base. They have also continued to complete critical maintenance projects to prevent facilities from failing pre-maturely and to maintain readiness for returning customers once the nation reopened. These investments in the United States economy have resulted in 'bleeding' of business expenses during a period of significant reductions in customers and resulting significant declines in business revenues.

Finally, as described above, Florida's seaports are economic engines for the United States economy. Stabilizing Florida seaports is a critical need for the United States and will lay the foundation for a strong national recovery by catalyzing broader economic recovery and rebuilding. Because of their significant economic impact, delaying recovery of Florida seaports will manifest over time as delayed national recovery.

d. **Use of funding.** To use SLFRF Program funds to provide a substantial infusion of fiscal resources to immediately stabilize sub-recipients for economic harms experienced by those sub-recipients and provide working capital to lay the foundation for a strong and equitable recovery.

e. **How the use addresses the need or responds to the identified need.** Sub-recipient seaports have experienced significant economic harms due to the pandemic and need to be immediately stabilized with a substantial infusion of fiscal resources. The Department will address the identified need by providing a substantial infusion of fiscal resources to immediately stabilize sub-recipients and provide working capital to lay the foundation for a strong and equitable recovery.

f. **Evidenced-based intervention.** SLFRF Program funds will be used as an intervention to provide a substantial infusion of fiscal resources. Evaluation of program outcomes will use preliminary evidence via tracking program sub-recipient statistics and measuring sub-recipient responses at the end of the program. Sub-recipient statistics will be collected for sub-recipient fiscal years 2016 through 2019, which includes the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), to establish a performance baseline and pre-pandemic trend. Statistics will be collected annually for sub-recipient fiscal years 2020 through 2026, to monitor annual progress and measure sub-recipient responses at the end of the program. Variables that will be collected, monitored and used to measure sub-recipient responses at the end of the program, include: direct jobs, operating revenues, operating expenses, total cargo tonnage, and total passenger movements. Table 9 illustrates how data will be collected to evaluate program outcomes. Sub-recipients will report data in their respective Quarterly Project and Expenditure Reports.

Table 9. Variables Collected to Measure Sub-recipient Responses

Sub-recipient Fiscal Year	Direct Jobs	Operating Revenues	Operating Expenses	Total Cargo Tonnage	Total Passenger Movements
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					

7. **Allowable and unallowable cost.** The Interim Final Rule (IFR) RIN 1505-AC77, published in the Federal Register on May 17, 2021, by the United States Department of Treasury, provides examples of allowable and unallowable uses of fiscal recovery funds.[7]

   a. **Allowable costs.** Example eligible uses that are applicable to sub-recipients, are grouped into categories and listed in Table 10. Allowable costs do not have to be COVID-19 related; however, sub-recipients will have to report how SLFRF Program funds are used to respond to negative economic impacts or lay the foundation for a strong and equitable recovery.

Table 10. Allowable Costs

Category	Description	Source
Job Training	Job training to accelerate rehiring of unemployed workers.	IFR 26794
Cash Transfers to Employees	A cash transfer program may focus on unemployed workers or low- and moderate-income families, which have faced disproportionate economic harms due to the pandemic. Cash transfers must be reasonably proportional to the negative economic impact they are intended to address.	IFR 26794
Survivor Benefits	Survivor's benefits to surviving family members of COVID–19 victims, or cash assistance to widows, widowers, and dependents of eligible COVID–19 victims.	IFR 26794

[7] Title 2 Code of Federal Regulations, Sections 200.420 - 200.476, list General Provisions for Selected Items of Cost, including allowable and unallowable costs. For example, Section 200.423 explicitly states: Costs of alcoholic beverages are unallowable.

Operating Expenses	Payroll and benefits expenses, costs to retain employees, mortgage, rent, utilities expenses, and other operating expenses (e.g., maintenance of infrastructure, modernization of cybersecurity (hardware, software), environmental remediation, educational services, and provision safety services).	IFR 26794, 26795 and 26801
Biological Incident, Physical and Operational Changes	Costs to implement biological prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions.	IFR 26789 and 26790
Vaccination, Testing and Tracing	COVID–19 vaccination, testing, or contact tracing programs.	IFR 26790, 26795 and 26821
Business Planning	Technical assistance, counseling, or other services to assist with business planning needs.	IFR 26795
Rehiring Cost	Including payroll, covered benefits, and other costs associated with rehiring staff, up to the pre-pandemic staffing level.	IFR 26795
Personal Protective Equipment	Provision of masks or personal protective equipment.	IFR 26789, 26795 and 26821
Reopening Plans	Consultation with infection prevention professionals to develop safe reopening plans.	IFR 26795
Capital Expenditures (Facility Expansions or Upgrades)	Expansion or upgrade (maintenance of infrastructure) of tourism, transportation, and hospitality facilities.	IFR 26795 and 26801

b. **Unallowable costs.** The Interim Final Rule (IFR) RIN 1505-AC77, published in the Federal Register on May 17, 2021, by the United States Department of Treasury, specifically list major types of unallowable cost which are referenced in Table 11. In addition, allowable cost that have previously been reimbursed or subsidized from other non-subrecipient sources are unallowable costs.

Table 11. Unallowable Costs

Category	Description	Source
Reserves	Direct contributions to rainy day funds and similar financial reserves.	IFR 26796 and 26801
Debt Service	Payment of interest or principal on outstanding debt instruments, including, for example, short-term revenue or tax anticipation notes, or other debt service costs incurred prior to March 3, 2021.	IFR 26796 and 26801
Non-federal match	Funds are subject to pre-existing limitations provided in other Federal statutes and regulations and may not be used as non-Federal match for other Federal programs whose statute or regulations bar the use of Federal funds to meet matching requirements.	IFR 26811

8. **Disbursement and documentation procedures.** Funds will be disbursed on a cost-reimbursement basis for cost incurred on or after March 3, 2021. Cost reimbursement invoice packages must be accompanied or preceded by an organized, electronic package of supporting documentation.

   a. **Supporting documentation package and review.**

      i. **Cover sheet.** The supporting documentation package will contain a cover sheet, which lists allowable costs by category (see Table 10) incurred on or after March 3, 2021.[8]

         - **Accounting methodology.** Sub-recipient may provide data on a cash, accrual, or modified accrual basis, provided that Sub-recipient is consistent in their choice of methodology throughout the covered period and until reporting is no longer required. The Sub-recipient will identify their choice of accounting methodology on the cover sheet.

      ii. **Package.** The supporting documentation package will include one or more tables which list and summarize expenditures (i.e., invoice or purchase order number and date; vendor name; service dates; dollar amount) in the order the supporting documentation appears in the package.[9] The package must include tabs and organize supporting documentation by allowable costs category.

      iii. **Contracts over $50,000.** The supporting documentation package will include the following information for each contract, Grant, Loan, Transfer or Direct Payment greater than or equal to $50,000:
         - Subrecipient identifying and demographic information (e.g., DUNS number and location):
         - Award number (e.g., Award number, Contract number, Loan number):
         - Award date, type, amount, and description:
         - Award payment method (reimbursable or lump sum payment(s)):
         - For loans, expiration date (date when loan expected to be paid in full):
         - Primary place of performance:
         - Related project name(s):
         - Related project identification number(s) (created by the recipient):
         - Period of performance start date:
         - Period of performance end date:
         - Quarterly obligation amount:
         - Quarterly expenditure amount:
         - Project(s):

      iv. **Evidenced-based intervention.** The supporting documentation package will include an updated table, with variables needed for federal reporting. These variables include: direct jobs, operating revenues, operating expenses, total cargo tonnage, and total passenger movements.

      v. **Department inspection or verification.** Section 215.422(1), F.S., allows 5 working days for the approval and inspection of goods and services unless the bid specifications, purchase orders, or contracts specifies otherwise. The Agreement extends this timeline by specifying that the inspection or verification and approval of deliverables shall take no longer than 20 days from the Department's receipt of an invoice.

9. **Supporting documentation.** Supporting documentation must conform to Florida Department of Financial Services, Reference Guide for State Expenditures.[10] Supporting documentation shall be submitted for each

[8] Note: For subsequent packages (i.e., second package and beyond) sub-recipients will not include cost or supporting documentation which have been included or documented in previous packages.
[9] Note: Expenditure summary tables should allow the Department to conduct an expedited review of included supporting documentation.
[10] The Florida Department of Financial Services, Reference Guide for State Expenditures can be found at this web address https://www.myfloridacfo.com/division/aa/manuals/documents/ReferenceGuideforState

amount being claimed and indicate that the item has been paid. Check numbers may be provided in lieu of copies of actual checks. Each piece of documentation should clearly reflect the dates of service.

10. **Quarterly and annual reporting.** Sub-recipients will comply with all sub-recipient reporting requirements, as outlined in this Agreement, and more broadly outlined in U.S. Department of the Treasury's Compliance and Reporting Guidance, first published June 17, 2021, and as amended. Required reporting items are listed in **Exhibit I, Quarterly Project and Expenditure Report.** Reporting format may change as the State of Florida implements statewide-wide reporting. Quarterly reports are due on or before the due dates listed in Table 12. The State of Florida is responsible for collating reporting information for all sub-awards of SLFRF Program funds and reporting collated information to the federal government approximately 15 days following the dates listed in Table 12 (e.g., Florida's due date for the 3rd Quarter of 2021 is October 31, 2021). Therefore, timely submittal of sub-recipients' reports to the Department is critical.

Table 12. Quarterly Report Periods and Due Dates

Report	Year	Quarter	Period Covered	Due Date
1	2021	3	Grant start date - 09/30	10/15/2021
2	2021	4	10/01 - 12/31	1/15/2022
3	2022	1	01/01 - 03/31	4/15/2022
4	2022	2	04/01 - 06/30	7/15/2022
5	2022	3	07/01 - 09/30	10/15/2022
6	2022	4	10/01 - 12/31	1/15/2023
7	2023	1	01/01 - 03/31	4/15/2023
8	2023	2	04/01 - 06/30	7/15/2023
9	2023	3	07/01 - 09/30	10/15/2023
10	2023	4	10/01 - 12/31	1/15/2024
11	2024	1	01/01 - 03/31	4/15/2024
12	2024	2	04/01 - 06/30	7/15/2024
13	2024	3	07/01 - 09/30	10/15/2024
14	2024	4	10/01 - 12/31	1/15/2025

Expenditures.pdf

EXHIBIT I

QUARTERLY PROJECT AND EXPENDITURE REPORT

1. **General.** Sub-recipients must comply with all sub-recipient reporting requirements, as outlined in this Agreement, and more broadly outlined in U.S. Department of the Treasury's Compliance and Reporting Guidance, first published June 17, 2021, and as amended. Required reporting items are listed in the following sections.

2. **Report details.**

   a. **Submittal Date:** {Date submitted to the Department}
   b. **Report:** {1, 2, 3, 4, etc.}
   c. **Year:** {calendar year}
   d. **Quarter:** {calendar quarter; 1, 2, 3, 4}
   e. **Period Covered:** {calendar quarter; MM/DD/YYYY – MM/DD/YYYY}
   f. **Due Date to Department:** {within 15 days after end of calendar quarter}

3. **Project description.**

   a. **Sub-recipient:** {Insert legal seaport name}
   b. **Project Name:** {Project name provided by Department}
   c. **Grant Number:** {Insert Department grant number}
   d. **Project Expenditure Category:** Negative Economic Impacts (EC2)
   e. **Description** (between 50 and 250 words): To use Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to respond to the negative economic impacts of the COVID-19 public health emergency, by providing a substantial infusion of fiscal resources to immediately stabilize sub-recipient Florida seaports for negative economic impacts experienced by those sub-recipients and provide working capital to lay the foundation for a strong and equitable national recovery.
   f. **Status of Completion:** {Select: Not started, Completed less than 50 percent, Completed 50 percent or more, Completed}

4. **Expenditures.**

   a. **Current period obligation:** {Insert encumbered state grant amount}
   b. **Cumulative obligation:** {Insert encumbered state grant amount}
   c. **Current period expenditure:** {Insert cost incurred during period}
   d. **Cumulative expenditure:** {Insert cumulative cost incurred, during previous and current periods}

5. **Subawards.** Provide the following information for each contract, Grant, Loan, Transfer or Direct Payment greater than or equal to $50,000:

   a. Subrecipient identifying and demographic information (e.g., DUNS number and location):
   b. Award number (e.g., Award number, Contract number, Loan number):
   c. Award date, type, amount, and description:
   d. Award payment method (reimbursable or lump sum payment(s)):
   e. For loans, expiration date (date when loan expected to be paid in full):
   f. Primary place of performance:
   g. Related project name(s):
   h. Related project identification number(s) (created by the recipient):
   i. Period of performance start date:
   j. Period of performance end date:
   k. Quarterly obligation amount:
   l. Quarterly expenditure amount:
   m. Project(s):

n. Additional programmatic performance indicators: Negative Economic Impacts (EC2)

6. **Key performance indicators.** SLFRF Program funds will be used as an intervention to provide a substantial infusion of fiscal resources. Evaluation of program outcomes will use preliminary evidence via tracking program Sub-recipient statistics and measuring Sub-recipient responses at the end of the program. Sub-recipient statistics will be collected for Sub-recipient fiscal years 2016 through 2019, which includes the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), to establish a performance baseline and pre-pandemic trend. Statistics will be collected annually for Sub-recipient fiscal years 2020 through 2026, to monitor annual progress and measure Sub-recipient responses at the end of the program. Variables that will be collected, monitored and used to measure Sub-recipient responses at the end of the program, include: direct jobs, operating revenues, operating expenses, total tonnage, and total passenger movements. Sub-recipients will use the table below to report the required data.

Table 1. Variables Collected to Measure Sub-recipient Responses

Sub-recipient Fiscal Year	Direct Jobs	Operating Revenues	Operating Expenses	Total Tonnage	Total Passenger Movements
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					

EXHIBIT J

CONTRACT PAYMENT REQUIREMENTS
Florida Department of Financial Services, Reference Guide for State Expenditures

Invoices for cost reimbursement contracts must be supported by an itemized listing of expenditures by category (salary, travel, expenses, etc.). Supporting documentation shall be submitted for each amount for which reimbursement is being claimed indicating that the item has been paid. Documentation for each amount for which reimbursement is being claimed must indicate that the item has been paid. Check numbers may be provided in lieu of copies of actual checks. Each piece of documentation should clearly reflect the dates of service. Only expenditures for categories in the approved agreement budget may be reimbursed. These expenditures must be allowable (pursuant to law) and directly related to the services being provided.

Listed below are types and examples of supporting documentation for cost reimbursement agreements:

1. **Salaries:** A payroll register or similar documentation should be submitted. The payroll register should show gross salary charges, fringe benefits, other deductions and net pay. If an individual for whom reimbursement is being claimed is paid by the hour, a document reflecting the hours worked times the rate of pay will be acceptable.

2. **Fringe Benefits:** Fringe Benefits should be supported by invoices showing the amount paid on behalf of the employee (e.g., insurance premiums paid). If the contract specifically states that fringe benefits will be based on a specified percentage rather than the actual cost of fringe benefits, then the calculation for the fringe benefits amount must be shown. Exception: Governmental entities are not required to provide check numbers or copies of checks for fringe benefits.

3. **Travel:** Reimbursement for travel must be in accordance with Section 112.061, Florida Statutes, which includes submission of the claim on the approved State travel voucher or electronic means.

4. **Other direct costs:** Reimbursement will be made based on paid invoices/receipts. If nonexpendable property is purchased using State funds, the contract should include a provision for the transfer of the property to the State when services are terminated. Documentation must be provided to show compliance with Department of Management Services Rule 60A-1.017, Florida Administrative Code, regarding the requirements for contracts which include services and that provide for the contractor to purchase tangible personal property as defined in Section 273.02, Florida Statutes, for subsequent transfer to the State.

5. **In-house charges:** Charges which may be of an internal nature (e.g., postage, copies, etc.) may be reimbursed on a usage log which shows the units times the rate being charged. The rates must be reasonable.

6. **Indirect costs:** If the contract specifies that indirect costs will be paid based on a specified rate, then the calculation should be shown.

Contracts between state agencies, and/or contracts between universities may submit alternative documentation to substantiate the reimbursement request that may be in the form of FLAIR reports or other detailed reports. The Florida Department of Financial Services, online Reference Guide for State Expenditures can be found at this web address:

https://www.myfloridacfo.com/Division/AA/Manuals/documents/ReferenceGuideforStateExpenditures.pdf

To: Lauren.LeJeune@dot.state.fl.us

FLORIDA DEPARTMENT OF TRANSPORTATION
FUNDS APPROVAL

G2708

3/10/2022

CONTRACT INFORMATION

Contract:	G2708
Contract Type:	GD - GRANT DISBURSEMENT (GRANT)
Method of Procurement:	G - GOVERMENTAL AGENCY (287.057,F.S.)
Vendor Name:	CITY OF KEY WEST
Vendor ID:	F596000346036
Beginning Date of This Agreement:	03/09/2022
Ending Date of This Agreement:	12/31/2024
Contract Total/Budgetary Ceiling:	ct = $5,018,855.00
Description:	Subaward of the Coronavirus State Fiscal Recovery Fund (ARPA2021) to respond to the negative economic impacts by stabil

FUNDS APPROVAL INFORMATION

FUNDS APPROVED/REVIEWED FOR ROBIN M. NAITOVE, CPA, COMPTROLLER ON 3/10/2022

Action:	Original
Reviewed or Approved:	APPROVED
Organization Code:	55062020629
Expansion Option:	AD
Object Code:	780000
Amount:	$5,018,855.00
Financial Project:	44949218401
Work Activity (FCT):	215
CFDA:	21.027
Fiscal Year:	2022
Budget Entity:	55100100
Category/Category Year:	085152/22
Amendment ID:	O001
Sequence:	00
User Assigned ID:	
Enc Line (6s)/Status:	0001/04

Total Amount: $5,018,855.00