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**Executive Committee Call Agenda
January 30, 4:30 p.m. Eastern
Dial-in Number: +1 (786) 535-3119
Access Code: 583-443-781#**

1. Call to Order and Roll Call
2. Public Comment
3. Approval of Minutes from October 31, 2017 Executive Committee Meeting
4. Election of Officers for 2018-19
 - Lynn Hoshihara
General Counsel
5. Amended Meeting Date for April 2018 Board Meeting
 - Craig Diamond
The Balmoral Group
6. Manager's Report
 - Financial Statement
 - Status of Audit
 - Craig Diamond
The Balmoral Group
7. Planning Grant Update
 - a. Grant Management and Administration Report
 - Lisa King
Langton Consulting
 - b. Analysis of Work Orders Approved and Planning Grant Amount
 - Craig Diamond
The Balmoral Group
8. SEP Project Management Report
 - a. Status Report of Work Order #9 (Task 11: Prepare Draft SEP)
 - b. Status Report of Work Order #10 (Tasks 12 & 13: Draft SEP Review and Revisions; Stakeholder Outreach and Public Involvement)
 - c. Board Approval of Work Order #11 (Task 14)
 - Doug Robison
Environmental Science Associates



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9. Request to Approve the Final Stand-Up SEP (SSEP) and Transmit to the Governor's Office
Craig Diamond
The Balmoral Group
10. ESA Contract Amendment Request
Lynn Hoshihara
General Counsel
11. New Business
12. Public Comment
13. Upcoming Board Meeting

Thursday, February 8, 2018
1:00pm, EST
Tallahassee City Commission Chambers
300 South Adams (2nd Floor)
Tallahassee, FL 32301
(not Crawfordville as previously advertised)
14. Adjourn

Notice of Meeting/Workshop Hearing

OTHER AGENCIES AND ORGANIZATIONS

Gulf Consortium

The Gulf Consortium Executive Committee announces a telephone conference call to which all persons are invited.

DATE AND TIME: January 30, 2018 at 4:30 pm (ET)

PLACE: United States: +1 (786) 535-3119

Access Code: 583-443-781

GENERAL SUBJECT MATTER TO BE CONSIDERED: The Executive Committee of the Gulf Consortium will conduct a Board of Directors preview meeting, consisting of a planning grant update; status of work orders under the State Expenditure Plan; and, conduct other business. The location of the conference call is The Balmoral Group, 165 Lincoln Avenue, Winter Park, FL 32789.

A copy of the agenda may be obtained by contacting: Craig Diamond at 407-629-2185 or Gulf.Consortium@balmoralgroup.us.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 3 days before the workshop/meeting by contacting: Craig Diamond at 407-629-2185 or Gulf.Consortium@balmoralgroup.us. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1-800-955-8771 (TDD) or 1-800-955-8770 (Voice). If any person decides to appeal any decision made by the Board with respect to any matter considered at this meeting or hearing, he/she will need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence from which the appeal is to be issued.

For more information, you may contact Craig Diamond at 407-629-2185 or Gulf.Consortium@balmoralgroup.us.

Gulf Consortium Executive Committee Meeting
January 30, 2018, 4:30 p.m., Eastern
The Balmoral Group Office - Conference Call



<u>County</u>	<u>Executive Committee Member</u>	<u>Present</u>
Escambia	Commissioner Grover Robinson	
Gulf	Warren Yeager	
Monroe	Commissioner George Neugent	
Charlotte	Commissioner Chris Constance	
Pasco	Commissioner Jack Mariano	

AGENDA ITEM 3

**Gulf Consortium Executive Committee
January 30, 2018**

**Agenda Item 3
Approval of October 31, 2017 Executive Committee Minutes**

Statement of Issue:

This agenda item proposes approval of the minutes of the October 31, 2017 meeting of the Executive Committee.

Options:

- (1) Approve the October 31, 2017 Executive Committee minutes, as presented;
or
- (2) Amend and then approve the October 31, 2017 Executive Committee minutes.

Recommendation:

Motion to approve Option 1.

Prepared by:

Craig Diamond
The Balmoral Group
Manager
On: January 23, 2018

Attachment:

Draft 10/31/17 Minutes

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.

**Gulf Consortium Executive Committee Meeting
October 31, 2017, 4:15 p.m. (Eastern)
Teleconference**

Members in Attendance: Chairman Grover Robinson (Escambia), Commissioner Chris Constance (Charlotte); Commissioner Jack Mariano (Pasco), Kathy Starkey (Pasco, Alternate), Commissioner George Neugent (Monroe) and Warren Yeager (Gulf).

Also In Attendance: Kathy Starke (Pasco, Alternate), Craig Diamond (The Balmoral Group), Daniel Dourte (The Balmoral Group), Amanda Jorjorian (The Balmoral Group), Lynn Hoshihara (Nabors, Giblin & Nickerson), Doug Robison (ESA), Lisa King (Langton Consulting), Mike Langton (Langton Consulting)

Agenda Item 1 – Call to Order

Chairman Grover Robinson called the meeting to order at 4:19pm (ET) once a quorum was present.

Agenda Item #2 – Roll call

Attendees above.

Agenda Item #3 – Public Comment

None

Agenda Item #4 – Approval of Minutes from September 15, 2017 Executive Committee Meeting

Chris Constance moved the minutes with no revisions; seconded by Warren Yeager.

ACTION: APPROVED

Agenda Item #5a – Consortium Authority to Implement the State Expenditure Plan

Lynn Hoshihara provided the committee with a summary of the authority to implement the state expenditure plan. Per Chairman Robinson's and Craig Diamond's conversations with the Governor's office, the Governor will affirm the Consortium as the implementing entity via signing and transmitting the SEP with the Consortium identified as such within the document. Ms. Hoshihara reiterated that the Consortium clearly has the authority to implement. She noted that the board can approve and accept this authority in a formal motion at the November 15th meeting. Chris Constance made the motion to move the issue to the November 15th meeting for board discussion and approval. Warren Yeager seconded the motion. All in favor. None opposed.

ACTION: EXECUTIVE COMMITTEE APPROVED

Agenda Item #5b – Consortium Roles and Responsibilities during Implementation

Lynn Hoshihara gave a review of the Consortium's roles and responsibilities during implementation. There were questions raised at the September board meeting regarding implementation and structure. She stated that The Balmoral Group's role is to establish the administrative structure. ESA's contract ends with the Council approval of the SEP. Full services of implementation will require financial and other functions. Chairman Robinson commented that because the Gulf Consortium is the implementer they must set up

the framework. Commissioner Constance had issues with the text referring to The Balmoral Group as “permanent manager” when in fact, it was a two year contract. Craig Diamond clarified that the contract was a 2 year contract with up to two one-year renewals, should the board choose so. He noted that the language came from the RFP used in hiring The Balmoral Group and was related to FAC’s defined role as the Interim Manager while its successor was labeled as the Permanent Manager. Chairman Robinson asked to change the terminology in future documents from “permanent manager” to just “manager”. Lynn Hoshihara confirmed that no vote was needed to make the change.

Agenda Item #6 – Direction for the Stand-Up State Expenditure Plan for the Gulf Consortium

Craig Diamond gave an update on the Stand-Up State Expenditure Plan item that had been tabled at the September Board meeting. Mr. Diamond noted that this Stand-Up Expenditure Plan was to set up the required architecture to qualify for grant funds. Council had provided guidance on developing the required structure. The budget for the Stand-Up SEP has been reduced based on reduced procurement costs and a revised estimate of number of project grants to be administered during the period of Stand-Up activity. Mr. Diamond noted that there were timelines attached based on the different SEP implementation options. Mr. Diamond addressed comments from Commissioner Constance about the amount of grants expected, reporting that perhaps as many as 6 grants may be expected and that the revised costs reflected this number of projects. He explained that the scope of the Stand-Up SEP was intended to advance the first slate of projects. The Stand-Up costs were a one-time expense to get the requisite administrative procedures in place; further administrative support would be via the costs associated with individual projects. Commissioner Constance made the motion to approve moving forward with the Stand-Up SEP, second by Comm. Mariano. All in favor. None Opposed. Motion carries.

ACTION: EXECUTIVE COMMITTEE APPROVED

Agenda Item #7 –Amended FY 18 Budget

Craig Diamond provided an amended budget for FY 2018. Mr. Diamond commented that the Stand-Up SEP monies were added back into this budget and that based on the expected schedule of the Stand-Up SEP implementation it was unlikely that many projects could be advanced prior to the end of the Fiscal Year. There were no comments on this item. Commissioner Constance motioned to approve the Amended Budget, Jack Mariano second. All in favor. None Opposed. Motion carries.

ACTION: EXECUTIVE COMMITTEE APPROVED

Agenda Item #8a –Financial Statement

Craig Diamond provided an overview of Financial Statements included in the Agenda Packet. The financial statements had been updated through September. These Draft Financial Statements would be those to be audited. There were no questions on this item. No action was required on this item.

Agenda Item #8b –Status of Consortium Audit Procurement

Craig Diamond provided an update on the status of the contract with Moore, Stephens and Lovelace, the ranked firm that Board had directed staff to negotiate with. He noted that an engagement letter had been reviewed and approved by Lynn Hoshihara. A draft contract with Moore Stephens and Lovelace should be available for Board review by the November meeting. There were no questions and no action was required on this item.

Agenda Item #9a – 2018 Officer Elections Briefing

Lynn Hoshihara reminded the Executive Committee about the upcoming Officer Elections. Nominations will be due by January 12, 2018 to the Manager. Elections would be held by February 8th using the same process as previous elections. Chairman Robinson noted that he not be able to run again as he would not be able to complete his term due to leaving office in November of 2018. Commissioner Mariano asked if the procedure was that someone from the executive committee would move up in their position. Chairman Robinson commented that he would like to keep the people they currently had but did not want to make officer positions exclusive to sitting members of the executive committee. Warren Yeager and Commissioner Neugent urged the Chairman to continue to serve as chair even if he would need to step down before the 2018 term was completed. Chairman Robinson commented that he would be happy to serve in any format that the Board wished. There was consensus that there be a full board discussion on this item No action was required on this item as this time.

Agenda Item #9b- ESA Contract Amendment Request- Conflict of Interest

Lynn Hoshihara presented ESA's request to amend their contract regarding conflict of interest language. She determined that there would be an unfair and competitive advantage as ESA has more information than other firms that might want to compete for implementation work. The Consortium is trying to inspire public confidence. Changing the language could discourage other bidders and involve financial repercussions. Ms. Hoshihara recommended to leave the language unchanged. She noted that both options were legally permissible and that a vote could be taken at the executive committee level. Chairman Robinson allowed Doug Robison to address the matter. Mr. Robison commented that ESA was currently at an impasse due to the language. He believes it is a restraint of trade, prevents ESA from doing work, and was a lifetime ban from ESA working on implementation for any public entity work on Pot 3 projects. Mr. Robison noted that the agreement was signed with this clause because the scope anticipated for ESA to select and rank projects. However, under the even-stein approach the counties select their own projects. This modified ESA's contract and therefore there would be no conflict of interest. He asked how the clause benefited the Consortium. Chairman Robinson opened the floor to questions. Commissioner Neugent indicated that his county attorney leaned towards not changing the rule. Commissioner Neugent asked if the item could be tabled for full board discussion in November. Chairman Robinson agreed that it should be handled by the full board. They need to understand the implications that some firms that would not have bid on that contract due to the language originally. Commissioner Mariano noted the opening paragraph of the contract stated that ESA agreed to recuse themselves and he did not know how they would get changing that past the public. Commissioner Constance noted that the scope did change for ESA and this should be factored into the decision about the contract amendment. Commissioner Neugent moved to direct the matter to the Board without an Executive Committee recommendation and Commissioner Mariano seconded. Commissioner Mariano commented to make a note in the Agenda Item that the Executive Committee pushed this item to the Board Meeting for discussion and that it should be looked at with an attorney before coming to the board meeting. Lynn Hoshihara confirmed that she would add the language in the Agenda item for the November board meeting.

ACTION: EXECUTIVE COMMITTEE APPROVED

Agenda Item #10a – Update on Planning Grant

Lisa King gave an update on the Planning Grant. There were eight payment requests totaling \$756,753.32 approved. The Financial Progress report was due October 30th 2017 and submitted by the Chairman on October 27th. There were no questions on this item and no action was required.

Agenda Item #10b – Planning Grant Update: Analysis of Work Orders Approved and Planning Grant Award

Craig Diamond gave an update on the ESA Work Orders approved to date. There was an additional Work Order (#10) approved since the last Board meeting, and an adjustment on the total costs for Audio-Visual. There were no questions or comments on this item and no action was required.

Agenda Item #11a – Status Report of Work Order #9 (Task 11: Prepare Draft FSEP)

Doug Robison (ESA) provided an update of Work Order #9. ESA has continued work with the counties weekly and was reloading the approved sequencing model with the projects. The unresolved issue of SEP implementation would need to be incorporated to the Draft SEP due to the Board on November 15th; depending on its direction the Board may need to approve the Draft FSEP between November 15th and February 2018. There were no questions or comments on this item. No action was required on this item.

Agenda Item #11b – Status report of Work Order#10 (Task 12 and 13: Draft FSEP review and Revisions; Stakeholder Outreach and Public Involvement)

Doug Robison commented that the Status report of Work Order#10 was not applicable at this time. There were placeholder dates for the meetings, public review and webinars. There were no questions on this item and no action was required.

Agenda Item #11c – Preview of Work Order#11 (Task 14)

Doug Robison gave a preview of Work Order #11 which authorizes ESA to complete the amended SEP development process. He noted there were scheduling issues due to missing a step in the process from the questions regarding the Stand-Up SEP at the September Board meeting. Chairman Robinson asked if they would need another meeting scheduled in mid-December for approval of the draft and asked Ms. Hoshihara if a meeting in December could be done over the phone. Ms. Hoshihara confirmed that they could have meetings via teleconference as long as there was two-way conversation capabilities. Mr. Robinson requested adding the phone meeting to the agenda for the November Board meeting so the final SEP could be approved by phone vote.

Agenda Item #12 – Approval of the Draft Florida SEP

Doug Robinson noted that the Draft SEP is contingent upon Consortium direction in regard to SEP implementation, which would be discussed at the November 15th meeting. Assuming the consortium approves an implementation strategy at the November meeting, the Draft SEP would be completed and released for review and comment. There were no comments or questions on this item. No action was required on this item.

Agenda Item #13 – New Business

None

Agenda Item #14 – Public Comment

None

Agenda Item #15 – Upcoming Board Meeting

The next board meeting was scheduled for November 15, 2017 at 2:00pm EST in Sarasota, Fl.

Agenda Item #16 - Adjournment

There being no further business, the Committee adjourned at 5:24 pm.

Respectfully submitted,

Grover Robinson
Chairman

AGENDA ITEM 4

**Gulf Consortium Executive Committee
January 30, 2018**

**Agenda Item 4
Discussion of Officer Elections for 2018**

Executive Summary:

Discussion of the slate of nominees for the elected officers and Executive Committee positions for 2018.

Background:

The elections of 2018 officers will be held at the Consortium's Board meeting on February 8, 2018. The three elected offices include: Chairman, Vice-Chairman and Secretary-Treasurer. The following is a summary of the election process as adopted by the Board:

- Self-nomination for one or more of the offices sought;
- Notification to the Interim Manager by January 12, 2018;
- Written approval by the respective Board of County Commissioners of the Director's candidacy provided to the Manager prior to the election;
- Re-election of an incumbent officer allowed;
- Election by written ballot, with a majority vote required of the Directors present and voting; and,
- Newly elected officers take office immediately and serve until the election of new officers in 2018.

The three newly-elected elected officers are required to select two additional Directors to serve as "at large," voting members of the Executive Committee.

Analysis:

The Interlocal Agreement establishes the following elected officers: Chairman, Vice-Chairman and Secretary-Treasurer. These officers must be Directors and shall each serve a one-year term, unless reelected. The duties of the Chairman include signing documents, calling meetings of the Board and taking such other actions and having such other powers as provided by the Board. See, Sec. 3.04, 3.05, 3.07. The Vice-Chairman is authorized to act in the absence or otherwise inability of the Chairman to act. Sec. 3.05. The Secretary-Treasurer is responsible for the minutes of the meetings and shall have other powers approved by the Board. Sec. 3.05. The Interlocal Agreement also provides that the Chairman, Vice-Chairman and Secretary-Treasurer shall select two other Directors who, together with the elected officers, shall constitute an Executive Committee.

Pursuant to the procedure adopted by the Board in November 2012 (copy attached), the Board is required to annually elect three officers from among the Directors at the first meeting of the year.

The nomination period election to the Executive Committee closed on January 12, 2018. The following individuals have self-nominated and are running for the offices indicated in 2018:

Candidate

Chris Constance (Charlotte)
Grover Robinson (Escambia)
Warren Yeager (Gulf)
John Meeks (Levy)
Jack Mariano (Pasco)

Office Sought

Vice-Chair; Secretary-Treasurer
Chairman
Vice-Chair; Secretary-Treasurer
Secretary-Treasurer
Vice-Chair; Secretary-Treasurer

Commissioners Meeks and Mariano have also indicated their interest in serving in an At-Large capacity.

Options:

This agenda item is for informational only. No action by the Executive Committee is required.

Fiscal Impact:

None.

Recommendation:

No action is required.

Attachment:

November 2012 adopted election process.

Prepared by:

Craig Diamond
The Balmoral Group
Manager
On: January 22, 2018

Gulf Consortium Process for Election of the Chairman, Vice Chairman and Secretary-Treasurer

Adopted by the Board of Directors in November 2012.

Commencing with the elections in 2013 and applicable annually thereafter, the following election process is approved:

- **Date of Election.** Election of officers shall be held annually at the Board's first meeting of the calendar year (the "Election Meeting").
- **Term of Office.** An officer shall take office immediately upon election. The term of office shall end upon the election of the officer at the following year's Election Meeting of the Board
- **Self Nomination and Notification; Timelines.--** Any Director wishing to run for an elected office shall formally declare his/her candidacy by the Qualifying Date which is either December 15 of the year before the term begins, or such other date, as set by the Manager, that is not less than 20 days prior to the Election Meeting. The Manager shall provide notice to each Director of the Qualifying Date at least 45 days before the Election Meeting. The Director's declaration of candidacy must be in writing, stating the office or offices sought, and be received by the Manager on or before the Qualifying Date. The Director shall send the declaration of candidacy to the Manager by either (a) express delivery, return receipt requested, or (b) via electronic mail (email). The Manager shall acknowledge receipt of emails declaring candidacy within 24 hours of receipt. However, it shall be the responsibility of the Director declaring his or her candidacy to assure that the email has been received by the Manager on or before the qualifying date.
- **Board of County Commissioners Approval.--** On or before the Election Meeting, a Director who is a candidate for office shall cause to be delivered a letter or resolution to the Manager from that Director's board of county commissioners stating its support for that Director's candidacy for an officer of the Gulf Consortium.
- **Order of Election and Written Ballot.--** At the Election Meeting of the Board of Directors, the Manager shall conduct the election of the offices for the Chairman, Vice-Chairman and Secretary-Treasurer in that order. Qualified candidates shall be given an opportunity to address the Directors for three minutes each. After the candidates' presentation for the respective office, the Interim Manager shall issue a written ballot for each Director to vote his or her preference for that office.
- **Majority Vote Requirements.--** A majority vote of the Directors present shall be required for the election of the officer. Voting shall continue until a

majority vote of the Directors present is achieved for a candidate for the office. In case of a tie, the Interim Manager shall call for another vote for those tied until the office is filled by a majority vote of the Directors present.

AGENDA ITEM 5

**Gulf Consortium Executive Committee
January 30, 2018**

**Agenda Item 5
Amendment of the Consortium 2018 Meeting Calendar**

Statement of Issue:

This agenda item seeks an amendment to the 2018 Board Calendar for its April meeting.

Background:

At its November 15, 2017 meeting the Board approved the following calendar and locations.

<u>Date</u>	<u>Day of Week</u>	<u>Location</u>
February 8, 2018	Thursday <i>(FAC Legislative Day)</i>	Leon County
April 18, 2018	Wednesday <i>(Not affiliated with an FAC event)</i>	Bay County
June 28, 2018	Thursday <i>(FAC Annual Conference)</i>	Orange County
September 27, 2018	Thursday <i>(FAC Policy Conference)</i>	Charlotte County
November 29, 2018	Wednesday <i>(FAC Legislative Conference)</i>	Hillsborough County

The April meeting is anticipated to include approval of the Final SEP and the initiation of several “Stand-Up” activities to support the Consortium’s role in SEP implementation.

The Florida Association of Counties recently announced that its “DC-Fly-In” would take place the week of April 16, 2018 creating a potential conflict for Board members considering attendance at that event. The Consortium General Counsel has a known conflict on April 26. April 25th is suggested as an alternative date for the April meeting.

Options:

- (1) Amend the 2018 Calendar to reflect a date change for the April meeting; or
- (2) Board direction.

Recommendation:

Motion to amend the 2018 meeting calendar.

Attachments:

None.

Prepared by:

Craig Diamond
The Balmoral Group
Manager
January 23, 2018

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.

AGENDA ITEM 6

**Gulf Consortium Executive Committee
January 30, 2018**

**Agenda Item 6
Manager Report**

Statement of Issue:

Presentation of the Manager report.

Background:

The Manager report will be given verbally at the Executive Committee meeting on January 30, 2018.

Attachment:

Financial Statements through December 31, 2017

Prepared by:

Craig Diamond
The Balmoral Group
Manager
On: January 23, 2018

Gulf Consortium
Profit & Loss
 October through December 2017

	General Fund	Grants Fund	TOTAL
Income			
County Dues Funding	70,025.00	0.00	70,025.00
Planning Grant			
SEP - Work Order 7	0.00	518,239.58	518,239.58
SEP - Work Order 8	0.00	398,110.00	398,110.00
SEP - Management Fees	0.00	17,732.50	17,732.50
SEP - Grant Management	0.00	15,000.00	15,000.00
SEP - Legal Fees	0.00	53,520.46	53,520.46
SEP - AV/Meeting Fees	0.00	2,824.37	2,824.37
Total Planning Grant	0.00	1,005,426.91	1,005,426.91
Total Income	70,025.00	1,005,426.91	1,075,451.91
Expense			
Development of SEP			
Grant Management	0.00	15,000.00	15,000.00
Work Order 7	0.00	518,239.58	518,239.58
Work Order 8	0.00	398,110.00	398,110.00
Total Development of SEP	0.00	931,349.58	931,349.58
Legal	7,007.92	53,520.46	60,528.38
Management Fees	8,031.50	17,732.50	25,764.00
Meeting Expense	1,766.27	2,824.37	4,590.64
Bank Service Charges	683.81	0.00	683.81
Special District Fees	175.00	0.00	175.00
Total Expense	17,664.50	1,005,426.91	1,023,091.41
Net Income	52,360.50	0.00	52,360.50

Gulf Consortium
Balance Sheet
As of December 31, 2017

	Dec 31, 17
ASSETS	
Current Assets	
Checking/Savings	
Seaside Bank (Operating)	149,532.97
Wells Fargo Account (Grant)	878.39
Total Checking/Savings	150,411.36
Accounts Receivable	
Planning Grant Receivable	574,539.44
Total Accounts Receivable	574,539.44
Total Current Assets	724,950.80
TOTAL ASSETS	<u>724,950.80</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable - Grant	571,715.07
Accounts Payable	8,716.69
Total Accounts Payable	580,431.76
Other Current Liabilities	
Accrued Liabilities - General	100.00
Total Other Current Liabilities	100.00
Total Current Liabilities	580,531.76
Total Liabilities	580,531.76
Equity	
Unrestricted Net Assets	92,058.54
Net Income	52,360.50
Total Equity	144,419.04
TOTAL LIABILITIES & EQUITY	<u>724,950.80</u>

AGENDA ITEM 7

AGENDA ITEM 7a

**Gulf Consortium Executive Committee
January 30, 2018**

**Agenda Item 7a
Update on Planning Grant**

Executive Summary:

Update on the status of the Planning Grant Application. No action required.

Most Recent Activity:

A Planning Grant in the amount of \$4,640,675 was awarded to the Gulf Consortium on June 23, 2016. The Gulf Consortium executed the grant agreement on June 28, 2016. Langton Consulting and Consortium staff enrolled the Consortium in Council's invoicing and payment systems and commenced the drawdown and disbursement of federal grant funds. Eleven payment requests totaling \$1,934,075.32 have been submitted and paid to date.

Full Background on Post Award Process/Procedure:

The Consortium submitted its twelfth payment request through RAAMS on January 18, 2018 in the amount of \$56,299.86; it is currently being reviewed by Council.

The Consortium submitted its last Financial Progress report on October 30, 2017. The next Progress report is due April 30, 2018.

Fiscal Impact:

Under Work Order #5, the Consortium agreed to pay ESA a \$5,000 flat fee monthly for grant management services (Task 15), provided by Langton Consulting.

Attachments:

None

Recommendation:

For information only.

Prepared by:

Heather Pullen
Langton Consulting
On: January 23, 2018

AGENDA ITEM 7b

**Gulf Consortium Executive Committee
January 30, 2018**

**Agenda Item 7b
Planning Grant Update: Analysis of Work Orders Approved and
Planning Grant Award**

Statement of Issue:

Presentation of ESA Work Orders approved to date and a comparison of that encumbered amount with respect to the Planning Grant Award.

Background:

On April 22, 2016, the Gulf Consortium Board of Directors approved a contract amendment for the ESA Consulting Team to assist the Consortium in developing Florida's State Expenditure Plan for the Governor's submission to the Restoration Council for the Spill Impact Component of the RESTORE Act. The ESA Team was selected and hired after a comprehensive, competitively procured process. The Contract between the Consortium and ESA is a not-to-exceed amount of \$2,722,780. The contract is performed on a work order basis.

The Consortium also hired Nabors, Giblin & Nickerson as its General Counsel, also after a comprehensive, competitively procured process. The contract between the Consortium and NGN is a not-to-exceed amount of \$150,000 per year.

The Consortium also hired The Balmoral Group, LLC, as manager for the Consortium, also after a comprehensive, competitively procured process. The contract between the Consortium and TBG is a not to exceed amount of \$103,056 per year.

The Consortium's Planning Grant Application was approved by the Restoration Council on June 23, 2016 and the award contract was executed on June 28, 2016. The grant award is in the amount of \$4,640,675.

Analysis:

As of December 31, 2017 the Consortium has approved ten work orders, totaling \$2,585,208, broken down as follows:

<u>Task 1</u> (PSEP, Planning Grant App) (approved 1/21/15) (\$35,980 of which is funded by the grant)	\$50,980
<u>Task 2</u> (Goal Setting Workshop) (approved 3/25/15)	\$21,560
<u>Task 3</u> (Public Involvement – Phase I) (approved 6/19/15)	\$82,388

<u>Work Order 4(A)</u> (Prelim Project List – Phase I) (approved 6/28/16)	\$92,660
<u>Work Order 4(B)</u> (Preliminary Project List-Phase II) (approved 9/13/16)	\$209,100
<u>Work Order 5</u> (Grant Admin) (approved 4/21/16) (\$5,000 per month for 24 months)	\$120,000
<u>Work Order 6</u> (Map Preliminary Project List & Perform Gaps Analysis) (approved 12/2/16)	\$455,290
<u>Work Order 7</u> (Complete Draft Project List and Conduct Detailed Project Evaluation & Refinement) (approved 4/6/17)	\$518,320
<u>Work Order 8</u> (Conduct Project Leveraging Analysis & Sequencing & Implementation Strategy) (approved 5/17/17)	\$398,110
<u>Work Order 9</u> (Prepare Draft State Expenditure Plan Document and Conduct Legal Review) (approved 6/28/17)	\$276,000
<u>Work Order 10</u> (Draft State Expenditure Plan Review and Revisions; Stakeholder Outreach and Public Involvement) (approved 9/27/17)	\$360,800
Total	\$2,585,208

As of September 13, 2016, the Consortium approved one other contract to be funded partially from the planning grant: Nabors, Giblin & Nickerson

NGN General Counsel Services (\$90,000 of which can be funded by the grant, annually)	\$180,000
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As of May 17, 2017, the Consortium approved another contract to be funded partially from the planning grant: The Balmoral Group, LLC

TBG Management Services (\$60,000 of which can be funded by the grant, annually)	\$206,112
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Also, out of the grant award, the Consortium can pay for some of the costs it incurs for its meetings: Audio-Visual, Information Technology, meeting space, etc. These costs are incurred on a meeting-by-meeting basis.

AV/IT Reimbursement \$26,371.34
(Incurred between 8/22/14 – 1/30/18)

Accordingly, the following summarizes the grant budget as compared to Consortium-approved and grant-fundable contracts:

Grant Award	ESA Contract Amount	ESA Work Orders Approved to Date	NGN Contract from Grant	TBG Contract from Grant	AV / IT Expenses to Date
\$4,640,675	\$2,722,780	\$2,585,208	\$180,000	\$120,000	\$26,371

Options:

No action required.

Recommendation:

For information only.

Prepared by:

Craig Diamond
The Balmoral Group, Manager
On: January 23, 2018

AGENDA ITEM 8a

**Gulf Consortium Executive Committee
January 30, 2018**

**Agenda Item 8a.
Status Report of Work Order #9 (Task 11: Prepare Draft SEP)**

Background:

At its June 28, 2017 meeting the Gulf Consortium authorized ESA Work Order #9, which encompassed Task 11 of the amended SEP development scope of work. This work effort involved the development of Pre-Draft and Draft State Expenditure Plan documents.

Update:

At the September 27, 2017 Gulf Consortium ESA delivered the Pre-Draft State Expenditure Plan for review and discussion. Since that meeting, the ESA consultant team worked with individual counties with regard to revisions to their respective project descriptions.

In addition, the ESA consultant team worked with The Balmoral Group and NGN with regard to the Consortium's authority to implement the SEP, and how the Draft SEP should describe implementation, financial and conflict of interest controls.

Following its decision to serve as the eligible, implementing entity for Florida's SEP, the Consortium approved the release of the Draft SEP at its January 11, 2018 teleconference meeting.

Recommendation:

Information only

Attachment:

Draft SEP and Appendices, respectively, January 5th Version (.pdf documents on website):

https://docs.wixstatic.com/ugd/dde1f7_25f106adcf1249408560e94bb7817d66.pdf

https://docs.wixstatic.com/ugd/dde1f7_611d13fcc65d46279b44a51b72da68d1.pdf

Prepared by:

Doug Robison – SEP Project Manager
Environmental Science Associates
On: January 23, 2018

AGENDA ITEM 8b

**Gulf Consortium Executive Committee
January 30, 2018**

**Agenda Item 8b.
Update on Work Order #10: Draft SEP Review and Revisions/
Stakeholder Outreach and Public Involvement**

Background:

Work Order #10 authorizes the Consultant to complete Tasks 12 and 13 of the amended State Expenditure Plan development process. These tasks include:

- Task 12 - Draft SEP Review and Revisions
- Task 13 - Stakeholder Outreach and Public Involvement.

The goals of these tasks are to prepare Draft Review and Revisions of Florida's SEP after consultation with State Agencies, and to conduct an extensive Stakeholder and Public Involvement outreach effort to enhance the FSEP through broad public participation in the final product. The undertaking of Tasks 12 and 13 further Phase IV – Final SEP Development.

Update:

Task 12 - Draft FSEP Review and Revisions

The Consultant team met with DEP and FWC staff to review the Draft State Expenditure Plan and begin the agency review process. A state coordinated review by DEP will occur over the next month and will include the following state agencies: the Florida Fish & Wildlife Conservation Commission; the Department of Economic Opportunity; the Department of Transportation; the Department of Agriculture and Consumer Services; and Florida Water Management Districts with regulatory jurisdiction over projects, programs and activities included in the Draft State Expenditure Plan.

Comments received from the coordinated State agency review and the legal review will be summarized in a Technical Memorandum and presented to the Consortium. Upon approval by the Consortium, the ESA consultant team will make recommended revisions to the Draft State Expenditure Plan, as appropriate.

Task 13 - Stakeholder Outreach and Public Involvement

ESA consultant team developed a *Stakeholder Outreach and Public Involvement Program* to facilitate stakeholder review, and to solicit public comments. In coordination with the Gulf Consortium Manager, a new page and portal on the existing Gulf Consortium website was created to receive public comments. To engage various stakeholders and citizen groups in the public review of the Draft SEP, the consultant team is facilitating (2) public hearings and (2) webinars at the dates and times listed below:

Public Hearing- Bay County

January 22, 2018

Time: 6:30pm

Location: Commission
Chambers 840 W. 11th Street,
Panama City, FL 32401

Public Review Webinar

Feb 1, 2018 11:30 AM EST

<https://register.gotowebinar.com/register/8994065976187824131>
United States: +1 (415) 655-0052
Access Code: 340-546-329

Public Hearing - Hillsborough County

January 23, 2018

Time: 6:30pm

Location: Conference Rooms A&B on
the 26th Floor of the County
Center 601 E Kennedy Blvd, Tampa,
FL 33602

Public Review Webinar

Feb 15, 2018 2:00 PM EST

<https://register.gotowebinar.com/register/2801758325553429507>
United States: +1 (631) 992-3221
Access Code: 156-211-997

The public comment period is now open and will be closed on March 2, 2018. Comments received from stakeholders and the public will be summarized in a Technical Memorandum, and presented to the Consortium. If directed by the Consortium, the ESA consultant team will make further revisions to the Draft State Expenditure Plan in response to public comments.

Prepared by:

Doug Robison
SEP Project Manager
Environmental Science Associates
On: January 17, 2018

AGENDA ITEM 8c

**Gulf Consortium Executive Committee
January 30, 2018**

**Agenda Item 8c
Approval of Work Order #11 (Task 14)**

Background:

Work Order #11 authorizes the Consultant to complete Task 14 of the amended State Expenditure Plan (SEP) development process. The goals of this task are to: 1) give a summary presentation on the Final Florida SEP to both the Governor and the Council; 2) provide ongoing coordination with the Governor and the Council to ensure the timely review and approval of the Final Florida SEP; and 3) prepare and distribute final hard and electronic copies of the approved Florida SEP.

Task 14 of the amended SEP development process is the final task in the ESA consultant team scope of work, as authorized by the Council Planning Grant. It is being previewed at this time, and formal Board approval will be requested upon determination of the final SEP review schedule.

Recommendation:

Approve Work Order #11

Attachment:

Work Order #11

Prepared by:

Doug Robison – SEP Project Manager
Environmental Science Associates
On: January 23, 2018

**GULF CONSORTIUM AND ENVIRONMENTAL SCIENCE ASSOCIATES
AGREEMENT FOR CONSULTANT SERVICES
FOR STATE EXPENDITURE PLAN**

-WORK ORDER #11-

Prepare Final Florida State Expenditure Plan (Task 14)

WHEREAS, the Gulf Consortium (Consortium) and Environmental Science Associates (Consultant) entered into an agreement for planning consulting services for the State Expenditure Plan (Agreement);

WHEREAS, the Agreement requires written Work Orders to be issued by the Consortium for work to be performed by the Consultant; and

WHEREAS, the Consortium desires the Consultant to Prepare the Final Florida State Expenditure Plan.

NOW, THEREFORE, the Parties agree to Work Order #11 as follows:

Background

Work Order #11 authorizes the Consultant to complete Task 14 of the amended State Expenditure Plan (SEP) development process. The goals of this task are to: 1) conduct early coordination with the Governor and the Council with regard to the review of the Draft SEP; and 2) provide ongoing coordination with the Governor and the Council to ensure the timely review and approval of the Final Florida SEP. This is the final task in the SEP development and approval process.

Scope of Work

The scope of work for this task, as authorized in the Planning Grant, is described below.

Task 14 - Prepare Final Florida SEP

Upon formal adoption by the Consortium, the Final SEP will be submitted to the Governor for review. Pursuant to the MOU between the Governor and the Consortium, the Final Florida SEP shall be submitted to the Governor at least 90 days prior to its transmittal to the Council. Upon receipt of the Final Florida SEP, the Governor shall provide comments back to the Consortium within 30 days. The Consortium shall have 30 days from the date of receipt of the Governor's comments to revise the Final Florida SEP in accordance with the Governor's comments and submit the revised Final Florida SEP back to the Governor for formal transmittal to the Council.

It is anticipated that close coordination and liaison with the Governor and the Council will be required to obtain timely formal Council approval of the Final SEP. Therefore, this task includes

the following activities: 1) conduct early coordination with the Governor and the Council with regard to the review of the Draft SEP, including face to face meetings; 2) make revisions to the Draft SEP based on initial comments received from the Governor and the Council; 3) prepare the Final SEP document; 4) deliver a summary presentation on the Final SEP to both the Governor and the Council; and, 5) provide ongoing coordination with the Governor and the Council to ensure the timely review and approval of the Final Florida SEP; and 5) produce up to 50 hard and electronic (CD) copies of the Final SEP for distribution to the Council, the Governor, and the Consortium.

Deliverables

The deliverables for this Work Order #11 include the following:

- Task 14 – Up to 50 hard and electronic (CD) copies of the Final SEP for distribution to the Council, the Governor, the FDEP and FWC, and the Consortium.
- Letter from the Council formally approving the Final Florida SEP.

Schedule

Upon formal approval of this Work Order #11 by the Consortium at its February 8, 2018 meeting, the above described scope of work and deliverables will be completed on or before June 30, 2018.

Compensation

Compensation of the Consultant for this Work Order shall be contingent upon the availability of planning grant funds from the Restoration Council. As provided in the revised ESA agreement and the Planning Grant, the fixed fee costs for Task 14 are shown in the table below.

Work Order #11			
Task	Description	Hours	Dollars @\$205/hour*
14	Prepare Final Florida SEP	640	\$131,200
Totals		640	\$131,200

* Blended rate used for cost estimating includes: overhead; profit; reimbursable expenses; and project management.

The Consultant shall be compensated on a fixed fee basis, and shall provide a final invoice upon the completion of each task, and approval all associated deliverables, encompassed in this Work Order. The total fixed fee for Work Order #11 shall not exceed **\$131,200**.

WHERETO, the Parties have set their hands and seals effective the date whereon the last party executes this Agreement.

GULF CONSORTIUM

**ENVIRONMENTAL SCIENCE
ASSOCIATES**

By: _____

By: _____
Vice President or designee

Date: _____

Title: _____

Date: _____

SECRETARY/TREASURER:

By: _____

Date: _____

Approved as to Form:
Gulf Consortium General Counsel

BY: _____
Lynn Hoshihara
Nabors, Giblin & Nickerson, P.A.

Gulf Consortium General Counsel

AGENDA ITEM 9

**Gulf Consortium Board of Directors Meeting
February 8, 2018**

Agenda Item 9

**Request to Approve the Final Stand-Up SEP and Transmit to the Governor's
Office and SEP Implementation Strategy**

Summary:

Request for the Board to approve the Final Stand-up State Expenditure Plan and to authorize the Chair to present the Plan to the Governor's Office for transmittal to the RESTORE Council. The Final Stand-up State Expenditure Plan reflects input from state agencies, Council, county RESTORE coordinators and the public.

Background:

On 28 June 2017, the Gulf Consortium Board of Directors approved the development of a Draft Stand-Up State Expenditure Plan (SSEP) that would propose the administrative and financial infrastructure deemed necessary by the RESTORE Council (Council) for the implementation of Florida's State Expenditure Plan (SEP), i.e., the Consortium's Pot 3 Project List. The Board's action relating to a separate Stand-Up SEP (SSEP) was intended to achieve two outcomes:

1. Ensure that the Consortium would institute the appropriate financial and administrative controls to accept and manage federal grant funds from Council; and
2. Accelerate the overall schedule of the SEP implementation by several months by not needing to wait on Council's approval of the SEP before submitting a separate implementation grant request for stand-up activities.

The Board recognized that such stand-up activities needed to be implemented regardless, and that sooner was preferred to later. Further, the Board recognized that the costs for developing the SSEP could be addressed through the approval of Pre-Award Costs by Council. Approval of the eligibility of the SSEP for Pre-Award costs was requested from RESTORE Council, and approval was obtained on September 7, 2017. As a result, the costs of preparing the draft and final SSEP will be reimbursable under a planning assistance grant to be submitted upon Council approval of the SSEP.

In response to Board direction, a Draft SSEP was prepared and presented at the September 27, 2017 meeting. Questions regarding the authority of the Consortium to proceed with implementation beyond preparing the SEP resulted in tabling further action on the Draft SSEP.

At its November 15, 2017 meeting, pursuant to guidance from the Governor's Office regarding text to be included in the SEP and the SSEP, and Council affirmation of the Consortium's eligibility, the Board agreed to serve as the implementing agency for Florida's SEP. The Board approved the release of the Draft SSEP for public comment

and state agency review and directed that the Final SSEP be brought to the Board for its review at its next meeting.

The Final SSEP (Attachment 9a) includes a single project, to expand the financial and administrative capabilities of the Gulf Consortium. The Final SSEP conforms to RESTORE Act and Council specifications and reflects both public comment and comments received from FDEP, FFWCC, RESTORE Council and several county RESTORE coordinators.

Analysis:

Need: The RESTORE Council had previously determined that the existing administrative and fiscal capacities of the Consortium are insufficient to manage the project grant applications for the implementation of projects to be included in the SEP. In a manner similar to that of the counties receiving Pot 1 monies from Treasury via their Multi-Year Implementation Plans and providing sub-awards to municipalities, the Consortium (as the eligible implementing entity for Pot 3 under the RESTORE Act) must institute and verify that its administrative and financial processes can support the management of SEP project implementation grant applications in the context of applicable Treasury and Council requirements.

The Final SSEP describes the proposed general administrative framework for the Consortium that would meet Council procedures and Treasury requirements. The SSEP is to be implemented through a planning assistance grant from Council. Once operational, the SSEP will provide the Consortium the capacity to transmit SEP project implementation grant applications on behalf of the counties, provide the requisite oversight and management of funds received from Council, and manage all Consortium contracts for supporting services such as Construction Engineering Inspection, Best Available Science, a fiscal agent, etc..

The SSEP does not duplicate activities undertaken by the Counties under Pot 1 or those that had been provided by the SEP consultant. However, the administrative scope of the SSEP does emulate what counties with Pot 1 projects have been required by Treasury to do by establishing necessary roles and functions within the Consortium. In this case, because the Consortium is the eligible, implementing entity it must institute its own procedures for project grant management, consistent with Council requirements. To the extent feasible, the SSEP when implemented will build upon existing Treasury-compliant county-level processes, i.e., the experience of the county RESTORE coordinators, and seek coordinated processes with the counties wherever allowable by Council.

Design: RESTORE Council staff have stated that the administrative and financial controls that have been in place to date for the management of the Consortium's existing Planning Grant are insufficient to conform to applicable Federal requirements, and that the Council cannot release any funds to the Consortium for implementation grants until such time that adequate controls are adopted and operating. For example, the segregation of duties and Risk Management/COSO framework that have been in place for development of the SEP are not robust enough for the implementation phase.

Accordingly, there are two layers of grant oversight required of the Consortium – down to the counties and up to the Council. A COSO (Committee of Sponsoring Organizations of the Treadway Commission) risk framework is a requirement of accepting RESTORE funds and entails extensive levels and elements of compliance, which the counties have become familiar with under Pot 1. However, the counties are not the direct recipients of Pot 3 funds; per Council clarification, only the State of Florida or the Gulf Consortium may be designated implementer and recipient of RESTORE funds.

Comments were received regarding the following tasks within the SSEP: Grant Management; Accounting and Finance; Procurement; and Technical Oversight. All four elements of the SSEP are required to maintain Consortium compliance with the COSO framework and were identified in meetings with Council as required prerequisites to implementation. The four elements operate at the level of the Consortium itself and do not duplicate similar functions conducted by the counties. The Consortium must have procurement policies and practices that meet internal control, fraud deterrence and conflict of interest rules; the Consortium must provide technical oversight (even if nominal in scope) for all of its sub-awards, and because the Consortium is the legal entity receiving Council funds and disbursing them to the counties, the Consortium must be able to provide contractual documentation, contract review, and technical review of the work it is paying for.

The SSEP is intended to expedite disbursement of funds for projects in the SEP by addressing the required compliance issues. The proposed structure addresses this by ensuring one person does not have approval and disbursement/execution authority for any process. The required functions have been designed to achieve this requirement at minimal cost. For example, Council suggested the Consortium Manager approve all consultant invoices while the Executive Committee approves all Consortium Manager invoices; this suggestion has been implemented and the SSEP looks to achieve similar efficiencies for other compliance needs.

Duration: The SSEP is a time-limited, one-time initiative, intended to develop the structure necessary to support Consortium operations for the life of RESTORE payout, regardless of who serves as manager. Implementation of the SSEP is anticipated to require 8-11 months, although Council has recommended leaving the planning assistance grant open for up to 3 years to avoid extending the grant. The cost, regardless of the length of time the grant remains open, will be fixed.

Costs: The costs of the SSEP and long-term Consortium management of the project implementation grants have been an over-arching concern raised by the Board and RESTORE coordinators. The analysis of costs is partitioned into those relating to the SSEP itself and those relating to project management after the SSEP has established the Consortium's operations in conformity with Council standards. These are discussed in turn.

- First, the costs for developing the SSEP are expected to be addressed through Council-approved pre-award costs associated with the planning assistance grant to

be submitted following SSEP approval. The costs of the planning assistance grant will be addressed under the general allocation of Pot 3 monies to the Consortium, i.e., a cost to be shared evenly among all 23 counties.

Table 1 summarizes the categories of expense for the SSEP itself. The indicated costs of the SSEP translate into an estimated cost of about \$8,091 per county, one-time, to be able to receive their allocation of Pot 3 funds through the Consortium. This amount reflects the total SSEP budget of \$221,038, less an estimated \$34,950 for the transmittal and start-up of the first cluster of grant implementation applications submitted to Council (see Grant Bundling and Project Administration category), discussed below.

Table 1. Proposed Budget for the Stand-Up SEP

Cost Category	Estimated NTE* amount:	Components:
Pre-Award costs	\$45,100	Development of SSEP through transmittal to Council
Purchase, initialization of software and licensing	\$17,500	\$10,000 for software license; \$2,500 for annual software maintenance fee; approximately \$5,000 for implementation & vendor training package
Grant/procurement software labor costs	\$47,175	90 hours of training and installation; 27.5 hours of monthly input & upkeep for procurement record processing & accounting activities (255 hours total)
Services Procurement & Related Contract Activities	\$76,313	Up to an average of 34 hours (\$6,360) per procurement/contracting activity, based on historical hours for Consortium mgmt; estimated 12 procurement activities
Grant Bundling and Project Administration	\$34,950	Up to 25 hours (\$5,825) per grant bundling/administration/BAS review activity, based on historical hours for Consortium mgmt; 6 grants proposed during the SSEP
Total	\$221,038	

***Not-to-Exceed; all expenditures require Board approval of Work Order prior to incurring costs**

Total costs are shown; not all costs may be incurred during the anticipated 10 month time period but have been included in an abundance of caution

In addition to the costs for developing the SSEP, the budget for the SSEP anticipates initialization of required software licenses and Council required finance and contract administration standards. Cost estimates were prepared based on obtaining quotes from various service and software providers, and scaling operational costs-to-date to anticipated activity levels during the Consortium stand-up period.

The budget for the grant management software is about \$17,500 based on a recent review of Council-compatible products. However, comments were received recommending software used by Treasury, which is more costly. Changes in the software currently in use by Council are pending. Consequently, prior to submittal of the planning assistance grant for the SSEP, the Board will be presented with options for grant management and accounting software that will facilitate communication and record-keeping between Council, the Consortium, and the counties and that may minimize any duplicative efforts by the Counties and improve efficiency for all parties. Depending on Board direction regarding grant management software, the budget for the SSEP may need to be adjusted accordingly at that time.

The SSEP budget for services procurement and related contracts to support Consortium-level activities (including oversight of County project deliverables) is about \$76,300 for an estimated 12 contracts. The Board has expressed a preference that services be established at a regional level (e.g., panhandle, nature coast, peninsula) to provide opportunity to local contractors familiar with the counties in each region. Consequently, the several categories of initial technical oversight contracts have been multiplied by three (3) to ensure the desired support. Advertising, evaluations, and contract development can be handled concurrently to minimize the hours required to secure the contracts. Such technical oversight and related services will be competitively bid through the Consortium to reduce costs.

- Second, once the Consortium administrative architecture is in place (with costs shared by the 23 counties), SEP project administration costs would be determined for each project and grant sub-award and be charged against each individual county's share of remaining Pot 3 funding. Basic administrative costs for the use of a fiscal agent, grant package assembly (for transmittal to Council), routine reporting (e.g., quarterly), and grant closeout would attach to all sub-awards. Project specific needs, such as Consortium level reviews of Construction Engineering Inspection reports or Permitting, would be handled on an as-required basis and will be unique for each project.

Similarly, supplemental services for project development, such as grant-writing, conceptual design and feasibility or the application of Best Available Science, may also be competitively procured by the Consortium and made available to counties that choose to use such services, and these costs would be charged to that county's remaining Pot 3 funding. If, for example, several counties would benefit from grant-writing for their project or for leveraging, the Consortium could secure one or more grant-writers under an Indefinite Deliverable / Indefinite Quantity (IDIQ) arrangement that imposes no cost on any individual party but to those electing to use the support. The Consortium's costs for managing the advertising, consultant selection and contracting process would be passed on to the counties taking advantage of the resource. Counties that manage these services on their own (internally or via their own contracts) will incur none of these Consortium supplemental service procurement costs.

Comments were received regarding the financial impact of the Consortium's long-term administrative overhead for projects. While an exact percentage or fixed number of hours (and dollars) cannot be determined an estimate has been developed.

The long-term management costs for each county are variable and consist of two components, the ongoing need for fundamental Board operations and the unique costs associated with each project. The former cost has been \$8,000 per annum for the larger counties and \$2,000 for those with smaller populations – yielding a total Board budget of \$140,000 per year for its general management and legal support. At Board direction, this amount may be modified over time should, for example, the number of meetings per year be reduced as SEP implementation becomes more routine, or if certain authorities and responsibilities were delegated to the Executive

Committee or the manager. The Board costs are not reimbursable under Pot 3 but are included here as a related impact to each county's budget.

The project-specific costs may be negligible or more significant for each county, but are not expected to exceed about 3%. As an example, "long-term" management for a land acquisition project would include initial set-up of the project in the grant management and accounting systems, oversight and archiving of project documents (e.g., surveys, appraisals, closing documents, etc.) and whatever routine reporting requirements are needed for Council – in this case, perhaps a single report that the project closed successfully. Based on the Manager's experience with other Federal contracts and oversight of contractors, the Consortium's role in reviews and approvals of a simple, short-term acquisition would likely be in the 24-48 hour range. Time for communication with the county, processing payment(s) and closing out the project may add another 8-24 hours.

Balmoral's recently negotiated hourly overhead rates for federal contracts are roughly 10% less than the Consortium has been paying for the SEP. Based on these current contractual rates, oversight costs might be as much as \$13,300 for a project with budgeted direct costs of several hundreds of thousands of dollars or even several million, and well under the 3.0% mark. However, this does not include the costs of the fiscal agent, expected to be 0.15%, nor does it include the costs for long-term reporting to Council (every five years) regarding the management of the Federal interest in the property.

At the other end of the spectrum, management costs for a multi-year restoration project or capital improvements effort (e.g., septic-to-sewer) could be many times the above amount. The grant and accounting set-up time would be slightly greater, the time for routine progress reports to Council would be proportional to the length of the project (until completion and closeout), and costs for technical and contractual oversight of CEI work or documentation of improvements to habitat or water quality may be expected to be 4-16 hours per deliverable. The latter may need to include oversight of the data observation plan and data management plan. Time for communication with the county during a more complicated project may add another 2-4 hours per month over the life of the project. Hence, larger projects may require in the low tens of thousands of dollars in management costs. For a \$1M project that would be close to the 3.0% mark; for a multi-million dollar project the management costs may be closer to 2.0%. Again, this is a best estimate without having processed an implementation grant all the way through closeout documentation as required by Council.

Further, the number of projects being implemented by a county impacts the administrative overhead. Several counties have a single project in the SEP, meaning the grant management system will require the initialization of a single record (disregarding how many tasks or subtasks may be programmed). A county with multiple projects requires multiples of that basic administrative chore, increasing its costs over time. The manager recognizes that various "smart contract" and performance measurement systems with proven track records exist and will explore

how these may be deployed to reduce such costs; however, these arrangements would require Council approval.

The DEP currently assesses a flat rate of 4% for administration and 3% indirect, for a total of 7% for its NRDA projects. Costs in excess of 4% are absorbed by the agency, which is not an option for the Consortium which has no other dedicated source of funding beyond the county contributions to support meeting management, the website, etc.

By the end of the current grant for the SEP (a planning exercise, not a physical project), management costs at \$5,000 per month for 24 months will have required 4.6% (approx. \$120,000 of the \$2.6 million in non-management costs), and exclusive of technical oversight and legal support provided through the Consortium. The latter services add at least 2% to the flat fees under the planning grant.

The manager emphasizes that Federal compliance requires extensive documentation, and the Consortium will be subject to Federal audits annually. These are unavoidable expenses imposed by Treasury/Council requirements for transparency and accountability that need to be built into the Consortium's administrative overhead of all projects and need to be recognized as not insignificant.

Timeline: Based on the current timetable for transmittal and Council review of the SEP, Attachment 9b describes the expected timing of activities following approval of the SSEP. The Governor's signing of both plans may be expedited via prior state agency input. Upon approval of the SSEP, a planning assistance grant to implement the SSEP (and reimburse pre-award costs) would be submitted to Council, which may require 60 days or more to approve. Once approved, SSEP implementation would proceed and require about 10 months. Under the timeline, the first of the County SEP project implementation grants may be accepted by November/December 2018, sub-award contracts executed, and first receipt of Council reimbursement funds may be available by March/April 2019.

The timeline described assumes no significant issues, delays, or disapprovals by Council.

First Projects under the SSEP: The budget for the SSEP includes \$34,950 for the initial transmittal of up to six grants (including the SSEP planning assistance grant). Comments were received that noted the first year of sequencing includes more than 39 SEP projects/programs. The SSEP is intended to *install the processes* to manage project implementation grant applications, *not to transmit and manage* all possible projects that are poised to advance starting Year 1 following Council approval of Consortium readiness.

Once the Consortium's procedures are in place, the proposed SSEP planning assistance grant may be closed out and all remaining first-year SEP project implementation grant applications may be administered under the Consortium's established framework. These may be phased, and Council has indicated a preference to do so to avoid creating review/approval backlogs. As the SEP proposes

42 projects in Year 1, 4 new projects in Year 2, and 3 new projects in Year 3 there may be merit in reviewing the SEP sequencing to better stage the projects for both the Consortium and Council.

In sum, the budget of the SSEP includes the grant transmittal and initial tracking costs for the first several projects to establish and streamline the grant management procedures for the remainder of the BP payout. The budget does not include grant application and management costs for all first-year projects, only those to be submitted first.

Assumptions:

The budget and SSEP were prepared with the following assumptions about funding sources for Gulf Consortium SEP-related activities.

- As discussed in May 2017 and June 2017 Board meetings and per RESTORE Council, the SEP planning grant expires with SEP approval. Existing contracts under the PSEP (i.e., ESA and its subcontractors) will expire and no resources other than the county contributions to the Consortium are available to advance implementation.
- No work on project implementation grants can be funded under the current SEP planning grant funds.
- By submitting the SSEP content as a separate state expenditure plan or as a project in the SEP, the Consortium can obtain funding for oversight, financial infrastructure, and grant management needed to prepare for implementation and cover the gap between SEP approval and the first project grants to be submitted.

Options:

- Option #1, Approve the Final SSEP and authorize the Chair to transmit the SSEP to the Governor's Office.
- Option #2, Board Direction.

Attachments:

- 9a. Draft Final Stand-up SEP
- 9b. Timeline for Implementation

Prepared by:

Craig Diamond
The Balmoral Group, Manager
On: January 24, 2018

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.



Gulf Consortium: Stand-up State Expenditure Plan for Florida

Points of contact for Gulf Consortium

The Gulf Consortium (Consortium) is the designated entity responsible for the development of the Florida State Expenditure Plan (SEP), as recognized in the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act) and subsequent rulemaking. The Consortium is a public entity created in October 2012 through an Interlocal Agreement between Florida's 23 Gulf Coast counties - from Escambia County in the western panhandle of Florida to Monroe County on the southern tip of Florida - to meet the requirements of the RESTORE Act. The Consortium's Board of Directors consists of one representative from each county government. Since its inception, the Consortium has met approximately every other month and has held numerous committee meetings to develop Florida's State Expenditure Plan. The points of contact for the Consortium are as follows:

Executive

Grover Robinson, IV, Chairman
Gulf Consortium
113 S Monroe Street
Tallahassee, FL, 32301
Phone: 850-922-4300
Fax: 850-201-7101
E-mail: gcrobins@co.escambia.fl.us

Administrative

Craig Diamond
Gulf Consortium Manager
113 S Monroe St
Tallahassee, FL 32301
Phone: 850-201-7165
Fax: 850-201-7101
E-mail: cdiamond@balmoralgroup.us

Introduction and Statement of Purpose

The purpose of this Standup State Expenditure Plan (SSEP) is to describe the activities required to enable the Consortium to provide the necessary financial controls and administrative duties needed to manage implementation, including grant management, of all the projects contained in the Florida State Expenditure Plan (SEP). The goal of the SSEP is to expedite implementation of projects in the SEP by ensuring that the Consortium is prepared to receive and effectively manage implementation grants once the SEP is approved and grants have been applied for and awarded. The SSEP will support establishment of additional administrative and fiscal management processing structures to ensure sufficient separation of duties, internal controls, and financial integrity of the Gulf Consortium.



The Gulf Consortium is the designated public entity created to develop and manage the implementation of the State Expenditure Plan for Florida's portion of the Spill Impact Component ("Pot 3") funds designated by the RESTORE Act (33 U.S.C. § 1321(t)(3)).¹ The Gulf Consortium has an approved Planning State Expenditure Plan and associated implementation grant from the RESTORE Council that has been utilized to develop the SEP for Florida. The development of the SEP has involved extensive coordination with county stakeholders to develop projects, explore funding leveraging opportunities, and formulate the final SEP, which is scheduled to be submitted to the Gulf Coast Ecosystem Restoration Council (RESTORE Council) in May, 2018.

State Certification of RESTORE Act Compliance

State Certifications of RESTORE Act Compliance

On behalf of the State of Florida, the Gulf Consortium hereby certifies to the following:

- Pursuant to the RESTORE Act, 33 U.S.C. § 1321(t)(3)(B)(i)(I), the Stand-up State Expenditure Plan (SSEP) includes projects, programs, and activities that will be implemented within the Gulf Coast Region and are eligible for funding under the RESTORE Act.
- Pursuant to the RESTORE Act, 33 U.S.C. § 1321(t)(3)(B)(i)(II), the projects, programs, and activities in the SSEP contribute to the overall economic and ecological recovery of the Gulf Coast.
- Pursuant to the RESTORE Act, 33 U.S.C. § 1321(t)(3)(B)(i)(III), the SSEP conforms to and is consistent with the goals and objectives of the 2016 Comprehensive Plan adopted by the RESTORE Council.
- Pursuant to the RESTORE Act, 33 U.S.C. § 1321(t)(2)(B)(i), the projects and programs that would restore and protect the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, coastal wetlands, and economy of the Gulf Coast included in the SSEP will be based on the best available science as defined by the RESTORE Act.²
- Pursuant to the RESTORE Act, 33 U.S.C. § 1321(t)(3)(B)(ii), not more than 25% of the funds will be used for infrastructure projects for the eligible activities described in 33 U.S.C. § 1321(t)(1)(B)(i)(VI-VII).

Cross-border issues are not pertinent to the scope of this Stand-Up State Expenditure Plan, which addresses Gulf Consortium internal administrative matters only.

¹ Affirmed by letter from RESTORE Council to the Chair of the Gulf Consortium, dated October 6, 2017.

² Council Guidelines on Best Available Science (Section 5.2.2) provide that consideration of BAS will not be required where it would not be meaningful, such as in connection with administrative activities. The single project of the Stand-Up SEP is intended to advance and manage the implementation of projects in the SEP that will achieve the indicated environmental and economic objectives of the RESTORE Act and will be administrative in nature.



Development of the SSEP

The development of the SSEP involved an open and transparent process requiring identification of its need, its intent, and its scope. The process resulted in a single project consistent with RESTORE Act requirements and which will establish the financial and administrative architecture necessary for the success of the SEP. The process included four phases:

Phase 1: Identifying Need

Phase 2: Concept Formulation

Phase 3: SSEP Development

Phase 4: Agency and Public Input; SSEP Refinement

Supporting tasks occurred in each phase. The activities of each phase were informed by the following objectives:

- Ensure the most efficient path to creating the requisite administrative and financial structure and capabilities of the Gulf Consortium;
- Establish the Consortium's administrative and financial architecture in advance of submitting and receiving implementation grants for projects within the SEP;
- Via the Consortium's internal procedures, ensure that eligible projects, programs and activities included in its SEP contribute to overall ecological and economic recovery of the Gulf Coast; and
- Promote funded projects to be as successful, cost-effective, and sustainable as possible.

The four-phase process was implemented in part under the Planning State Expenditure Plan approved by the RESTORE Council in May 2015 and the planning grant award approved by the RESTORE Council in June 2015, and in part with Consortium funds.³

Phase I: Identifying Need

Through review of the Gulf Consortium's first Organizational Self-Assessment (OSA), RESTORE Council, the Consortium Interim Manager (the Florida Association of Counties), and the Consortium Manager (The Balmoral Group) determined that the general administrative and financial controls that have been in place to date for the management of the current Planning Grant are insufficient to conform to applicable Federal requirements, and that the RESTORE Council could not release any funds to the Consortium for implementation grants until such time that adequate controls have been adopted and operating. In sum, the Consortium would be required to institute appropriate controls prior to advancing the implementation of the projects anticipated as part of the SEP.

Phase II: Concept Formulation

The concept of a "Stand-Up SEP" to establish the necessary administrative and financial architecture within the Consortium as an initial project within the development of the SEP was considered. Subsequent

³ In September 2017, Council approved the allowability of Pre-Award costs specifically identified as associated with the SSEP grant.



discussion with Council staff and the Consortium Executive Committee identified the possibility that such a Stand-Up SEP could be submitted separately from and in advance of the SEP.⁴

The Board selected the latter option with the stated objective of advancing the general calendar of implementation of the SEP and ensuring the Consortium's capacity to manage future projects, provide transparency to all Consortium operations and withstand audits. The Board further recognized that the success of the SEP with respect to consistency with the goals and objectives of the 2016 Comprehensive Plan developed by the RESTORE Council and the Consortium's efforts to contribute to the overall ecological and economic recovery of the Gulf Coast depended on successful implementation of the SSEP. The Board approved the Draft SSEP for public comment and formal agency review on November 15, 2017.

Phase III: SSEP Development

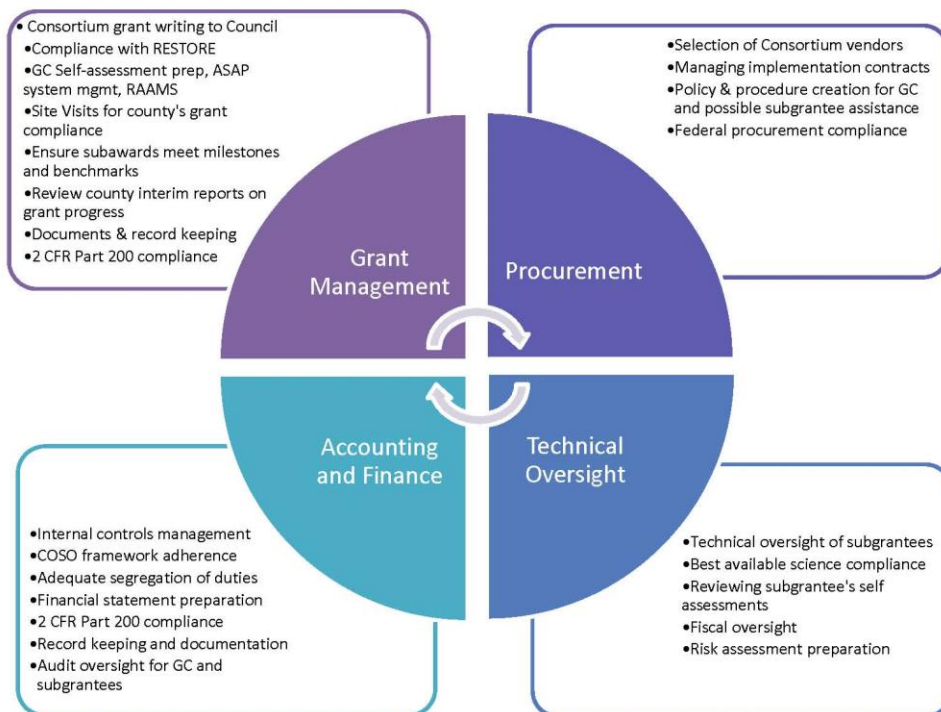
Pursuant to Board direction, the four generalized categories of the Consortium's administrative and fiscal responsibilities to be addressed by the SSEP include procurement, grant management, accounting and finance, and technical oversight (**Figure 1**). The scope (reviewed by RESTORE Council staff, DEP, FWC, and with input from Florida's SEP consultant) identifies specific tasks under each category. Ultimately, each task will be supported by policies, procedures, and assignments of roles to ensure full compliance with Federal requirements for all implementation grants and sub-awards.

⁴ The RESTORE Act provides that multiple SEPs may be submitted by an individual state.



Figure 1. Conceptual Overview of Stand-Up-SEP Content

Consortium Responsibilities during Implementation*



*Some tasks may overlap process categories. These tasks are not intended to be exhaustive or all inclusive as more will be identified as Stand-Up SEP is prepared.

Phase IV: Agency Input, Public Comment and SSEP Refinement

As part of developing the Final SSEP, staff to the Consortium reached out to various parties for background information, programmatic support and input regarding SSEP format and content. Prior to finalization of the SSEP, the Consortium will have obtained input from each of the following:

- Florida Department of Environmental Protection
- Florida Fish and Wildlife Conservation Commission
- Office of the Governor
- Leon County, which has served as Fiscal Agent for the Consortium
- Gulf of Mexico University Research Collaborative (GOMURC)
- Florida Institute of Oceanography, Florida RESTORE Act Centers of Excellence Program (FLRACEP)
- RESTORE Council, Science Program
- RESTORE Act coordinators in the 23 Florida counties



- Environmental Science Associates, the Consortium’s SEP Consultant
- Langton Consulting, the Consortium’s SEP Planning Grant manager
- Nabors, Giblin & Nickerson, the Consortium’s General Counsel
- Reedy Creek Improvement District (as an example of a multi-county special district with diverse administrative responsibilities)

The development of the Final SSEP includes review of potential management and oversight structures, staffing/contracting for services, software, and costs for procurement, grant management, accounting and finance, and technical oversight (including review of grant requests, project interim and closeout reports, and the application of Best Available Science, where applicable). The Final reflects input from the Florida Department of Environmental Protection and the Florida Fish and Wildlife Conservation Commission and responds to issues raised by the Board and the public.

Compliance with RESTORE Act requirements for SEPs was specifically addressed as part of the agenda items and Board discussions relating to the SSEP at its May, June, September and November, 2017 meetings, all duly advertised and open to the public. Compliance also was an element of the discussions about the SSEP at (teleconference) meetings of the Gulf Consortium Executive Committee, which are publicly noticed and within which public comment is also accepted.

Process Used to Verify Compliance

The compliance of the SSEP with the RESTORE Act was accomplished via both legal and technical review, which determined the SSEP to be an eligible project that conforms to Council’s Comprehensive Plan. The intent, general outline, and specific content of the SSEP were evaluated relative to the applicable RESTORE Act provisions, and content was amended as needed in response to any concerns or issues raised.

Results of the Process Used to Verify Compliance

The process used to verify compliance resulted in a determination that the single project in the Final SSEP is an eligible project, will contribute to the economic and ecological recovery of the Gulf (via ensuring the success of the SEP and its own compliance with the RESTORE Act), conforms with the RESTORE Council’s Comprehensive Plan, will make use of the application of best available science (where applicable) and does not violate the limitation on infrastructure projects.

Public Participation Statement

Public outreach will be completed in accordance with pertinent requirements and the Consortium’s intent for transparency. The following language previews proposed content following the public comment period.

Consistent with Treasury regulations, this Standup State Expenditure Plan was made available for public review and comment in accordance with 31 CFR § 34.503(g). The SSEP was extensively advertised and



made publicly available at the Consortium website (<https://www.gulfconsortium.org/>) between November 16, 2017 and January 19, 2018 (i.e., 64 days). Links to this site were provided on the DEP Portal (<http://www.dep.state.fl.us/deepwaterhorizon/>) and several Consortium County member homepages (see **Appendix**). All submitted comments were reviewed and incorporated as appropriate.

Financial Integrity and Program Management

The Consortium understands its fiduciary responsibilities under the RESTORE Act and is committed to maintaining the highest level of transparency and internal controls to ensure financial accountability. It is the Consortium's mission to maintain transparency in such a way that assures the public's faith and trust in the ability of the Consortium to appropriately manage and disburse funds for the SEP projects. The SSEP will allow the Consortium to build accounting and financial systems based on principles of strong and reliable financial management.

The SSEP is designed to include the following financial principles which are best practices recognized around the world by leading government and private sector organizations. The basic principles of sound financial management include, but not limited to, tight internal controls, financial transparency, segregation of duties, and independent external auditing. By integrating these processes into the administrative functions and fiduciary functions of the organization the Consortium can ensure timely, accurate, and complete reporting throughout the SEPs lifecycle.

Segregation of Duties – To maintain effective internal controls, the Consortium will properly create internal checks and balances among the entities performing contract administration and financial duties for SEP related projects, programs, and activities. The SSEP anticipates carefully assigning the functions and roles of staff with the guidance of the Board, to create a robust duty segregation hierarchy. Furthermore, the Consortium has sought to retain a fiscal agent to manage any grant funds received from RESTORE Council, instituting firewalls between approval of disbursements and access to funding.

Transparency – The Consortium is committed to maintaining transparency with the public, RESTORE Council, and other constituents for reporting on SEP related projects, programs, and activities. The SSEP seeks to put in place administrative positions that will allow frequent, detailed, and complete grant reports and financial statements for the Consortium's stakeholders.

Independent Financial Auditing – The Consortium is subject to annual audits conducted by independent auditors which evaluate not only the presentation of financial statements but also the effectiveness of internal controls based upon widely held government standards including, but not limited to, 2 CFR Part 200 and the Single Audit Act of 1996.

Financial Controls

The financial controls put in place through the SSEP will allow the Consortium to reduce the risk of asset loss or misappropriation of funds, maintain compliance with the RESTORE Council's financial



documentation requirements, create a uniform financial standards for member counties, ensure that financial reports and disclosures are complete and reliable, and ensure compliance with all state and federal laws and regulations. The Consortium's financial control system will contain both preemptive controls (created to prevent errors or fraud) and detective controls (designed to identify an error or fraud after it has occurred).

Project management, grant managers, and other Consortium member county staff responsible for governance will be required to apply internal control processes created by the SSEP. The processes created by the SSEP are designed to provide reasonable assurance in the reliability of project financial reporting.

The proposed financial control system includes multiple protections of public funds including:

- Procedures that provide for appropriate segregation of duties to reduce the risk of asset loss or fraud;
- Personnel training materials that ensure employees are qualified to perform their assigned duties and responsibilities;
- Defined roles for the proper employees to authorize and records financial transactions,
- Requirement that sub-recipients to operate and use resources with minimal potential for waste, fraud, and mismanagement.

The Consortium's internal control system has been, and continues to be modeled in accordance with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) internal control framework and the five inter-related components. Further the Consortium will evaluate each of these categories on a regular basis to adjust or change policies and procedures to enhance the internal control policy:

1. **Control Environment** – The set of standards, processes, and structures that provide the basis for carrying out internal control across the organization
2. **Risk Assessment** – The types of risks both perceived and real must be identified, analyzed, and categorized in a relevant way to manage the goals of the SEP and requirements of the Consortiums regulatory bodies.
3. **Control Activities** – The Consortium's internal control activities include written policies, procedures, techniques, and mechanisms that help ensure management's directives are carried out in compliance with the RESTORE Act criteria.
4. **Communication and Information** – Communication is vital to effective project management, and the Consortium's financial information system has mechanisms in place to properly capture and communicate RESTORE Act project financial data at the level appropriate for sound financial management.



5. **Monitoring** – Monitoring of the internal control system will be performed to assess whether controls are effective and operating as intended.

Conflicts of Interest

Consistent with Chapter 112, Florida Statutes, conflicts of interest are situations “in which regard for a private interest tends to lead to disregard of a public duty or interest.” The Consortium requires a conflict of interest affidavit to be completed by all contractors and sub-recipients to ensure that no conflicts of interest for any proposed or contracted work would affect the impartiality or quality of the work. Strict conflict of interest policies ensure that no sub-recipients or contractors are given an unfair competitive advantage. Accordingly, contracts for the General Counsel, Manager, and SEP Consultant were amended on September 27, 2017, to include provisions required by 2 CFR Part 200 for all non-Federal recipients of Federal funds.

Proposed Project

Expanding the financial and administrative capabilities of the Gulf Consortium

The single project included in this SSEP involves the development of a sufficient financial and managerial structure in order to ensure the Consortium will provide the financial integrity, controls, and management duties that will be required for individual project implementation. The four primary elements of the Consortium administrative structure to be developed include: 1) grant management, 2) procurement and contract management, 3) accounting and finance, and 4) technical oversight of deliverables under contracts and grant sub-awards.

The organizational structure of the Consortium envisioned by the SSEP is outlined in **Figure 2** and **Table 2**. This structure illustrates functional roles within the Consortium rather than individual personnel.



Figure 2. Proposed organizational chart of administrative functions of the Gulf Consortium

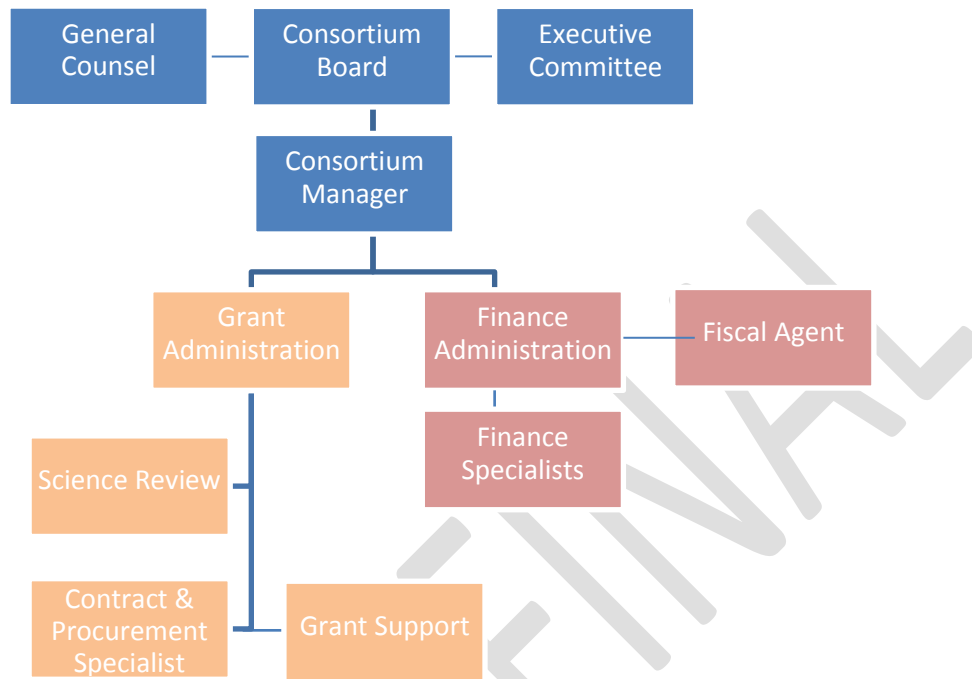


Figure 2 is organized into three primary cluster of functions: overall management as guided by the Board, financial administration, and grant management.

Table 2 recognizes that the only continuous staffing services of the Gulf Consortium are that of the Manager and the General Counsel. Consequently, select responsibilities described by **Table 1** may be contracted for, but with all contract approvals by the Board and oversight provided by the Manager.



Table 1. Summary of responsibilities for administrative functional roles within the Gulf Consortium

Functional Role	Responsibilities / Consortium Resource
General Manager	Management and general administration of Consortium business <i>Manager*</i>
General Counsel	Legal counsel, contract development and review <i>General Counsel*</i>
Financial Administration	Prepare financial statements, payment requests, audit functions <i>Manager*</i>
Finance Specialist	Data entry for payment requests, bookkeeping functions <i>Manager*</i>
Fiscal Agent	Manages disbursements, check registers, bank statement <i>Pending approval, Leon County Clerk of Courts</i>
Grant Administration	Packages prepared grants for submission to RESTORE Council; assists County personnel in grant preparation as requested; coordinates with RESTORE Council <i>Manager*</i>
Grant Support	Database maintenance, grant submittal support <i>To be determined, as contract volume requirements dictate; Manager* or Contractual Grant managers during periods of high volume</i>
Contract Procurement	Manages contract procurement processes; <i>New position, Contract Specialist</i>
Science Review	Oversight of desktop reviews of prepared grant applications for BAS requirements prior to submittal to RESTORE Council; determines appropriate specialists for review <i>Manager*</i>

* Under existing Consortium contracts for services

As an example, Science Review – such as for the application of Best Available Science for a particular project – may be expected to be contracted for; however, the oversight of the reviews and coordination of findings as part of required reporting to RESTORE Council would be handled by through the Manager.

Procurement

The SSEP will implement procurement methods consistent with those outlined in 2 C.F.R. § 200.320. Procurement will be carried out by the Manager of the Consortium and the respective accounting and finance individuals on their team with assistance from the Consortium General Counsel. The SSEP will institute the following procurement scenarios depending on cost threshold and product or service.

1. Procurement by micro-purchases: Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). Micro-purchases may be awarded without soliciting competitive quotations if the recipient (in this case, the Consortium) considers the price to be reasonable.



2. Procurement by small purchase procedures: Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold (currently \$150,000). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. The Consortium will consider three qualified bids as sufficient.
3. Procurement by sealed bids (formal advertising): Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.
4. Procurement by competitive proposals: The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. A new requirement under this method is that the recipient must have a written method for conducting technical evaluations of the proposals received and for selecting recipients.
5. Procurement by noncompetitive proposals: Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source. 2 C.F.R. Part 200 clarified that this may be used only when one or more of the following circumstances apply:
 - a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The Council or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the recipient; or
 - d. After solicitation of a number of sources, competition is determined inadequate.
6. Procurement by the Consultants’ Competitive Negotiation Act (CCNA): The acquisition of professional architectural, engineering, landscape architectural, or surveying and mapping services must be procured pursuant to Section 287.055, Florida Statutes.

The counties may rely on the Consortium to provide resources such as Best Available Science or other skilled professionals to assist their grant efforts. Those professionals will need to be procured at the Consortium level. The Stand-Up phase will prepare the Consortium for the following procurement scenarios depending on the level of projects that are developed enough to begin once implementation begins. **Table 2** provides expected levels of procurement activity that have been assessed; the SSEP budget has been derived based on the “Likely” Scenario.

Table 2. Estimated Grant Management and Procurement Activity Level Scenarios under the SSEP

Estimated Volume	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Task
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Maximum Volume	42	4	3	Grant Applications
	24	12	8	Procurements/Contracts
Minimum Volume	0	0	0	Grant Applications
	12	8	6	Procurements/Contracts
Likely Scenario	6	0	0	Grant Applications
	12	12	6	Procurements/Contracts

It is important to note that first year SEP activities include 42 project implementation grants (i.e., Maximum Volume). However, not all projects need be submitted immediately following affirmation by RESTORE Council that the Consortium is ready to submit project implementation grants and receive project funds. That affirmation of readiness is not expected until the latter months of SSEP implementation (see Figure 3, SSEP Milestones). Consequently, the budget provides for six projects during this window within the SSEP planning assistance grant. The remaining 36 first-year SEP projects may be submitted in the following 9-10 months of the first year that the Consortium is authorized to process grant submittals.⁵

Accounting and Finance

The initial Organizational Assessment submitted to the RESTORE Council highlighted areas that the Consortium can improve upon to carry out its mission related to the ultimate oversight of the SEP. The Consortium needs to have administrative infrastructure suited for the accounting and finance-related work that will need to be done in order to manage all the grants for the projects contained in the SEP. The SSEP will be used to establish that hierarchy of positions so that the Consortium has a finance and accounting structure in the background capable of handling the fiduciary responsibilities of carrying out the grant administration for the SEP.

The SSEP will give the Consortium Manager and supporting vendors the opportunity to create a cohesive administrative arm that fulfills the segregation of duties requirements for robust internal controls and also allows for effective grant management and administration. Further the Consortium has engaged Leon County to act as fiscal agent for the Consortium so that the necessary segregation of duties objective is enhanced.

Software Requirements

RESTORE Council has previously recommended the Consortium to implement a standalone grant management system dedicated to Consortium business. The existing accounting software in place with the Manager has been identified as Defense Contract Audit Agency (DCAA) compliant⁶, but may require

⁵ Further, of the 42 first-year SEP projects, 14 are related to feasibility studies while 7 are for conceptual design. Based on discussion with RESTORE Council some of these projects may potentially be bundled into fewer grant applications.

⁶ DCAA audits and pre-award surveys of government contractor assess the contractor's compliance with the Federal Acquisition Regulations (FAR). The FAR consists of regulations issued by Federal agencies to administer the acquisition process by which the government purchases goods and services. If a contractor is not in compliance



upgraded licensing depending on the volume of grant activity in the early years of the implementation of the SEP. The Consortium has performed due diligence sufficient to establish a conservative budget for both possibilities (grant management software and potential license upgrading) and has estimated an appropriate scale and capacity for software to provide the functionality needed to carry out the SEP at reasonable costs.

Depending on the procurement selection, software costs for applications compatible with RESTORE Council systems will cost approximately \$17,500, plus \$10,000 for software license, \$2,500 for software maintenance, and \$5,000 for vendor provided setup and training costs. Actual costs may vary depending on availability.

Grant Management

The goals of grant management activities are to develop and submit the project-specific grants for implementation, to ensure sub-recipients (the 23 Florida Gulf Coast counties) are achieving the stated project objectives, and to comply with the RESTORE Council's policies and requirements. Additional capacity within the Consortium will be developed as part of this SSEP project. There are two main pieces to this capacity building: 1) a dedicated individual will be hired to provide grant management services and to create sufficient segregation of duties, and 2) the Consortium will acquire grants management software to facilitate efficient grant preparation and project monitoring.

Sub-recipient Monitoring

The tasks involved in this project to establish sufficient capacity for sub-recipient monitoring by the Gulf Consortium include the following:

- Adapting an Organizational Self-Assessment (OSA) to be completed by the 23 Gulf Coast counties (sub-recipients) to assess the risk level of sub-recipients;
- Develop the procedures for assistance of high-risk sub-recipients; and
- Develop the procedures for financial and progress review of sub-recipient implementation projects

RESTORE Act Compliance

- Organizational Self-Assessments;
- 2 CFR Part 200 compliance;
- Automated Standard Application for Payments (ASAP); and
- Restoration Assistance and Awards Management System (RAAMS)

with the FAR, they may be precluded from future government contracts or teaming arrangements with other contractors. It is also possible for DCAA to suggest to the Contracting Officer to stop payments on work that is in progress or disallow costs on completed contracts. Therefore, it is critical for contractors to comply with the FAR.



Technical Oversight

The goal of technical oversight is to ensure that 1) the projects serve the objectives of the RESTORE Act Spill Impact Component (Pot 3), 2) projects include Best Available Science (BAS) where relevant, and 3) project design and implementation are consistent and of sufficient quality. BAS describes science that:

- Maximizes the quality, objectivity, and integrity of information, including statistical information;
- Uses peer-reviewed and publicly available data; and
- Clearly documents and communicates risks and uncertainties in the scientific basis for such projects.

In addition to BAS, permitting (federal, state, and local), construction feasibility, and construction engineering inspection are among the tasks requiring technical oversight.

The unique project types among the current list of 69 projects that may be in the SEP were reviewed in order to establish the types of technical professionals needed. The following project types describe one or more of the projects that may be included in the SEP:

- Aquaculture
- Beach Access, Coastal Access, Boat ramps, and Facilities
- Dredging
- Beach Nourishment
- Living Shorelines, Coastal Uplands, Habitat Restoration
- Reef Systems
- Wetland Hydrology
- Septic to Sewer Conversion, Sewer Expansion or Rehabilitation
- Sewer/Stormwater, Stormwater
- Education

The general groups of technical professionals needed for review at grant submittal and for evaluation after implementation have been identified on a preliminary basis for each of the above project types; the resultant classes of professionals include, at a minimum: 1) Engineering/Design, 2) Ecologists/Biologists, 3) Education Specialists, and 4) Construction Engineering Inspection. The Consortium has preliminarily identified experts for select technical oversight capacities. Technical professionals with experience and credentials in specialized fields that can be contracted for desktop review and implementation evaluation and monitoring, where appropriate, have either been identified or will be secured through a procurement process.



The activities to be completed in this Stand-Up project related to technical oversight are described as follows:

1. Develop best practices protocol for meeting the technical oversight requirements of the RESTORE Council. This protocol will detail the process determining the type of technical oversight and whether technical oversight must be procured or can provided by the Manager.

Establish contracts with specialized Ecologists/Biologists experts for review of projects at application stage and during implementation to ensure projects are based on BAS, subject to approval. Where conflicts of interest due to prospective regulatory review would not preclude it, the Consortium plans to develop agreements for scientific review services from universities and affiliated research centers, and Federal and local environmental agencies to streamline the procurement of technical oversight services from the Ecologists/Biologists class of professionals referenced above. The contract would specify the scopes of services for different project types, the fees for services, and the timelines for desktop review and implementation assessment and/or monitoring.⁷

2. Establish contracts with groups of qualified technical professionals (Engineering/Design, Ecologists/Biologists, Education Specialists, and Construction Engineering Inspection professionals) for grant review and implementation assessment and monitoring. This effort will include the development of regionalized Requests for Proposals (RFPs) in three Gulf Coast regions to ensure local experience and to reduce travel costs for each of the four technical professional services. Within each technical professional class, scopes of work will be developed for sub-types of professionals. For example, the expected work and qualifications required from a production fisheries aquaculture expert will be different than the work and qualifications of specialist in living shorelines, but both types would be within the Ecologists/Biologists class of professionals. RFPs will be developed for each services group and will be tailored to each of the three geographic regions that will be established. Detailed review of project descriptions from the FEP will be used to identify all the sub-types of technical professionals. Existing state agency contracts for similar services have been obtained and will be used as a template for Consortium contracting.
3. Develop a data management plan to ensure consistent monitoring for biological, water quality, and other environmental data for projects requiring monitoring. This effort will establish the observational protocols and the data storage and analysis system to ensure that monitoring data is preserved and is publicly accessible. The Consortium will coordinate with Treasury staff overseeing Pot 1 funding in an effort to achieve compatibility and consistency with long-term monitoring requirements for Consortium projects.

⁷ Existing NRDA contracts have been obtained and, to the extent they are applicable, may be used as a template for select Consortium contracting.



Through the process described above, the Consortium will develop contracts with pools of available scientists and other professionals capable of efficiently providing technical oversight for grant implementation and evaluation.

CONTRIBUTIONS TO THE OVERALL ECONOMIC AND ECOLOGICAL RECOVERY OF THE GULF

By developing the administrative capacity of the Gulf Consortium to receive and manage SEP project implementation grants and all services required to ensure that such grants are carried out efficiently and in accordance with all applicable legal requirements, the SSEP will contribute to the economic and ecological recovery of the Gulf via the successful implementation of the SEP and the projects contained therein.

ELIGIBILITY AND STATUTORY REQUIREMENTS

While administrative costs are eligible for funding in conjunction with one of the eligible activities listed in the RESTORE Act, the primary eligible activity for the SSEP is planning assistance. According to the 2015 Department of the Treasury Regulations for the Gulf Coast Restoration Trust Fund, “planning assistance means data gathering, studies, modeling, analysis and other tasks required to prepare plans for eligible activities under [31 CFR] § 34.201(a) through (i), including environmental review and compliance tasks and architectural and engineering studies. *Planning assistance also means one-time preparations that will allow the recipient to establish systems and processes needed to review grant applications, award grants, monitor grants after award, and audit compliance with respect to eligible activities under § 34.201 in a Multiyear Implementation Plan or State Expenditure Plan.*

The SSEP is a one-time preparation to establish those administrative systems and processes needed for grant management as relates to supporting other RESTORE Act eligible activities in the SEP.

COMPREHENSIVE PLAN GOALS AND OBJECTIVES

To the extent that the SSEP supports all projects in the SEP, the following Comprehensive Goals are furthered:

- Goal 1: Restore and Conserve Habitat (Restore and conserve the health, diversity, and resilience of key coastal, estuarine, and marine habitats);
- Goal 2: Restore Water Quality and Quantity (Restore and protect the water quality and quantity of the Gulf Coast region’s fresh, estuarine, and marine waters);
- Goal 3: Replenish and Protect Living Coastal and Marine Resources (Restore and protect healthy, diverse, and sustainable living coastal and marine resources);
- Goal 4: Enhance Community Resilience (Build upon and sustain communities with capacity to adapt to short-and long-term changes); and



- Goal 5: Restore and Revitalize the Gulf Economy (Enhance the sustainability and resiliency of the Gulf economy).

IMPLEMENTING ENTITIES

The Gulf Consortium is the implementing entity for Pot 3 for the State of Florida. RESTORE Council affirmed the authority of the Consortium to implement the SEP in a letter dated October 6, 2017; the Consortium affirmed its intent to serve in this capacity on November 15, 2017. With the Governor's approval of the SSEP and transmittal to the RESTORE Council, the Gulf Consortium will be responsible for receiving the planning grant from the RESTORE Council and implementing the proposed single project, establishing the administrative and financial architecture of the Consortium. Sub-entities will include the Consortium General Counsel, Leon County Clerk of Courts, and the several technical; services providers to be procured under the scope of the project.

BEST AVAILABLE SCIENCE AND FEASIBILITY ASSESSMENT

As the SSEP is a planning initiative for administration, Best Available Science (BAS) is not directly applicable. However, the implementation of the SSEP contemplates the procurement of professionals with BAS expertise to provide review of grant requests (via sub-awards) for projects contained within the SEP for which BAS is required.

Management and implementation of the SSEP are feasible and are fully within the purview of the scope of services of the Consortium's Manager. No permits are required for the SSEP. The budget has been based on hours and costs incurred by the Florida Association of Counties for past Consortium procurements and on recent experience by the Manager. The proposed budget reflects the anticipated workload for standing up the Consortium and processing an initial cycle of SEP project implementation grants. The SSEP is a one-time initiative that will provide the structure for the Consortium as implementer for Florida for the duration of the payout of Pot 3 funds.

RISKS AND UNCERTAINTIES

There are no risks identified with the SSEP itself as a planning project for administration. Uncertainties remain as to whether all conditions and requirements of Treasury and RESTORE Council have been duly identified and for which SSEP tasks, actions, or roles and responsibilities have been defined. Preliminary review of the Draft SSEP by RESTORE Council has flagged no major issues. Uncertainties exist as to the actual costs for implementation (i.e., costs for specific procurements of services) and the time required to put into place all key administrative and financial functions. While the proposed funding should be adequate, implementation may take longer than estimated.



SUCCESS CRITERIA AND MONITORING

The primary project benefit will be a fully operable administrative and financial structure for the Consortium, capable of meeting all federal requirements and withstanding RESTORE Council scrutiny and audits. Applicable metrics for success include the following:

- Approval by RESTPRE Council of the SSEP
- Approval by RESTORE Council of a planning grant to implement the SSEP
- Concluding the “stand-up” process in the timeframe contemplated (8-10 months)
- Efficiently reviewing and transmitting the first cycle of SEP implementation grant applications to the satisfaction of Council
- Streamlining processes between county sub-awardees and the Consortium to expedite invoicing and reimbursements / payments

MILESTONES AND SCHEDULE

The SSEP is anticipated to require approximately eight-to-ten months to implement, from transmittal of the grant request to support implementation until work commences under the first sub-award to a county. In addition, a Gantt chart (**Figure 3**) is provided showing high level milestones for the project, and anticipated start and end dates for each in months from SSEP approval

Figure 3. Milestones Associated with Implementation of the SSEP

MILESTONE	--- MONTHS FROM SSEP APPROVAL ---											
	1	2	3	4	5	6	7	8	9	10	11	
Develop, transmit SSEP Implementation Grant Application												
SSEP Implementation Grant Application approval by Council												
Services RFPs developed, advertised												
Services agreements executed												
1 st County Implementation Grant Applications forwarded to Consortium												
1 st County Implementation Grant Applications forwarded to RESTORE Council and RESTORE Council Review/Approval												
1 st Sub-awards executed with County												
Work Commences												
1 st Project Payment Requests												
1 st Project Payments Received												



Budget/Funding

Table 3 summarizes the categories of projected expenditures for the SSEP, to be paid by Pot 3 funds. The administrative costs for developing agenda items for Board action or approval of purchases, contracts and project implementation grant transmittal and for executing any sub-awards with counties will be funded by Consortium resources.

Table 3. Budget for the Stand-Up SEP

Cost Category	Estimated NTE* amount:	Components:
Pre-Award costs	\$45,100	Development of SSEP through transmittal to RESTORE Council
Purchase, initialization of software and licensing	\$17,500	\$10,000 for software license; \$2,500 for annual software maintenance fee; approximately \$5,000 for implementation & vendor training package
Grant/procurement software labor costs	\$47,175	90 hours of training and installation; 27.5 hours of monthly input & upkeep for procurement record processing & accounting activities (255 hours total)
Services Procurement & Related Contract Activities	\$76,313	Up to an average of 34 hours (\$6,360) per procurement/contracting activity, based on historical hours for Consortium mgmt; estimated 12 procurement activities
Grant Bundling and Administration	\$34,950	Up to 25 hours (\$5,825) per grant bundling/administration/BAS review activity, based on historical hours for Consortium mgmt; 6 grants proposed to be covered during the implementation of the SSEP
Total	\$221,038	

***Not-to-Exceed; all expenditures require Board approval of Work Order prior to incurring costs**

Total costs are shown; not all costs may be incurred during the anticipated 10 month time period but have been included in an abundance of caution

Project Cost and Expected Request from Oil Spill Component Funds: \$221,038

These funds will allow the Consortium to pay for the contractor costs which will build the administrative infrastructure as well as the necessary grant management software and installation of those systems.

If funding for the project has been requested from other sources, describe any additional resource:

Consortium funding has been used to support the development and administration of the Board agenda items associated with the SSEP. No other funding has been requested for the SSEP.

Partnerships/Collaboration:

The Consortium anticipates further collaboration with Florida’s RESTORE coordinators and with the Gulf of Mexico University Research Collaborative (GOMURC) to refine administrative and SEP project review procedures.

Leveraged Resources:

None specified at this time; however, county contributions to the Consortium will complement the SSEP implementation grant with respect to Board-meeting costs through the duration of the SSEP.



Funds Used as Non-Federal Match:

No specific matching funds are anticipated. Contributions from the member counties of the Gulf Consortium provide funding for the general administrative expenses in preparing the Board and Executive Committee agenda items for consideration of the SSEP, and for time spent with Board members and RESTORE coordinators to refine SSEP content and processes.

Other: None anticipated

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APPENDIX. Summary of Agency and Public Comments

RESTORE Act coordinators were requested to include notices and links to the Draft SSEP on their websites to expand the outreach for public comment. The following entities reported establishing such links:

- Gulf Consortium
- Florida Department of Environmental Protection (DEP)
- Bay County
- Collier County
- Escambia County
- Levy County
- Pinellas County
- Santa Rosa County
- Wakulla County

As a result of outreach by the Consortium, the following entities provided comments:

- Florida Department of Environmental Protection (DEP)
- Florida Fish and Wildlife Conservation Commission
- Bay County
- Collier County
- Escambia County
- Manatee County
- Pasco County
- National Wildlife Foundation
- RESTORE Council
- Nabors, Giblin & Nickerson

All comments received and responses have been archived and remain available in their entirety on the Gulf Consortium website. In addition technical corrections and editorial suggestions from the DEP and from Council, comments were submitted regarding the following categories of issues:

- Costs to the counties for the SSEP and its anticipated components, including fiscal agent services
- Costs for long-term implementation and management of the SEP and how these are to be allocated to the counties
- What components of Consortium administration (as implemented via the SSEP) are required versus optional
- The administrative capacity of the Consortium to advance the number of SEP projects



- The distinction between procurements and grants to support the Consortium versus those to support individual counties
- The schedule for SEP implementation
- The role of the Consortium Manager and which tasks it is charged to carry out versus what will be contracted
- The procedures for competitively bidding for services for the Consortium
- The Consortium's use of parallel application platforms that could be leveraged through a Consortium-licensed site
- The use of smart contract and performance measurement systems
- How (project funding) leveraging will be handled
- The allowable length of comments

DRAFT FINAL



RESPONSES TO COMMENTS ON THE DRAFT SSEP

Commenting Party	Comment	Response
DEP	Page 2, Need to update this date	Text Amended
DEP	Page 2, Here is typo: he should be the. Would also suggest noting that Council Guidelines on BAS, section 5.2.2 provides that consideration of BAS will not be required where it would not be meaningful, such as in connection with administrative activities.” The project in the SSEP is administrative in nature.	Text Amended
DEP	Page 4, Should this have anything further about why approval was tabled, what happened from Sept to approval of draft, or that there was ultimately a vote to approve the draft etc.?	Text Amended
DEP	Page 6, Why is this in here? Reedy Creek is in Orange and Osceola counties.	Purpose explained in footnote
DEP	Page 6, and the Florida Fish and Wildlife Conservation Commission	Text Amended
DEP	Page 8, Should this be flushed out a little more?	Text Amended
DEP	Page 11, Assume recipient is the Consortium. If suggest using Consortium rather than recipient. Same comment elsewhere in this section where term recipient is used.	Text Amended
DEP	Page 13, What is the significance on being DCAA compliant? Was this suggested by Council staff? May require further elaboration.	Purpose explained in footnote
DEP	Page 15, This should be done by ESA as part of FSEP development	Text Amended
DEP	Page 15, Which federal agencies? Might be a conflict of interest since the same agency might be doing the regulatory review at a later date	Text Amended
DEP	Page 15, What NRDA contracts are you referring to? NRDA is not subject to the same regulations as RESTORE, so there is a high likelihood that those contracts will not work as template. Recommend deleting this paragraph.	Text Amended
DEP	Page 17, need to clarify who his is Suggest rewording to: With the Governor's approval of the SSEP and transmittal to the Council,	Text Amended
DEP	Page 19, Can a further breakdown of cost be provided? Say software purchase and maintenance, contractual services, etc. Suggest looking at PSEP as an example.	Table included



Commenting Party	Comment	Response
DEP	Page 20, We guess this appendix is intended to show or describe the process the GC went through to be able to make the required certifications for the SSEP. Think the narrative on page 6 related to "verifying compliance" could be expanded a little so that this appendix and table are not needed. It adds little value unless you get comments on each subject from the responding parties, which is highly unlikely	Appendix amended
RESTORE Council	p.2, bullet 1: Replace "with" with "within"	Text Amended
RESTORE Council	p.2, bullet 3: Replace "Initial Comprehensive Plan" with "2016 Comprehensive Plan."	Text Amended
RESTORE Council	p. 2, footnote 2 A "t" is missing from "...he implementation of projects..."	Text Amended
RESTORE Council	p. 3, line 1: Suggest adding "identification of" after "requiring"	Text Amended
RESTORE Council	p. 3, third paragraph, the reference to Planning grant approved by the Council in May 2015. The Planning State Expenditure Plan was approved in May 2015 and the award was approved in June of 2016; also, the pre-award costs, which were specifically identified as associated with the anticipated SSEP grant award, have been approved as to their allowability only and are incurred at the Consortium's own risk. We recommend you remove the second part of this sentence or clarify the status of the funds.	Text Amended
RESTORE Council	p. 4; first paragraph: Replace "Initial Comprehensive Plan" with "2016 Comprehensive Plan."	Text Amended
RESTORE Council	p. 4, First paragraph Last sentence states that the Board tabled its approval of the Draft SSEP on September 27, 2017. Do you intend to replace this sentence once the Board has approved the SSEP to provide the approval date?	Text Amended
RESTORE Council	p. 13, last paragraph A comma appears to be missing between \$17,500 and \$10,000.	Text Amended
RESTORE Council	p. 17, under "Implementing Entities" Who is referenced in the statement, "By his approval of the SSEP and transmittal to the Council..."?	Text Amended



Commenting Party	Comment	Response
RESTORE Council	p. 17, under BAS section Consider changing “As a purely administrative initiative” to a “planning initiative.”	Text Amended
RESTORE Council	p. 17, under Risks and Uncertainties Consider changing “...as an administrative project...” to “... as a planning project...”	Text Amended
RESTORE Council	p. 18, 4th bullet Consider changing “FSEP implementation grants” to “FSEP implementation grant applications”, as it will be the applications that are transmitted by the Consortium	Text Amended
RESTORE Council	p. 18, Table 3 Consider changing reference from “Implementation Grant” to “Implementation Grant Application” in 2 places	Text Amended
RESTORE Council	p. 18, Table 3 It seems a bit optimistic to anticipate work commencing the month following the submission of a grant application to the Council. Council review and award preparation processes normally take at least 60 to 90 days	Timeline Modified
RESTORE Council	Per section 5.2.5 of the Council’s SEP Guidelines, a primary eligible activity must be identified for each project or program. The draft SSEP contains a discussion of eligibility on page 16, in the section entitled Eligibility and Statutory Requirements. As currently drafted, that section discusses administrative costs as the eligible activity. Although administrative costs are included in eligible activities under the Act, after reviewing the Treasury regulations we believe that planning assistance is the most appropriate primary eligible activity for the SSEP. We recommend that the Eligibility and Statutory Requirements section be revised to replace the language on administrative costs and explicitly indicate that planning assistance is the primary eligible activity for the SSEP, while also including the Treasury regulation definition of “planning assistance.”	Text Amended
Escambia	What is the SSEP cost to Escambia County?	\$9,610 per county as a one-time cost for the required COSO architecture of the Consortium
Escambia	What is the cost of the fiscal agent (Leon County)?	The proposed fee is fifteen basis points (i.e., 0.15%).
Escambia	What is the long-term management cost for Consortium? What is the long-term management cost to Escambia County (each county)?	Long-term costs are variable and consist of Board and project components. The former has been \$8,000 per annum for the larger counties and \$2,000 for those with smaller populations. Project-specific costs may be



Commenting Party	Comment	Response
		negligible or more significant but are not expected to exceed about 3%.
Escambia	The SSEP lists four primary elements for the Consortium administrative structure: 1) Grant Management 2) Procurement 3) Accounting and Finance 4) Technical Oversight. There is concern that all four of these elements will be imposed on the counties and result in unknown costs.	The elements are required for Consortium compliance with COSO. The Consortium must have practices that meet internal control, fraud deterrence and conflict of interest rules; must provide technical oversight for all of its sub-awards; and must be able to provide contractual documentation, contract review, and technical review of all work paid by Pot 3 monies.
National Wildlife Federation	Commissioner Whitmore raised a question regarding the discrepancy between the number of projects in the SEP that should proceed in year 1 given Model B (n=39) vs. the number of grants and procurement/contracts listed in Table 2 under 3 different activity level scenarios	Table 2 does not determine the number of grants that may occur in Year 1, but those to be carried out under the umbrella of the SSEP implementation grant.
National Wildlife Federation	My impression was that those grants and procurement in Table 2 were related to the projects in the SEP. The Manager stated that those grants and procurements in the Stand-up SEP were “just for the SSEP” and intended to set up the infrastructure with the Council (and NOT for the projects in the SEP). This is not well explained or clear from information contained in the Draft SSEP, especially since the paragraph describing that Table 2 (bottom of page 12) refers to SEP projects. If the grant applications and procurement/contracts in Table 2 are NOT related to SEP projects, please clearly and specifically articulate what they are for. Please list SPECIFICALLY what the Manager envisions these grants will cover	The procurements are specifically to support the Consortium’s own activities; the “procurements/grants” are intended to provide the Consortium the necessary administrative capacity to support SEP implementation going forward.
National Wildlife Federation	Please explain why are so many grants and procurements over a 3-year period needed to set up the infrastructure to implement the FSEP. If it’s going to take 3 years to “set up the infrastructure” (since SSEP proposes a 3-year timeline), please address whether the FSEP projects will need to wait that length of time (3 years) to be submitted (to allow the infrastructure to be established).	The SSEP includes anticipates a 10-month window before the first project reimbursement(s) are processed and received, of which 7-8 months are expected to carry out the core tasks for standing up the required risk management processes of the Consortium. Council recommended the SSEP remain open for up to 3 years of activity in the event that SEP approval were unexpectedly delayed, or additional administrative services were



Commenting Party	Comment	Response
		identified, to avoid needing to submit another grant request.
National Wildlife Federation	If it is costing \$221K to SUBMIT the grants and the procurements, please explain how much it will cost for the actual work to be PERFORMED in those grants and procurements, who will be paying for it, and out of what source of funds (i.e., planning grant, county contributions, Pot 3 funds).	The SSEP is to be funded by Pot 3 funds via a planning assistance grant to be submitted to Council. The budgeted cost of SSEP work (including preparing the SSEP implementation grant) is \$221,038 less the \$34,950 (project-specific grants), or \$176,088.
National Wildlife Federation	I had expressed concern over the 2500 Character Limit for the comments via the on-line form. Imposing such a limit may greatly restrict ability of the public to provide meaningful input. My comments above – addressing just ONE issue/concern with the SSEP – used 2223 characters. Although Craig has communicated to me that I could submit longer comments via email, the other Directors, their staff, and members of the public should be afforded that same opportunity instead of being given the impression they are restricted in the length of their comments. Please update the Consortium Comment page immediately to reflect alternate means of submitting comments.	The character limit was a practical consideration as comments are stored in a spreadsheet. There is no limit on the number of comments one can submit, and categories for. The public comment website includes a statement that longer comments can be emailed or mailed to the Consortium.
Manatee County	<p>I request that the Gulf Consortium pursue alternative competitive bids for implementation of the State Expenditure Plan for the following reasons:</p> <ul style="list-style-type: none"> • The current single source has not defined its qualifications for exclusive no-bid procurement • The proposed long-term contract is not clear on expenses directly impacting county project budgets • Balmoral’s response regarding its capacity to efficiently process the number of projects scheduled for year one implementation indicates a significant gap, potentially adversely affecting further SEP sequencing • Other RESTORE funding systems have parallel application platforms already containing data on Florida’s eligible counties which could be leveraged through a Consortium-licensed site • Other large scale smart contract and performance measurement systems with proven track records currently exist 	<p>There is no non-competitively bid single source contract operating with the Consortium.</p> <p>The expense of Manager contract is spelled out in its terms as not-to-exceed, using SEP Planning Grant and county contributions to the Consortium. Manager contract does not otherwise impact county budgets</p> <p>There is no gap in capacity; there is a division between those grants to be administered under the SSEP and those moving forward.</p> <p>Other platforms will be explored during SSEP implementation that meet Council requirements.</p>



Commenting Party	Comment	Response
Pasco County	The estimated standup for staffing was based on only an anticipated 6 grants being applied for per year for the first 3 years. That number is likely overly conservative. Execution of potentially 36 different grant agreements utilizing the proposed staffing is unrealistic. Add in the anticipated 72 anticipated contracts and the workload exceeds the capability proposed. This would eventually impact the timelines for all grants.	The 6 grants are associated with the SSEP, not the first 3 years of SEP implementation. The SSEP includes funding for one additional staff person. The SSEP does not present a delay for the timelines for grants.
Pasco County	Utilizing a program that is similar to Grantsolutions.org via the GCC would be far more effective, and would put the onus on the counties to execute, thus eliminating a lot of the overhead created by using BMG as the grant administration process. Communication with Treasury to investigate this potential is encouraged. BMG could then act in a monitor role, with access to the grantsolutions.org website, and utilize the OSA already done by the county. This would save funds for projects vice using for administrative requirements	Other platforms will be explored during SSEP implementation that meet Council requirements.
Pasco County	It is imperative that seasoned grant professionals with strong experience in executing federal grants be utilized to administer this program for the GCC. Single sourcing this process is not the most effective way to find that administrative experience. I did not note that BMG had extensive grant execution experience outlined in the SSEP. Additionally, the cost of executing the grants (9 for Pasco County alone) is not laid out clearly in the proposal. This should be clear, along with the expected expenses required by the grant to execute the SEP. Agreeing with this SSEP is de facto agreeing to an Interlocal Agreement written by Balmoral Group	The cost of transmitting individual grants is estimated in the SSEP budget. No interlocal agreement is proposed outside of the SEP project Sub-awards between the Consortium and the counties
Pasco County	In the SEP, it indicates that counties will adopt policies and procedures that support the grants, but does not say what those are. Additionally, procurement via BMG administration takes away from county policies, procedures and most importantly local businesses efforts to get involved in the process.	The SSEP does not direct county policy but proposes uniform financial standards as relate to Pot 3 funding. The SSEP proposes the use of regional contractors to support Consortium oversight of county sub-awards and does not impact county use of local contractors
Bay County	As much as possible, the Consortium should adopt or adapt acceptable standards, policies, processes and data management plans developed by others rather than having to develop these with Consortium resources.	The SSEP proposes to build on county RESTORE coordinators experience



Commenting Party	Comment	Response
Bay County	If Leon County agrees to continue to act as the fiscal agent, what is the projected cost? What financial software does Leon County use, and is it suitable for all Consortium financial and grant management needs? Is it also available/necessary for the counties to use?	The cost is expected to be 0.15%. The SSEP proposes no specific software package, but to select that which works best for the Consortium and its reporting to Council. Common platforms will be explored
Bay County	Is it required that the counties and Consortium hire outside consultants for Best Available Science and that the Consortium review projects for Best Available Science? Will the Council duplicate the Best Available Science review if one is done at the Consortium level? Will this be unnecessary duplication? For the Direct Component, Treasury has hired the Best Available Science expertise. These experts review the grant applications and provide comments to the applicant. Can the Council take this same approach? If the Consortium must handle Best Available Science, is it necessary to hire regional experts for the desk review? I do not believe that Florida needs to be broken into regions for this review.	The SSEP proposes the Consortium contract for BAS expertise and Board direction is to provide technical oversight services of the projects it submits at the regional level. The Consortium has coordinated previously with Council staff on how best to employ BAS reviews and to reduce costs and duplication.
Bay County	I see the SSEP as performing two main functions. One is to integrate all federal grant and RESTORE Act requirements into the financial structure and processes of the Gulf Consortium. The second, related function is to lay out the specifics as to Consortium processes to obtain and manage project funds and the costs related to that effort. The current draft SSEP falls short of this second function. In order to evaluate the draft SSEP, members of the Consortium need to know the processes and costs related to Consortium management of Spill Impact Component projects.	The SSEP proposes the general framework for the Consortium, including grant management and project accounting. Further details will be developed during implementation to ensure compliance with Council requirements. SSEP costs are included in the budget; Consortium management costs are estimated and included in an agenda item
Bay County	Of major interest to members of the Consortium is exactly what work/tasks will be done by the Consortium infrastructure and how much will it cost. The 23 counties vary widely in their management and staff capabilities. Some will need more help than others.	The SSEP recognizes the varying capacity of the counties and proposes to contract for services that counties may use if they choose.
Bay County	The SSEP should recognize this and should list those tasks that the Consortium must do, those that each county/subrecipient must do, and then list those that could be done by either entity, depending on the capabilities and desires of each county. Counties need approximate costs of the various levels of	The SSEP outlines the core functions that must be carried out at the level of the Consortium. Costs for optional services are estimated in an agenda item



Commenting Party	Comment	Response
	assistance from the Consortium. Each county could pay the Consortium for the optional services by building those costs into the budget for each project.	
Bay County	A sufficient level of detail of the costs to each county and the long-term management costs of the Consortium should be provided before approval of the SSEP. Not all of this information must be in the SSEP, but it is important that the Consortium members have this information prior to approving the SSEP, which is a critical step for the Consortium.	A budget has been included in the SSEP. Longterm costs are reported to the Board in an agenda item
Bay County	<p>Page 8 includes the following paragraph “Project management, grant managers, and other Consortium member county staff responsible for governance will be required to apply internal control processes created by the SSEP. The processes created by the SSEP are designed to provide reasonable assurance in the reliability of project financial reporting.” I believe this should be “staff responsible for governance will be required to apply comply with internal control processes standards created by the SSEP. The processes standards created by the SSEP...” The Consortium should not dictate the internal processes of each county. Rather, it should set standards (derived from statutes and rules) that each county must meet. Counties are required to meet federal grant and RESTORE Act requirements for Direct Component funds. I do not see a need to set up new processes.</p>	The SSEP will explore this issue with Council and the counties during implementation. The SSEP does not contemplate replicating or modifying processes within counties, but ensuring that those processes support Council requirements. To the extent that such processes comply with Treasury standards, the Consortium would explore acceptance by Council
Bay County	Page 14 under “Grant Management” states: “The goals of grant management activities are to develop and submit the project-specific grants for implementation...”. It is likely that most counties will want to develop the grant for their own projects, rather than this being done by Consortium management.	The SSEP anticipates most counties preparing their own grant applications
Bay County	Page 14 under “Sub-recipient Monitoring” references “Adapting an Organizational Self-Assessment (OSA)”. All 23 counties are required to conduct annual OSAs for Treasury as part of the Direct Component requirements. The Consortium should just adopt Treasury’s OSA and the counties’ existing OSAs should be sufficient for the risk assessment	The Consortium must use Council’s OSA, which is more rigorous than Treasury’s




Commenting Party	Comment	Response
Bay County	Page 14 under “Technical Oversight” states: “In addition to BAS, permitting (federal, state, and local), construction feasibility, and construction engineering inspection are among the tasks requiring technical oversight.” Consortium directors should discuss how much they want to develop these capabilities at the Consortium management level, and whether this should be handled at the county project level.	To comply with Council requirements, the SSEP proposes that the Consortium have these capacities, if only to review the work at the county level.
Bay County	An issue that may be beyond the scope of the SSEP but that is critical to the success of the Consortium is the continued assistance to identify and obtain matching funds for projects. This needs to be an ongoing effort, because matching funds often cannot be secured far in advance of a project’s initiation.	Leveraging is beyond the scope of the SSEP itself, but the Consortium anticipates coordination with counties and updates of leveraging resources as appropriate
Bay County	Use of GrantSolutions.gov as the RESTORE Council grant application software would make sense. This is the software Treasury is utilizing for the Direct Component grant application and management, and many of the Florida counties have learned this system. While this issue is not a part of the SSEP, this consideration should be discussed with the Council.	The SSEP proposes to explore other platforms, with Board direction
Collier County	At the November 15, 2017 Consortium meeting the Board approved a budget of for the Standup SEP of \$221,038. How does that relate to the tasks that you summarized in Table 1 on page 11 of your report?	The budget of the SSEP is associated with the tasks outlined in the November Board Meeting Agenda Item 6; the tasks in the SSEP itself describe the administrative functions are that need to be established within the Consortium.
Collier County	In table 1, page 11, what is the difference of Manager and Permanent Manager?	Text amended
Collier County	What is the projected costs in total and per county for execution of the State Expenditure Plan? In my mind, that should include the \$221,038 and the tasks not covered (estimated) to date in table 11. I want to be able to share with our commission an accurate picture of what the administrative costs should be for the Consortium to manage the program and have a realistic projection of the balance of the funds we will be receiving	The projected costs for the Stand-Up SEP will not exceed \$9,610 per each county - a one-time cost for establishing the required administrative capacities of the Consortium as the implementing entity. The costs of implementing the SEP itself will depend on the number of projects, the types of projects and the time required to carry out the projects.
Collier County	What is the projected cost of each item in table 1?	Budget included in Final SSEP



Commenting Party	Comment	Response
Collier County	How will the leveraging be handled? Who and How will that be decided and when will that be presented to the Board? Will that be decided when the SEP is submitted to the State and Restore Council.	Leveraging is beyond the scope of the SSEP The counties have been provided leveraging information through the SEP and to the extent feasible would have primary responsibility for identifying and securing sources and timing of non-Pot 3 funding.

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Attachment 9a. Updated SEP Implementation Timeline

Timeline / Funding Source	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19		
SEP (Planning Grant)			Draft Approval	Public Comment, Agency Review	Revisions to Draft	Board Approval; Transmit "Final" to Governor; Governor's Review	Governor Transmits to Council	Council Review	Council Review; Council Approval												
Stand-Up SEP (SSEP) (Pre-Award Costs)	Draft Approval	Public Comment, Agency Review	Public Comment, Agency Review	Board Approval; Transmit "Final" to Governor; Governor's Review	Governor Transmits to Council	Council Review	Council Review; Council Approval														
Interim Consortium Activity (Pre-Award Costs)					Plan Key Procurements and Contracts	Plan Key Procurements and Contracts; Prepare Planning Grant	Execute Key Procurements and Contracts; Transmit Planning Grant	Execute Key Procurements and Contracts; Council Grant Review	Execute Key Procurements and Contracts; Council Grant Approval	Execute Key Procurements and Contracts	Execute Key Procurements and Contracts	Execute Key Procurements and Contracts	Execute Key Procurements and Contracts								
SSEP Implementation (Stand-Up Planning Assistance Grant)										IMP*	IMP*	IMP*	IMP*	IMP* County submits project implementation grant to GC, GC submit to Council	IMP* Council approves; County executes contract, GC does subaward	IMP* Work commences	IMP* Submit pmt request	IMP* Turn to RC for Pmt	IMP \$\$\$ 1st Pmt Rec'd		
										* IMP Grant in place, but no funding until April											
Project Implementation (Project Grant SubAwards)														PG	PG	PG	PG	PG	PG	PG	

AGENDA ITEM 10

**Gulf Consortium Executive Committee
January 30, 2018**

**Agenda Item 10
Third Amendment to ESA's Agreement for Consultant Services**

Executive Summary:

Request for a recommendation from the Executive Committee to approve the attached Third Amendment to ESA's Agreement for Consultant Services, which modifies the Conflict of Interest provision.

Background:

In March 2015, the Consortium and ESA entered into an Agreement for Consultant Services. The Agreement was amended in April 2016 to amend the scope of work, increase the contract amount and update certain required provisions. In September 2017, the Agreement was again amended to incorporate newly-enacted federal requirements.

The existing Conflict of Interest provision prohibits ESA and its subcontractors from participating in the implementation of any project, programs and activities included in the SEP (the "SEP Projects"). Pursuant to Board direction from the November 15, 2017 meeting, General Counsel and ESA have worked collaboratively in drafting a mutually-agreeable modification to the Conflict of Interest provision as outlined below:

- ESA and its subcontractors (the "Consultant Team") agree to recuse themselves for a period of four (4) years after approval of the SEP from participating in SEP Projects.
- This recusal only applies to:
 - SEP Projects funded by Pot 3 Spill Impact Component.
 - The current 69 SEP Projects and does not apply to any projects that may be added to the SEP in future amendments.
- After the four-year recusal period, the Consultant Team agrees it cannot participate in SEP Projects simultaneously on behalf of the Consortium and any individual county.

Options:

- Option #1, Recommend approval of the attached amended agreement.
- Option #2, Recommend rejection of the attached amended agreement.
- Option #3, Executive Committee Direction.

Recommendation:

- Option #1

Attachment:

Proposed Third Amendment to ESA's Agreement for Consultant Services

Prepared by:

Lynn M. Hoshihara
Nabors, Giblin & Nickerson, P.A.
General Counsel
January 25, 2018

THIRD AMENDMENT TO THE AGREEMENT FOR CONSULTANT SERVICES FOR STATE EXPENDITURE PLAN BETWEEN THE GULF CONSORTIUM AND ENVIRONMENTAL SCIENCE ASSOCIATES

This Third Amendment to the Agreement for Consultant Services is entered into by and between the **Gulf Consortium**, a legal entity and public body organized and created pursuant to an interlocal agreement among the 23 county governments along Florida's Gulf Coast (the "Consortium"), and **Environmental Science Associates**, whose business address is 4350 West Cypress Street, Suite 950, Tampa, Florida 33607 (the "Consultant").

WHEREAS, the Consortium and the Consultant previously entered into an Agreement for Consultant Services, dated March 13, 2015, as subsequently amended (the "Agreement"); and

WHEREAS, the Consultant engaged several sub-consultants to assist in providing services to the Consortium (collectively referred to as the "Consultant Team");

WHEREAS, the parties wish to amend the Agreement to revise the Conflict of Interest provision applicable to the Consultant Team.

NOW THEREFORE, in consideration of the mutual covenants herein and other good and valuable consideration, the parties hereby agree to amend the Agreement as follows:

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

7. Conflict of Interest

The Consultant Team agrees to recuse itself for a period of four (4) years from participation in projects, programs, and activities included in the Florida State Expenditure Plan (SEP) at the time of its initial approval by the Gulf Coast Ecosystem Restoration Council. This recusal shall not apply to the Consultant Team's participation in projects, programs, or activities that are added to the SEP in future amendments. Further, this recusal is specific to the SEP project components, programs, or activities funded by the RESTORE Act Spill Impact Component, and shall not apply to SEP project components, programs or activities funded by other sources.

After the four-year recusal period, the Consultant Team agrees that it shall not participate in SEP projects, programs, or activities simultaneously on behalf of the Consortium and any individual county or counties. Attached as composite Exhibit A is a copy of each of the Consultant's named team partner firms and individuals regarding such firm's recusal for a period of four (4) years under the same terms applied to the Consultant herein.

2. The parties' obligation under section 7 shall survive the termination or expiration of the Agreement.
3. All other provisions of the Agreement shall remain in full force and effect.

WHERETO, the parties have set their hands and seals effective the date whereon the last party executes this Agreement.

GULF CONSORTIUM

**ENVIRONMENTAL SCIENCE
ASSOCIATES**

By: _____
Grover C. Robinson IV,
Chairman

By: _____
Doug Robison,
Vice President

Date: _____

Date: _____

SECRETARY/TREASURER:

By: _____
George Neugent