

Commerce Agreement Number: MT057

**AMENDMENT THREE
TO THE FEDERALLY FUNDED
COMMUNITY DEVELOPMENT BLOCK GRANT
MITIGATION PROGRAM (CDBG-MIT)
SUBRECIPIENT AGREEMENT**

On **May 9, 2022**, the State of Florida, Department of Commerce (“Commerce”), and **the City of Sebring, Florida** (“Subrecipient”) entered into agreement **MT057** (“Agreement”). Commerce and the Subrecipient may individually be referred to herein as a “Party” or collectively as the “Parties.”

WHEREAS, Section 5, Modification of Agreement, of the Agreement provides that any amendment to the Agreement shall be in writing executed by the Parties thereto; and

WHEREAS the Agreement was previously amended on **April 14, 2024, February 25, 2025**; and

WHEREAS the Parties wish to amend the Agreement as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and obligations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the following:

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

(3) Period of Agreement. This Agreement begins May 9, 2022, (the “Effective Date”) and ends May 8, 2027, unless otherwise terminated as provided in this Agreement. Commerce shall not grant any extension of this Agreement unless Subrecipient provides justification satisfactory to Commerce in its sole discretion and Commerce’s Deputy Secretary of the Division of Community Development approves such extension.

2. **Attachment D, Program and Special Conditions**, Section 4, is hereby deleted in its entirety and replaced with the following:

4. Prior to the obligation of disbursement of any funds, except for administrative and engineering expenses listed in the Commerce approved Environmental Exemption, the Subrecipient shall complete the following:

- a. Submit for Commerce’s approval the documentation required in paragraph 3 for any professional services contract. Subrecipient proceeds at its own risk if more than the specified amount is incurred before Commerce approves the procurement. If Commerce does not approve the procurement of a professional services contract, the local government will not be able to use CDBG-MIT funds of that contract.
- b. Comply with 24 CFR part 58 and the regulations implementing the National Environmental Policy Act, 40 CFR § 1500-1508. When Subrecipient has completed the environmental review process, it shall submit a Request for Release of Funds and Certification. Commerce will issue an Authority to Use Grant Funds (from HUD-7015.16) when this condition has been fulfilled to the satisfaction of Commerce. If Commerce has not issued an Authority to use Grant Funds within Fifteen (15) days of Subrecipient’s submission of the required documentation, Commerce shall provide Subrecipient a written update regarding the status

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of the review process. **SUBRECIPIENT SHALL NOT BEGIN CONSTRUCTION
BEFORE COMMERCE HAS ISSUED THE "AUTHORITY TO USE GRANT FUNDS."**

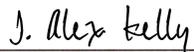
3. **Attachment A, Project Description and Deliverables**, is hereby deleted in its entirety and replaced with the attached:

4. All other terms and conditions of the Subrecipient Agreement not otherwise amended remain in full force and effect.

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IN WITNESS HEREOF, by signature below, the Parties agree to abide by the terms, conditions, and provisions of Commerce Agreement Number **MT057**, as amended. This Amendment is effective on the date the last Party signs this Amendment.

| CITY OF SEBRING, FLORIDA | FLORIDA DEPARTMENT OF COMMERCE |
|--|--|
| SIGNED:  | SIGNED:  |
| JOHN SHOOP | J. ALEX KELLY |
| MAYOR | SECRETARY |
| DATE: <u>7/11/2025</u> | DATE: <u>7/16/2025</u> |

Approved as to form and legal sufficiency, subject only to full and proper execution by the Parties.

**OFFICE OF GENERAL COUNSEL
FLORIDA DEPARTMENT OF COMMERCE**

By: David Tropin

Approved Date: 7/14/2025

Attachment A – Project Description and Deliverables

1. PROGRAM DESCRIPTION:

In April 2018, The U.S. Department of Housing and Urban Development (HUD) announced the State of Florida, Department of Commerce (Commerce) would receive \$633,485,000 in funding to support long-term mitigation efforts following declared disasters in 2016 and 2017 through HUD's Community Development Block Grant Mitigation (CDBG-MIT) program. Awards will be distributed on a competitive basis targeting HUD designated Most Impacted and Distressed (MID) Areas, primarily addressing the Benefits to Low-to-Moderate Income (LMI) National Objective. Additional information may be found in the Federal Register, Vol. 84, No.169.

Commerce has apportioned the Federal Award to include the following initiatives: Critical Facility Hardening Program \$75,000,000; General Planning Support Program \$20,000,000; General Infrastructure Program \$475,000,000; and State Planning and Administration \$63,485,000.00.

This award had been granted under the General Infrastructure Program. Project eligible for, but not limited to, funding under this program are:

- Restoration of critical infrastructure
- Re-nourishment protective coastal dune systems and state beaches
- Building or fortifying buildings that are essential to the health, safety and welfare of a community
- Rehabilitation or construction of stormwater management systems
- Improvements to drainage facilities
- Reconstruction of lift stations and sewage treatment plants
- Road repair and improvement and bridge strengthening

2. PROJECT DESCRIPTION:

The City of Sebring, Florida has been awarded Four Million, Six Hundred Eighty-Two Thousand, Nine Hundred Seventy-Five and Zero Cents (\$4,682,975.00) in CDBG-MIT (Community Development Block Grant – Mitigation) fundings for mitigation efforts to complete fire protection resiliency, water quality, and water conservation infrastructure improvements. The purpose of this project is to replace potable water supply system in the Highlands Homes service area to mitigate fire risks, increase community resiliency, provide better water quality, reduce water resource water, and fortify community lifelines. The mitigation activities consist of: replacement of 59,080 linear feet of existing waterlines and replacement of fire hydrants, cut off valves and water services.

There are no leveraged or matching funds included in this project

This project satisfies the Low-to-Moderate Income (LMI) National Objectives requirements with a service area LMI of over 51%.

3. SUBRECIPIENT RESPONSIBILITIES:

- A. Complete and submit the below items to Commerce within thirty (30) calendar days of execution of the agreement:
1. Organizational chart with contact information.
 2. Job descriptions for Subrecipient's employees, contracted staff, vendors, and contractors. If staffing changes, there must be a submittal stating the names and job descriptions on the monthly report deadline.
 3. Attachment B, Project Budget – Develop and submit to Commerce a detailed budget for implementation of the project.
 4. Attachment C, Activity Work Plan – Develop and submit to Commerce a detailed timeline for implementation consistent with the milestones outlined in the Mitigation Program Guidelines.

Should any changes to the organizational chart, Attachment B or Attachment C be deemed necessary, an updated plan must be submitted to Commerce with your monthly report for review and approval by the Commerce Grant Manager.

- B. Develop and submit a copy of the following policies and procedures to the Commerce Grant Manager for review and approval within thirty (30) calendar days of Agreement execution. The Commerce Grant Manager will provide approval in writing prior to the policies and procedures being implemented.
- a. Procurement policies and procedures that incorporate 2 CFR 200.317-327.
 - b. Administrative financial management policies, which must comply with all applicable HUD CDBG-MIT and State of Florida rules.
 - c. Quality assurance and quality control system policies and procedures that comply with all applicable HUD CDBG-MIT and Commerce policies.
 - d. Policies and procedures to detect and prevent fraud, waste and abuse that describe how the subrecipient will verify the accuracy of monitoring policy indicating how and why monitoring is conducted, the frequency of monitoring policy, and which items will be monitored, and procedures for referring instances of fraud, waste and abuse to HUD IOG Fraud Hotline (phone: 1-800-347-3735 or email hotline@hudoig.gov).
 - e. Policies and procedures for the requirements under 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award.
- C. Attend fraud related training offered by HUD OIG to assist in the proper management of the CDBG-MIT grant funds when available.
- D. Upload required documents into a system of record provided by Commerce.
- E. Maintain organized subrecipient agreement files and make them accessible to Commerce or its representatives, upon request.
- F. Comply with all terms and conditions of the subrecipient agreement, Mitigation Program Guidelines, Action Plans, Action Plan amendments, and Federal, State, and local laws.
- G. Provide copies of all proposed procurement documents to Commerce ten (10) business days prior to posting as detailed in Attachment D of Subrecipient Agreement. The proposed procurement documents will be reviewed and approved by the Commerce Grant Manager. Should the procurement documents require revisions based on state or federal requirements, Subrecipient will be required to postpone procurement and submit revised documents for review and approval.
- H. Provide the following information on a quarterly basis within ten (10) calendar days after the end of each quarter: Monthly and Quarterly Reports as detailed in Attachment G.

- I. Close out report will be due no later than sixty (60) calendar days after this Agreement ends or is otherwise terminated.
- J. Subrecipient shall provide pictures to document progress and completion of tasks and final project.

4. ELIGIBLE TASKS AND DELIVERABLES:

A. Deliverable 1 – Project Implementation

Tasks that are eligible for reimbursement are as follows:

- 1. Environmental review administrative activities (Environmental Exemption, Public Notice Publication(s), etc.).
- 2. Develop policies for the Subrecipient to adopt related to special conditions listed in this subgrant agreement,
- 3. Prepared procurement documents,
- 4. Prepared list of minority and women business enterprise (MBE/WBE) firms that operate in the Subrecipient's area,
- 5. Prepared and submitted public notices for publications,
- 6. Maintained financial records related to project activities on-site,
- 7. Conducted a Fair Housing activity,
- 8. Maintain project files,
- 9. Attended meetings of the Subrecipient's local governing body to provide progress reports on subgrant activities,
- 10. Prepared documentation for and attend on-site monitoring visits by Commerce,
- 11. Prepared financial activity for submission to Commerce,
- 12. Prepared and submitted to Commerce detailed monthly and quarterly reports,
- 13. Prepared and submitted to Commerce Section 3 reports,
- 14. Responded to citizens' complaints,
- 15. Prepared subgrant modification document for submission to Commerce for review and approval,
- 16. Prepared responses to monitoring findings and concerns for Subrecipient to submit to Commerce or HUD,
- 17. Project Closeout, Engineer's Certification of Completion, Grant Closeout Package Completed and Submitted to Commerce.
- 18. Conduct an Environmental Review/Assessment in accordance with Commerce Policies and the National Environmental Policy Act referenced in Attachment D.4.b of this Agreement.

B. Deliverable 2 – Engineering Services

Subrecipient shall:

- 1. Create a full design package(s), signed, and sealed by a Professional Engineer (PE) licensed in the State of Florida, including engineering drawings, specifications, construction cost estimate, surveys, and any other reports, documents, or information relevant to this project that meet all local current hurricane code ratings, local codes and building codes.
- 2. Obtain copies of all permit applications, correspondence with permitting agencies, final permits, and any other permit-related documentation for the project.

C. Deliverable 3 – Construction

Subrecipient shall hire Florida licensed contractor to:

1. Contracted engineer shall assist the City with the construction contract, observe work completed, review draw requires and coordinate any change orders required.
2. Provide review of contractor payrolls and interviewing of employees to determine compliance with Davis-Bacon Act, the Contract Work Hours and Safety Standards Act, and the Copeland "Anti-Kickback" Act. Section 3 compliance.
3. Hire Florida licensed contractor(s) to perform construction to include replacement of approximately 59,080 linear feet of cast iron water lines in accordance with approved design plans. Work includes site preparations, debris removal, mobilization, demobilizations, bonds and insurance, maintenance of traffic, and restoration of work area of:

- A. Wightman Avenue from Kenilworth Boulevard to Youth Care Lane
- B. Melady Avenue from Kenilworth Boulevard to Youth Care Lane
- C. Coma Avenue from Kenilworth Boulevard to Youth Care Lane
- D. Penny Avenue from Kenilworth Boulevard to End
- E. Queen Palm Avenue from Kenilworth Boulevard to End
- F. Beverly Avenue from Kenilworth Boulevard to End
- G. Rainbow Avenue from Kenilworth Boulevard Youth Care Lane
- H. Howard Street from Orange Blossom Avenue to Rainbow Avenue
- I. Steiner Avenue from Roseland Avenue to Rainbow Avenue
- J. Orange Blossom Avenue from Kenilworth Boulevard to Peters Road
- K. Palm Boulevard from Kenilworth Boulevard to Steiner Avenue
- L. 1st Street from Palm Boulevard to Orange Blossom Avenue
- M. 2nd Street from Palm Boulevard to Orange Blossom Avenue
- N. 3rd Street from Palm Boulevard to Orange Blossom Avenue
- O. 4th Street from Palm Boulevard to Orange Blossom Avenue
- P. 5th Street from Palm Boulevard to Orange Blossom Avenue
- Q. 6th Street from Palm Boulevard to Orange Blossom Avenue
- R. 7th Street from Palm Boulevard to Orange Blossom Avenue
- S. Sunkist Avenue from Kenilworth Boulevard to Wolfe Drive
- T. Rosewood Avenue from Kenilworth Boulevard to Howard Street
- U. Wolfe Drive from Rainbow Avenue to Orange Blossom Avenue
- V. Warfield Place from Rainbow Avenue to Palm Boulevard
- W. Kenilworth Boulevard from Sebring Parkway to Industrial Way
- X. Denise Avenue from Kenilworth Boulevard to Kenilworth Boulevard
- Y. Greenway Drive from Minerva Street to Minerva Street

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5. DELIVERABLES:

Subrecipient agrees to provide the following services as specified:

| Deliverable No. 1 – Program Implementation | | |
|---|--|--|
| Tasks | Minimum Level of Service | Financial Consequences |
| Subrecipient shall provide project implementation activities as identified in Section 4.A. of this Scope of Work. | Subrecipient may request reimbursement upon completion of a minimum of one (1) Project Implementation task on a per completed task basis as detailed in Section 4.A, Attachment A – Project Description and Deliverables; evidenced by invoice(s) noting completed tasks as well as payroll and other supporting documentation, as applicable. | Failure to complete the Minimum Level of Service as specified shall result in non-payment for this deliverable for each payment request. |
| | | Deliverable No. 1 Cost: \$125,000.00 |
| Deliverable No. 2 – Engineering Services | | |
| Tasks | Minimum Level of Service | Financial Consequences |
| Subrecipient shall complete task as detailed in Section 4.B. of this Scope of Work | Subrecipient may request reimbursement upon completion of a minimum of one (1) task in accordance with Section 4.B of this Scope of Work, or upon completion of design at 30%, 60% 90% and 100% increments. All reimbursement requests must be evidenced by submittal of the following documentation: 1) Engineering design, working drawings, specifications bid drawings, surveys and associated cost estimates and project milestones at 30%, 60%, 90% and 100%. 2) Completion of Environmental Review 3) Copies of all required permits, if applicable; and 4) Invoice package in accordance with Section 7 of this Scope of Work. | Failure to complete the Minimum Level of Service as specified shall result in non-payment for this deliverable for each payment request. |
| | | Deliverable No. 2 Cost: \$333,902.00 |
| Deliverable No. 3 - Construction | | |
| Tasks | Minimum Level of Service | Financial Consequences |

| | | |
|--|---|---|
| <p>Subrecipient shall complete task as detailed in Section 4.C of this Scope of Work</p> | <p>Subrecipient may request reimbursement upon completion of activities in accordance with Section 4.C of this Scope of Work in the following increments: 10%, 20%, 30%, 40%, 50%, 60%, 70%, 80%, 90%, and 100%, evidenced by submittal of the following documentation:</p> <ol style="list-style-type: none"> 1) AIA forms G702 and G703, or similar accepted Commerce form, completed by a licensed professional certifying to the percentage of project completion; 2) Photographs of project in progress and completed; and 3) Invoice package in accordance with Section 7 of this Scope of Work. | <p>Failure to complete the Minimum Level of Service as specified shall result in non-payment for this deliverable for each payment request.</p> |
| <p>Total Deliverable 3 Cost: \$4,224,073.00</p> | | |
| <p>TOTAL PROJECT COST NOT TO EXCEED \$4,682,975.00</p> | | |

COST SHIFTING: The deliverable amounts specified within the Eligible Tasks and Deliverables section 5 tables above are established based on the Parties estimation of sufficient delivery of services fulfilling grant purposes under the Agreement in order to designate payment points during the Agreement Period; however, this is not intended to restrict Commerce’s ability to approve and reimburse allowable costs Subrecipient incurred providing the deliverables herein. Prior written approval from Commerce’s Grant Manager is required for changes to the above Deliverable amounts that do not exceed **10%** of each deliverable total funding amount. Changes that exceed **10%** of each deliverable total funding amount will require a formal written amendment request from Subrecipient, as described in **Modification** section of the Agreement. Regardless, in no event shall Commerce reimburse costs of more than the total amount of this Agreement.

6. COMMERCE RESPONSIBILITIES:

- A. Monitor the ongoing activities of Subrecipient to ensure all activities are being performed in accordance with the Agreement to the extent required by law or deemed necessary be Commerce in its discretion.
- B. Assign a Grant Manager as a point of contact for Subrecipient.
- C. Review Subrecipient’s invoices described herein and process them on a timely basis.
- D. Commerce shall monitor progress, review reports, conduct site visits, as Commerce determines necessary at Commerce’s sole and absolute discretion, and process payments to Subrecipient.

7. INVOICE SUBMITTAL:

Commerce shall reimburse the Subrecipient in accordance with Section 5, above. In accordance with the Funding Requirements of s. 215.971(1), F.S. and Section (21) of this Agreement, the Subrecipient and its subcontractors may only expend funding under this Agreement for allowable

costs resulting from obligations incurred during this Agreement. To be eligible for reimbursement, costs must be in compliance with laws, rules and regulations applicable to expenditures of State funds, including, but not limited to, the Reference Guide for State Expenditures (<https://www.myfloridacfo.com/docs-sf/accounting-and-auditing-libraries/state-agencies/reference-guide-for-state-expenditures.pdf>).

- A. Subrecipient is allowed to submit multiple invoices per month for services rendered during the applicable period of time as defined in the deliverable table. In any month in which deliverables have not been completed, the Subrecipient will provide notice that invoicing will not be submitted.
- B. The following documents shall be submitted with the itemized invoice:
 1. A cover letter signed by Subrecipient's Agreement Manager certifying that the costs being claimed in the invoice package: (1) are specifically for the project represented to the State in the budget appropriation; (2) are for one or more of the components as stated in Section 5, DELIVERABLES, of this SCOPE OF WORK; (3) have been paid; and (4) were incurred during this Agreement.
 2. Subrecipient's invoices shall include the date, period in which work was performed, amount of reimbursement, and work completed to date;
 3. A certification by a licensed professional using AIA forms G702 and G703, or their substantive equivalents, certifying that the project, or a quantifiable portion of the project, is complete. Include if applicable to your program
 4. Photographs of the project in progress and completed work;
 5. A copy of all supporting documentation for vendor payments; and
 6. A copy of the bank statement that includes the cancelled check or evidence of electronic funds transfer. The State may require any other information from Subrecipient that the State deems necessary to verify that the services have been rendered under this Agreement.
- C. If the Subrecipient is a county or municipality that is a rural community or rural area of opportunity as those terms are defined in section 288.0656(2), F.S., the payment of submitted invoices may be issued for verified and eligible performance that has been completed in accordance with the terms and conditions set forth in this Agreement to the extent that federal or state law, rule, or other regulations allows such payments. Upon meeting either of the criteria set forth below, the subrecipient may elect in writing to exercise this provision.
 1. A county or municipality that is a rural community or rural area of opportunity as those terms are defined in section 288.0656(2), F.S., that demonstrates financial hardship; or
 2. A county or municipality that is a rural community or rural area of opportunity as those terms are defined in section 288.0656(2), F.S., and which is located in a fiscally constrained county, as defined in section 218.67(1), F.S. If the Subrecipient meets the criteria set forth in this paragraph, then the Subrecipient is deemed to have demonstrated financial hardship.
- D. The Subrecipient's invoice and all documentation necessary to support payment requests must be submitted into Commerce's Subrecipient Enterprise Resource Application (SERA). Further instruction on SERA invoicing and reporting, along with a copy of the invoice template, will be provided upon execution of the agreement.