



# Gulf Consortium: Stand-up State Expenditure Plan for Florida

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## 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

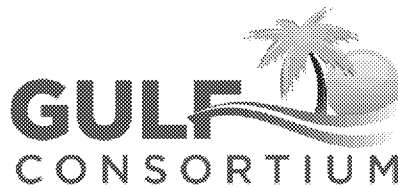
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## Introduction and Statement of Purpose

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 cost-effective 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)).<sup>1</sup> 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.<sup>2</sup>
- 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.

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

<sup>2</sup> 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.<sup>3</sup>

#### 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

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<sup>3</sup> 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.<sup>4</sup>

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

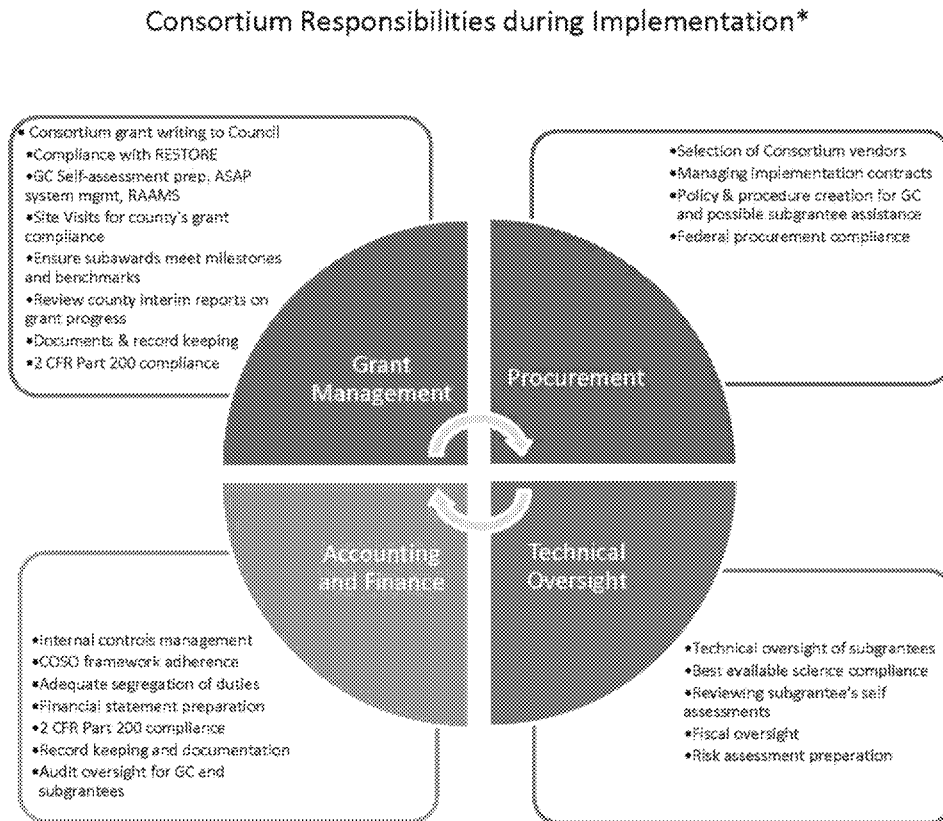
Pursuant to Board direction, the four generalized categories of the Consortium's administrative and fiscal responsibilities to be addressed by the SSEP include procurement, grant management, accounting and finance, and technical oversight (**Figure 1**). The scope (reviewed by RESTORE Council staff, DEP, FWC, and with input from Florida's SEP consultant, multiple county RESTORE Act Coordinators, and the public) 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.

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



Figure 1. Conceptual Overview of Stand-Up-SEP Content<sup>5</sup>



\*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

<sup>5</sup> The graphic refers to RAAMS; the Consortium understands this system will be replaced.



- 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 included 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 and February, 2018 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 was completed in accordance with pertinent requirements and the Consortium's intent for transparency. Consistent with Treasury regulations, this Standup State Expenditure Plan was made available for public review and comment in accordance with 31 C.F.R. § 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. All submitted comments were reviewed and incorporated as appropriate (see **Appendix**).

## 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 SEP's 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 C.F.R. 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 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 C.F.R. Part 200 for all non-Federal recipients of Federal funds.

### Proposed Project

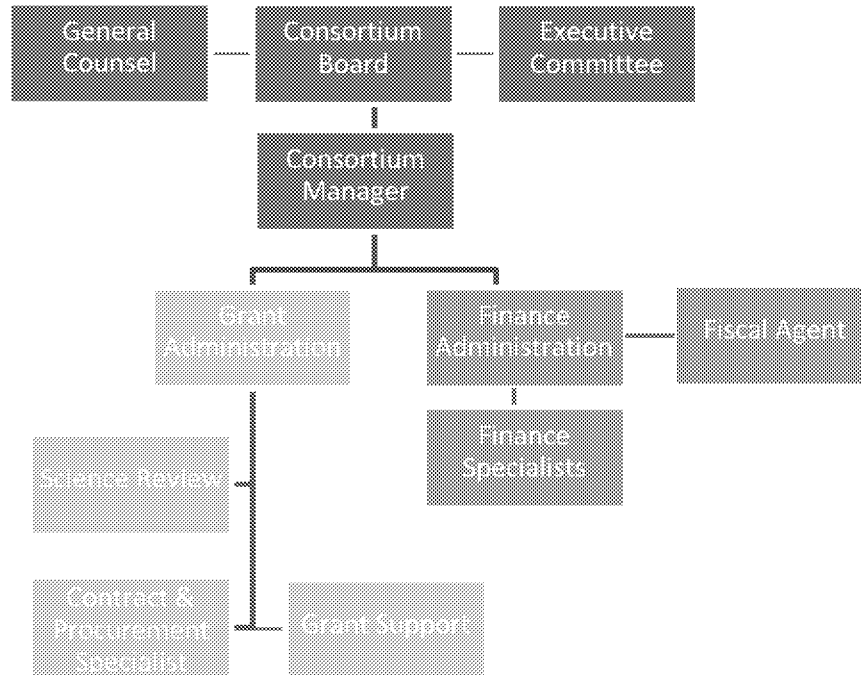
#### **Expanding the financial and administrative capabilities of the Gulf Consortium**

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 or specific contractual service providers.



**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**

<b>Functional Role</b>	<b>Responsibilities / Consortium Resource</b>
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 (RESTORE coordinators) in grant preparation as requested; coordinates with RESTORE Council <i>Manager*</i>
Grant Support	Database maintenance, grant submittal support <i>To be determined, as grant volume requirements dictate; Manager* or Contractual Grant managers during periods of high volume</i>
Contract Procurement	Manages contract procurement processes; <i>To be determined, as procurement volume requirements dictate; Manager* or 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 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
<b>Maximum Volume</b>	42	4	3	Grant Applications
	24	12	8	Procurements/Contracts
<b>Minimum Volume</b>	0	0	0	Grant Applications
	12	8	6	Procurements/Contracts
<b>Likely Scenario</b>	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.<sup>6</sup> The remaining first-year SEP projects may be submitted in the following 9-10 months of the first year that the Consortium is authorized to process project implementation grant submittals.<sup>7</sup>

#### 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 implement a standalone grant management system dedicated to Consortium business. The existing accounting software in place with

<sup>6</sup> Board direction will establish the number to be submitted during SSEP implementation.

<sup>7</sup> 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.



the Manager has been identified as Defense Contract Audit Agency (DCAA) compliant<sup>8</sup>, but may require 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.<sup>9</sup> 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 assigned or hired to provide grant management services and to create sufficient segregation of duties, and 2) the Consortium will acquire grant 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 C.F.R. Part 200 compliance;

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<sup>8</sup> 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 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.

<sup>9</sup> Board direction is to rely on the counties to the greatest degree practicable for grant-related activity.



- Automated Standard Application for Payments (ASAP); and
- Restoration Assistance and Awards Management System (RAAMS)

### 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.<sup>10</sup>

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 competitive procurement process.

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<sup>10</sup> The Consortium seeks to minimize the level of BAS oversight where counties are conducting this work.



**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 be provided by the Manager.
2. 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.<sup>11</sup>
3. 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 a 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 SEP 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.
4. 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.

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<sup>11</sup> 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 C.F.R. § 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 RESTORE 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 Planning Assistance Grant Application	█											
SSEP Implementation Grant Application approval by Council		█	█									
Policies, Protocols and Practices developed and adopted		█	█	█	█	█	█	█				
Services RFPs developed, advertised			█	█	█	█	█	█	█			
Services agreements executed				█	█	█	█	█	█	█		
1 <sup>st</sup> County Implementation Grant Applications forwarded to Consortium							█	█	█	█		
1 <sup>st</sup> County Implementation Grant Applications forwarded to RESTORE Council and RESTORE Council Review/Approval							█	█	█	█		
1 <sup>st</sup> Sub-awards executed with County							█	█	█	█		
Work Commences										█	█	
1 <sup>st</sup> Project Payment Requests											█	█
1 <sup>st</sup> Project Payments Received												█



**Budget/Funding**

**Table 3** summarizes the categories of projected expenditures for the SSEP, to be paid for with 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 package assembly/administration/BAS review activity, based on historical hours for Consortium mgmt; 6 grants proposed to be covered during the implementation of the SSEP
<b>Total</b>	<b>\$221,038</b>	

**\*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 to contain costs wherever possible.

**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



## **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

In addition to further direction from the Board, public comments were received from the following at the February 8, 2018 meeting of the Gulf Consortium:

- National Wildlife Foundation
- RESTORE Coordinator, Pasco County
- RESTORE Coordinator, Escambia County
- Prior RESTORE Coordinator, Escambia County



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

The comments presented to the Board at the SSEP adoption have been incorporated into both this Appendix and the Final SSEP.



**RESPONSES TO COMMENTS ON THE DRAFT SSEP**

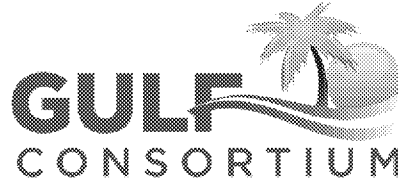
<b>Commenting Party</b>	<b>Comment</b>	<b>Response</b>
DEP	Page 2, Need to update this date	Text Amended
DEP	Page 2, Here is typo: he should be the. Would also suggest noting that Council Guidelines on BAS, section 5.2.2 provides that consideration of BAS will not be required where it would not be meaningful, 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
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.
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



Commenting Party	Comment	Response
		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 assistance from the Consortium. Each county could pay the Consortium for the optional services by building those costs into the budget for each project.	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
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	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.	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.
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	To comply with Council requirements, the SSEP proposes that the Consortium have these capacities, if only to review the work at the county level.



Commenting Party	Comment	Response
	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.	
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
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



Commenting Party	Comment	Response
		primary responsibility for identifying and securing sources and timing of non-Pot 3 funding.
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 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.
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"> <li>• The current single source has not defined its qualifications for exclusive no-bid procurement</li> <li>• The proposed long-term contract is not clear on expenses directly impacting county project budgets</li> <li>• 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</li> <li>• 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</li> </ul>	<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. The 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
	<ul style="list-style-type: none"> <li>• Other large scale smart contract and performance measurement systems with proven track records currently exist</li> </ul>	
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.



Commenting Party	Comment	Response
National Wildlife Federation	Clarification is needed regarding costs (both short-term and long-term) of administering the FSEP and implementing each project contained within. It is important for the costs associated with the SSEP (and implementing the FSEP -- including accessing and managing restoration funds) to be reasonable and predictable in order to maximize RESTORE Act Spill Impact Component funds going towards restoration projects rather than administration.	The short and long-term costs of the SSEP are addressed in the supporting agenda item. The proposed administrative architecture of the Consortium is intended to minimize overhead, avoid duplication and maximize funding for the projects.
National Wildlife Federation	Numerous other areas of the Draft SSEP require additional clarification to improve transparency. One such area of uncertainty concerns the Grant Management and Procurement Activity Level of volume and schedule over the next three years. The Draft SEP includes a schedule for Project Sequencing which indicates 39 projects would be implemented in Year 1. However, the Draft SSEP would only cover 2 – 12 grant applications and 4 – 24 procurements. The SSEP appears to grossly underestimate the number of grants to be submitted to the Council. Please explain how the Manager will determine which projects get submitted and which are postponed. Please also clarify whether the advertised cost for the SSEP (\$221,038) reflects the low, mid, or high number of grants and procurements.	The SSEP budget reflects the expected (Mid) number of procurements. The SSEP contemplates supporting all grants to be submitted to Council. The SSEP scope of tasks included the successful transmittal of several project grant applications as project milestone, and not as a ceiling on Consortium capacity or administration.
National Wildlife Federation	NWF also requests clarification on Segregation of Duties. The Draft SSEP indicates that authorities and roles will be carefully assigned to create a robust duty segregation hierarchy, to maintain effective internal controls, and to create internal checks and balances among the entities performing contract administration and financial duties. However, Table 1 of the Draft SSEP indicates the Manager (currently the consulting firm The Balmoral Group) will have responsibility for the majority of the Functional Roles. Figure 2 likewise indicates all grant administration (science review, procurement, grant support) and finance administration are directly controlled by the Consortium Manager, a contracted consultant. Nowhere are the Counties themselves listed as being responsible for their projects. To improve transparency, consider assigning fewer responsibilities primarily to the Manager and improve segregation of duties.	Segregation of duties refers to controls internal to the Consortium and does not relate to any roles carried out by the counties under sub-awards. The SSEP identifies the roles at the Consortium level deemed necessary by Council for the Consortium to carry out implementation of the SEP. The capacities of the counties has no direct bearing on Council’s assessment of the Consortium as it (or the State) is the eligible entity, and not the counties. The various functional roles need to be effected by either the Consortium manager internal or via contracted support (e.g., the proposed role of Leon County as a fiscal agent). Regardless of who carries out such services, the Consortium manager must coordinate



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		their activity. The Consortium has opted to not hire staff and so its management is via a contractor.
National Wildlife Federation	Additional clarity is also needed for Budget/Funding. The Project Cost reflects only a total cost (\$221,038), and does not include detailed budget information. To improve transparency, a final detailed budget (such as presented at the November 15, 2017 Consortium meeting), with clear timeframes should be included in the Final SSEP. The Final SSEP should also clarify that this is a “not-to-exceed” cost. Please also clarify the difference between the terms “Permanent Manager” and “Manager”, or correct erroneous language	The SSEP includes a detailed budget for categories of expense, and includes a timeline of activities. The budget has always included a not-to-exceed provision as all expenses are subject to Board approval. The Permanent Manager label has been corrected for the SSEP; the title of Permanent Manager is associated with the Consortium’s RFQ and contract for management services.
National Wildlife Federation	Please specifically identify which tasks must be performed by the Manager for all Counties versus which tasks could be performed by Counties that possess necessary expertise. Please also indicate the long-term costs to those Counties (for both the mandatory and optional Manager-performed tasks).	The SSEP does not address the capacities of the counties except recognizing that the Consortium may choose to assist counties when requested and with Board approval. All tasks must be able to carried out by the Consortium, whether internally under existing contracts or via contracts for additional services. The tasks addressed by the SSEP are not optional. Administrative costs have been estimated to be about 3% but will be unique to the demands of each project.
National Wildlife Federation	The Draft SSEP describes a cumbersome and likely costly process that will entail contracting with numerous professionals. NWF encourages the Manager to work more closely with the Counties and state agencies before procuring a large number of additional contractors and consultants. During Consortium meetings, the Manager has indicated they are considering working with GOMA (Gulf of Mexico Alliance) and/or GOMURC (Gulf of Mexico University Research Collaborative) to minimize costs. This information is not reflected in the Draft SSEP. If these entities have committed to serving in this role, please include it (with estimates of cost) in the final SSEP.	The SSEP proposes the most cost-effective means of ensuring that the Consortium has the required capacity to implement the SEP. The SSEP does not include the scope or costs for specific technical services other than that of fiscal agent, for which there is a standing relationship. The SSEP is a framework for administration; costs for administrative services to support the Consortium under this framework are estimated in the supporting agenda item. Costs for any specific contracted service are not addressed by the SSEP and will be project-specific.



Commenting Party	Comment	Response
Jessica Bibza	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.
Jessica Bibza	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.
Jessica Bibza	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 identified, to avoid needing to submit another grant request.
Jessica Bibza	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.
Jessica Bibza	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	The character limit was a practical consideration as comments are stored in a spreadsheet. There is no limit



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	<p>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.</p>	<p>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.</p>
<p>Jessica Bibza / NWF (at Board meeting)</p>	<p>The Final SSEP has been improved with inclusion of sub-recipient monitoring, data management plans for consistency, and a reduction of the manager role in BAS with greater reliance on the counties; however, the level of technical oversight remains too high. A recommendation is made to add the adoption of grant management policies and practices as milestones in Table 3, and the scope of Table 2 needs further consideration by the coordinators.</p>	<p>The level of technical oversight is based on input from RESTORE Council and the need of the Consortium to be responsible for all grant awards and sub-awards. The level of oversight is described further under “activities to be completed in this Stand-Up project.” The adoption of policies and procedures (including grant management) is a milestone in Figure 3; Table 2 has been updated, and all tasks under Tables 2 and 3 are subject to Board approval</p>
<p>Shelly Marshall (at Board meeting)</p>	<p>Recommended a line item or task to include the RESTORE coordinators in the development of all processes. A concern is the ability to match county procedures and practices with that of the Consortium to reduce the need for special award conditions that thereby reduce time needed for agreement execution. Recommended hiring staff after two years to be placed within Leon County (but answer to the Board); Escambia has created such an arrangement for its Estuary program.</p>	<p>The SSEP focuses on internal coordination; coordination with County staff is identified in several areas of grant management and project implementation. The accompanying agenda item recognizes the ongoing need to coordinate closely with county staff to streamline processes (e.g., Success Criteria). The Board adopted a policy not to hire staff but to use contract services.</p>
<p>Matt Posner (at Board meeting)</p>	<p>More control of implementation should be provided to the counties; standard operating procedures are needed; Best Available Science review should remain at the Council level and while Consortium oversight is needed, reviews should not be redundant and should be avoided if Council approves; clarification is needed regarding “fixed” versus “optional” costs; if acceptable to Council, counties should be able to work directly with Council</p>	<p>The SSEP proposes that the level of oversight will depend on the scope of each project and the capacity of each county. The SSEP does not consider “optional” costs except for those counties requesting specific services to advance their projects; all other grant management and technical</p>



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		oversight costs are fixed in that they are required, but may vary in hours (and costs) to carry out. It is the Consortium's understanding that sub-recipients may not work directly with Council, as sub-awardees do not work directly with Treasury under Pot 1. The Manager proposes to examine all possibilities for coordination among all parties to each grant. A footnote was added under "Technical Oversight" to clarify this intent.
Curtis Franklin (at Board meeting)	Pot 1 represented "extreme learning" for the coordinators. Guidelines were few but procedures have since been improved and work smoothly. It would be preferable for the Consortium to capitalize on these processes and avoid the prior pitfalls.	The agenda item for the SSEP clarifies that the Consortium proposes to work closely with county RESTORE Act coordinators to streamline processes and build upon prior experience. Text under "Funds Used as Non-Federal Match" affirms this intent.
Board of Directors (at Board meeting)	Include a commitment to place as much responsibility on the counties as possible to reduce administrative overhead.	"cost-effective" added to "administrative and fiscal management" under purpose of the SSEP