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**Executive Committee Call Agenda
October 31, 2017, 4:15 p.m. Eastern
Dial-in Number: 1-669-224-3217
Participant Passcode: 865-760-109 #**

1. Call to Order
2. Roll Call
3. Public Comment
4. Approval of minutes from September 15, 2017 Executive Committee Meeting
5. Consortium Authority to Implement the State Expenditure Plan
 - a. Consortium Direction per Council Affirmation
 - b. Consortium Roles and Responsibilities during Implementation
Lynn Hoshihara
General Counsel
6. Direction for the Stand-Up SEP
Craig Diamond
The Balmoral Group
7. Amended FY 18 Budget
Valerie Seidel
The Balmoral Group
8. Manager's Report
 - a. Financial Statement
 - b. Status of Audit Procurement
Valerie Seidel
The Balmoral Group
9. General Counsel's Report
 - a. Election of Officers for 2018-19
 - b. ESA Contract Amendment Request
Lynn Hoshihara
General Counsel



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10. Planning Grant Update

- a. Grant Management and Administration Report
Lisa King
Langton Consulting
- b. Analysis of Work Orders Approved and Planning Grant Amount
Valerie Seidel
The Balmoral Group

11. SEP Project Management Report

- a. Status Report of Work Order #9 (Task 11: Prepare Draft FSEP)
Doug Robison
Environmental Science Associates
- b. Status Report of Work Order #10 (Tasks 12 & 13: Draft FSEP Review and Revisions;
Stakeholder Outreach and Public Involvement)
- c. Board Preview of Work Order #11 (Task 14)
Doug Robison
Environmental Science Associates

12. Approval of Draft Florida SEP

Doug Robison
Environmental Science Associates

13. New Business

14. Public Comment

15. Upcoming Board Meeting

Wednesday, November 15, 2017
2:00pm, EST
Hyatt Regency Sarasota
1000 Boulevard of the Arts
Sarasota, Florida

16. Adjourn

Notice of Meeting/Workshop Hearing

OTHER AGENCIES AND ORGANIZATIONS

Gulf Consortium

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

DATE AND TIME: October 31, 2017 at 4:15 pm (ET)

PLACE: Dial in Number: +1 (669) 224-3217

Participant Passcode: 865-760-109

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

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

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

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

Gulf Consortium Executive Committee Meeting
October 31, 2017, 4:15 p.m., Eastern
The Balmoral Group Office - Conference Call



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

AGENDA ITEM 4

**Gulf Consortium Executive Committee
September 18, 2017**

**Agenda Item 4
Approval of September 18, 2017 Executive Committee Minutes**

Statement of Issue:

This agenda item proposes approval of the minutes of the September 18, 2017 Special Meeting of the Executive Committee.

Options:

- (1) Approve the September 18, 2017 Executive Committee minutes, as presented; or
- (2) Amend and then approve the September 18, 2017 Executive Committee minutes.

Recommendation:

Motion to approve Option 1.

Prepared by:

Craig Diamond
The Balmoral Group
Manager
On: October 18, 2017

Attachment:

Draft 9/18/17 Minutes

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.

**Gulf Consortium Executive Committee Meeting
September 18, 2017, 3:00 p.m. (Eastern)
Teleconference**

Members in Attendance: Commissioner Grover Robinson (Escambia), Commissioner Chris Constance (Charlotte); Commissioner Jack Mariano (Pasco), and Warren Yeager (Gulf).

Also In Attendance: Peter Bos (Governor's Appointee), Craig Diamond (The Balmoral Group), Daniel Dourte (The Balmoral Group), William Smith (The Balmoral Group), Valerie Seidel (The Balmoral Group), Lynn Hoshihara (Nabors, Giblin & Nickerson), Doug Robison (ESA), Heather Pullen (Langton Consulting), Mike Langton (Langton Consulting)

Agenda Item 1 – Call to Order

Chairman Grover Robinson called the meeting to order at 3:04pm (ET). Lynn Hoshihara confirmed that a quorum was present.

Agenda Item #2 – Public Comment

Jessica Bizba provided questions and comments on the pre-draft State Expenditure Plan, the sequencing agenda item, and the draft Stand-Up State Expenditure Plan. Specific questions were raised about redundancy, assignments of duties, and costs. Chairman Robinson acknowledged the comments and advised that these would be brought back under the Agenda item regarding the Stand-up SEP.

Agenda Item #3 – Approval of Minutes from June 15, 2017 Executive Committee Meeting

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

ACTION: APPROVED

Agenda Item #4 Manager's Report

Valerie Seidel (The Balmoral Group) reviewed items that had occurred since the June Executive Committee meeting. She noted that the Consortium was charged with providing financial statements, which were included in the Agenda Packet for the first time. She addressed select items on the financials, including payment of the State's Special District fee. Ms. Seidel gave an update on the Audit Procurement, for which five eligible bids had been received. Because of the storm the evaluation meeting was rescheduled from September 13th to the 22nd. Ms. Seidel confirmed that a recommendation would be provided at the September 27th Board Meeting. No action was required on this item.

Agenda Item #5 - General Counsel's Report

Lynn Hoshihara reported that RESTORE Council had approved the Federal compliance language to be included as amendments to the contracts with NGN, Balmoral, and ESA (and by extension, its sub-contractors). Ms. Hoshihara indicated that the amendments were housekeeping and there were no other changes to contract content. The amendments are being brought to the September Board meeting for approval. No action was required at this time.

Agenda Item #6a –Update on Planning Grant

Heather Pullen of Langton Consulting gave a status of the Planning Grant payments. Seven payment requests totaling \$916,018 have been submitted and paid; the next financial progress report will be due on October 30th 2017. In response to a question from Comm. Constance Ms. Pullen confirmed that more than \$3 million of the approximately \$4.5 million obligated under the Planning Grant have not been invoiced and received from Council.

Agenda Item #6b –Planning Grant Update: Analysis of Work Orders Approved and Planning Grant Award

Valerie Seidel summarized the status of work orders and the Planning Grant. Work Order #9 for \$276,000 had been included as well as Audio-Visual expenses from the June Board meeting and residual charges from the Florida Association of Counties. In response to a question from Comm. Constance Ms. Seidel noted that approvals under the ESA contract now total more than \$2.2 million. There were no other questions or comments on this item.

Agenda Item #7 –Proposed FY 18 Budget

Valerie Seidel stated that the Consortium is required to adopt a budget and the proposed budget would be the largest to date due to the expected influx of implementation funds. The proposed budget includes funding from four sources (the Planning Grant, County contributions, the Stand Up SEP and SEP Implementation grants). The budget assumes the Stand Up SEP and Statewide SEP being approved during the next Fiscal Year. Ms. Seidel noted that the operating expenses were scaled, based on historical expenditures by the FAC and that the \$23.3 million in SEP grant funds included a 1% administrative cost. With respect to the Stand-Up SEP costs, approx. one-quarter was for software, audit expenses, general counsel, etc. and the remainder was based on an estimated 12 procurement activities and 12 implementation grant activities. Ms. Seidel confirmed for the Chairman that the \$22.9 million is an estimate as to what could be pulled down from Council funds based on the initial project list in the pre-draft SEP. Ms. Seidel reminded the Committee that elements of the Stand-Up SEP needed to be in place for the Gulf Consortium to receive funds from Council. Ms. Seidel added that the SSEP budget was generous and that it was better to budget too high than too low and thereby avoid the need of a grant amendment.

Chairman Robinson and Commissioner Mariano (Pasco) commented that some of the items (in the Stand-Up SEP) appeared to be done by some counties. Ms. Seidel responded the costs were for the setup of the architecture of the Consortium itself and that there would be a high level of administrative activity for grants during the first year. Further, because the Consortium is responsible for receipt of grant funds, it must be demonstrated to Council that there is appropriate segregation of duties.

The Committee discussed the distinction between allocating (Pot 3) monies for the SSEP versus appropriating the funds and noted that unspent monies from the Planning Grant could be used to fund the SSEP. Commissioner Constance (Charlotte) raised a concern about providing details in the budget that in effect announce what the Consortium may be willing to spend for a service and thereby inviting high bids. The Committee agreed to support the budget but with modifications to the line item for the Stand-Up SEP.

Lynn Hoshihara addressed Commissioner Constance's (Charlotte) comment regarding Board review of items recommended by the Executive Committee. Craig Diamond (The Balmoral Group) added that the only item the Executive Committee actually approves are their own minutes; unless so delegated to act on

behalf of the Board other items are recommendations. Warren Yeager (Gulf) moved to recommend approval of the budget, as amended; second by Commissioner Mariano (Pasco). All in favor.

ACTION: APPROVED

Agenda Item #8 –Approval of Draft Stand-up State Expenditure Plan for the Gulf Consortium

Craig Diamond (The Balmoral Group) provided an overview of the draft Stand-Up SEP. The Chairman noted that Ms.Bibza had raised a number of good questions and Warren Yeager (Gulf) commented that certain items appeared to be duplicative of activities being conducted by the consultants. Warren Yeager (Gulf) moved to recommend Option #2 – Board Direction; second by Commissioner Mariano (Pasco). All in favor.

Agenda Item #9a –Status of Work Order #7 - Complete Draft Project List and Conduct Detailed Project Evaluation and Refinement

Doug Robison (ESA) noted the Pre–draft State Expenditure Plan, including descriptions of 70 projects, was posted on the Gulf Consortium website. Work Order #7 is complete. There were no questions or comments. No action was needed on this item.

Agenda Item #9b - Status Report on Work Order # 8 (Tasks 9 & 10: Conduct Project Leveraging Analysis and Develop Project Sequencing & Implementation Strategy)

Doug Robison (ESA) described the three principles used for project sequencing and the leveraging opportunities documents. He added that three sequencing models had been developed and suggested that the Florida SEP may need to be amended every 3- 5 years to adapt to changing conditions and priorities. He noted that where a county's projects exceeded \$12.6 million leveraging would be necessary. Mr. Robison suggested that because the Gulf Consortium has no track record it was important to show large impacts and successes. There were no questions or comments. No action was required on this item.

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

Doug Robison (ESA) described the Draft State Expenditure Plan as a work in progress, that the document was too long and there would be edits to the project descriptions to make them more economical. He anticipated working with each county to revise their draft description. The Appendices were large and will be provided as separate documents to keep the Final SEP under 300 pages. In response to a question from the Chairman, Mr. Robison replied that 18 of the 23 had received the pre-draft. Mr. Robinson agreed to send copies to all Executive Committee members. There were no further questions or comments. No action was required on this item.

Agenda Item #9d - Approval of Work Order #10 (Tasks 12 & 13: Draft FSEP Review and Revisions; Stakeholder Outreach and Public Involvement)

Doug Robison reported that the public engagement component had been reduced from the seven public meetings described at the June Board meeting to two meetings, supported by two public webinars. The Chairman suggested that Tampa and Panama City would be good locations for the meetings; Mr. Robison responded that locations had not yet been chosen. Commissioner Constance (Charlotte) commented on the cost and requested it be broken down in hours. Commissioner Mariano (Pasco) emphasized the need for this documentation. Mr. Langton explained that some billing needed to be converted into hours and Mr. Robison mentioned that ESA is aware it will be audited and that receipts are kept. Commissioner

Mariano (Pasco) moved to recommend the revised public engagement format; second by Commissioner Constance (Charlotte)

ACTION: APPROVED

Agenda Item #10 – Board Direction for Project Sequencing

Craig Diamond (The Balmoral Group) noted that the board direction for project sequencing document was in the process of being modified due to an earlier call with ESA. It would be revised and included in the Board meeting packet. No action was required at this time.

Agenda Item #11 – New Business

None

Agenda Item #12 – Public Comment

Billy Williams commented about the transition from the Planning Grant to the SSEP grant and implementation and the role of the State of Florida as grantee. Lynn Hoshihara responded that the Consortium is eligible to receive grant money and that under the MOU with the Governor the Consortium was to be the grantee on behalf of the State of Florida. Mr. Williams agreed but maintained concern about whether receipt of funds circumvents legislative authority. Ms. Hoshihara agreed to discuss the matter separately with Mr. Williams. There were no other public comments.

Agenda Item #13 – Upcoming Board Meeting

Chairman Robinson noted the next Board Meeting on September 27th was scheduled for 2-6 pm. The Board may not require all of that time if members are able to review the sequencing with ESA beforehand. Commissioner Constance (Charlotte) stated that he may have a conflict with part of the Board meeting.

Agenda Item #14 - Adjournment

There being no further business, the Committee adjourned at 4:43 pm.

Respectfully submitted,

Grover Robinson
Chairman

AGENDA ITEM 5a

Gulf Consortium Executive Committee
October 31, 2017

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

Executive Summary:

Discussion and consideration of the Consortium's authority to implement the SEP.

Background:

At the September 27, 2017 meeting, questions were raised as to the Consortium's authority to implement projects and programs included in the SEP. The Board requested written confirmation from the Restoration Council (Council) and the Governor's office regarding the Consortium's authority to implement the SEP.

The Restoration Council (Council) has provided a written determination affirming that the Consortium is an eligible recipient of funds to implement the SEP. [*See attached letter from Mark Bisgeier, General Counsel to the Council.*] The Council further stated that, "We conclude from the Interlocal Agreement establishing the Consortium and the MOU that the State of Florida intends for the Consortium to take the lead in both developing and implementing the SEP."

Rather than providing a letter confirming its position, the Governor's office suggested that the Consortium be identified in the SEP as the implementing entity and seek the Governor's approval. This will not only memorialize the current administration's position, but if approved will establish the Consortium's role and authority in future administrations.

Pursuant to the RESTORE Act, Treasury's regulations, Council's Guidelines, the Interlocal Agreement establishing the Consortium, and the MOU with the Governor, the Consortium is clearly authorized to implement the SEP. The question is: does the Consortium want to be responsible for implementing the SEP?

- If the answer is NO, then the Board should continue pursuing final approval of the SEP and begin working on a transition plan to transfer its responsibilities to the State.
- If the answer is YES, then the Board will be asked to determine how it wants to implement the SEP. [*See agenda item 6 on Stand-Up SEP.*]

Options:

Option #1, Accept authority to implement the SEP.

Option #2, Reject authority to implement the SEP and seek to transfer such duties to the State.

Option #3, Board Direction.

Attachment:

Letter from Mark Bisgeier, General Counsel of the Restore Council

Prepared by:

Lynn M. Hoshihara

Nabors, Giblin & Nickerson, P.A.

General Counsel

October 24, 2017



Gulf Coast Ecosystem Restoration Council

October 6, 2017

The Honorable Grover C. Robinson, IV
Chair, Gulf Consortium
100 South Monroe St.
Tallahassee, FL 32301

Dear Commissioner Robinson:

You have requested a determination by the Gulf Coast Ecosystem Restoration Council (Council) as to whether the Gulf Consortium of Florida counties affected by the *Deepwater Horizon* oil spill (Consortium) is eligible to receive funding to implement projects and programs included in the current State Expenditure Plan for the State of Florida (SEP) approved under the Spill Impact Component of the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (Act) (33 U.S.C. § 1321(t)(3)).

After review, we have concluded that funds to both develop and implement projects in the SEP may be disbursed from the Council to the Consortium.

The Act identifies the entity responsible for developing the SEP, specifying that “in the State of Florida, a consortia of local political subdivisions that includes at a minimum 1 representative of each affected county” shall develop the SEP.¹ While there is some tension between the Act’s requirement that Spill Impact Component funds be disbursed to “Gulf Coast States” and the requirement that the SEP be developed by the Consortium, the State of Florida has resolved this tension by establishing the Consortium as the entity that will both develop and implement the SEP, while allowing for effective input by the Florida Governor’s office and relevant State agencies.

Florida established the Consortium as a separate legal entity to develop and implement the SEP and has set up a collaborative process to allow the State to provide effective input into the SEP and to submit the SEP to the Council. The Interlocal Agreement Relating to the Establishment of the Consortium dated as of September 19, 2012 (Interlocal Agreement)

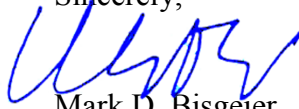
¹33 U.S.C. § 1321(t)(3)(B)(iii)(II). Treasury’s regulations implementing the Act also require that the SEP be developed by the Gulf Consortium (31 CFR 34.503(a)(2)) and that the Council publish policies and procedures for the administration of Spill Impact Component grants (31 CFR 34.504). The Council’s State Expenditure Plan Guidelines finalized on March 17, 2016 (Guidelines) provide that for purposes of the Guidelines the term “State” includes the Gulf Consortium (Guidelines § 2). Under the Guidelines the Council intends for each “State,” including the Gulf Consortium, to apply for grants to implement its State Expenditure Plan (*see* Guidelines §§ 4.5 and 5.2.5).

established the Consortium as a legal entity under Part 1 of Chapter 163, *Florida Statutes* (the “Interlocal Act”), and, among other things, sets out the Consortium’s powers and duties including: (1) applying for and accepting financial assistance, including grants, from any governmental entity for the funding of projects; (2) engaging the appropriate personnel to prepare, develop and submit the SEP to the Council; (3) preparing, developing and submitting applications for funding under the Spill Impact Component to the Council on behalf of the Consortium and the State of Florida; and (4) advising, assisting and aiding Consortium members in the planning, administration and expenditure of Spill Impact Component funds (*see* section 4.01(A) of the Interlocal Agreement). Additionally, the Consortium and the Governor of the State of Florida entered into a Memorandum of Understanding effective June 12, 2013 (MOU) that establishes procedures for effective coordination between the Consortium and the Governor’s office in the development of the SEP. The MOU specifies that the Florida Department of Environmental Protection and other appropriate State agencies will review and provide input on the development of the SEP, and effectively gives the Governor final approval authority over the SEP before the Governor submits the SEP to the Council. The MOU also requires the Governor to appoint six individuals to provide input and guidance in the development of the SEP. We conclude from the Interlocal Agreement and the MOU that the State of Florida intends for the Consortium to take the lead in both developing and implementing the SEP.

In summary, in light of the Act, the Guidelines, the establishment of the Consortium as the responsible entity for developing and implementing the SEP, and the collaborative process set up to ensure State input into the SEP and control over its submission to the Council, we have concluded that the Consortium is an eligible recipient of funds to implement the SEP. In our view this implementation structure comports with the intent of the Act.

The Council looks forward to working with the State of Florida and the Consortium in implementing the SEP. Please feel free to contact me if you have any further questions.

Sincerely,



Mark D. Bisgeier
General Counsel

mdb/lw

cc: Herschel T. Vinyard, Jr.
Ben Scaggs
Buck Sutter
Mary Pleffner

AGENDA ITEM 5b

Gulf Consortium Executive Committee
October 31, 2017

Agenda Item 5b
Consortium Roles and Responsibilities during Implementation

Executive Summary:

Discussion concerning each contractor's roles and responsibilities during the implementation phase (i.e., post-FSEP approval).

Background:

The Consortium currently has contracts with three firms: 1) Environmental Science Associates (ESA); 2) Nabors, Giblin & Nickerson (NGN); and 3) The Balmoral Group (TBG). Each will be addressed separately.

ESA:

- Following a two-phase competitive procurement process, the Board selected ESA to serve as its consultant in the development of the FSEP.
- Under its contract, ESA is strictly prohibited from participating in any projects, programs and activities that are ultimately included in the FSEP. In other words, ESA is conflicted out of all work related to FSEP implementation.

NGN:

- Following a competitive procurement process, the Board selected NGN to serve as its General Counsel to provide general legal services to aid in conducting the business of the Consortium.

TBG:

- Following a competitive procurement process, the Board selected TBG to serve as its Permanent Manager to provide professional management services to administer the operations of the Consortium.
- As to implementation, TBG has been tasked with establishing an administrative structure for the Gulf Consortium to implement the SEP, including but not limited to, a more permanent establishment of managing and administering the operations of the Consortium plus a federal grant administration, management, and writing capability designed for the unique nature of the Consortium at the implementation stage of the SEP. *See page 11 of the RFP for Management Services, which is incorporated into TBG's contract.*

Prepared by:

Lynn M. Hoshihara
Nabors, Giblin & Nickerson, P.A.
General Counsel
October 24, 2017

AGENDA ITEM 6

Gulf Consortium Executive Committee
October 31, 2017

Agenda Item 6
Direction for the Stand-up State Expenditure Plan for the Gulf Consortium

Summary:

Request for Board direction regarding the Draft Stand-up State Expenditure Plan.

Council has determined that the existing administrative and fiscal capacities of the Consortium are insufficient to manage grants for the implementation of projects to be included in the Florida State Expenditure Plan (FSEP). In a manner similar to that of the counties receiving Pot 1 monies from Treasury via their Multi-Year Implementation Plans and providing sub-awards to municipalities, the Consortium must institute and verify that its administrative and financial processes can support the management of FSEP project implementation grants and sub-awards to the counties in the context of applicable Treasury and Council requirements.

The proposed Stand-Up State Expenditure Plan (SSEP) is intended to describe a general administrative framework for the Consortium that would meet Council procedures and Treasury requirements. The Stand-Up SEP would then be implemented in earnest through a Planning Grant from Council. Once operational, the SSEP would allow for implementation grants to support FSEP projects to be transmitted to Council and appropriately managed by the Consortium.

The Stand-Up State Expenditure Plan does not duplicate activities undertaken by the Counties under Pot 1 or those being provided by the SEP consultant. The administrative scope of the Stand-Up SEP does, however, emulate what counties with Pot 1 projects have been required by Treasury to do. In this case, because the Consortium is the eligible, implementing entity it must institute its own procedures for grant management, consistent with Council requirements. To the extent feasible, the SSEP when implemented will build upon Treasury-compliant county-level processes.

The Stand-Up State Expenditure Plan is a one-time initiative, intended to carry through for the life of RESTORE payout, regardless of manager for the Consortium. The costs for developing the Stand-Up SEP are expected to be addressed through Council-approved pre-award costs associated with the Planning Grant to be submitted; the costs for implementing the Stand-Up SEP will be addressed through the general allocation of Pot 3 monies to the Consortium, i.e., a cost to be shared among all 23 counties.

However, FSEP project administration costs after the Stand-Up SEP is in place would be determined for each project and grant sub-award and be charged against each individual county's remaining Pot 3 funding. Basic administrative costs for the use of a fiscal agent, grant package assembly (for transmittal to Council), routine reporting (e.g., quarterly), and grant closeout would attach to all sub-awards. Project specific needs, such as reviews of Construction Engineering Inspection reports or Permitting,

would be handled on an as-required basis and will be unique for each project. Such oversight services will be competitively bid through the Consortium to reduce costs. Similarly, services for project development, such as conceptual design and feasibility or application of Best Available Science, will also be competitively procured and made available to counties that choose to use such services, and these costs would be charged to that county's remaining Pot 3 funding.

Background:

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

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

The Board recognized that such stand-up activities needed to be implemented regardless, and that sooner was preferred to later. Further, the Board recognized that the costs for developing the Stand-Up SEP could potentially be addressed through the approval of Pre-Award Costs by Council. Pre-Award costs were applied for through RESTORE Council, and approval was obtained on September 7, 2017. As a result, the cost of preparing the draft and final Stand-Up SEP will be reimbursable either under a grant to be submitted upon Council approval of the Stand-Up SEP or as the first FSEP implementation project grant.

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

Council has since determined that the Consortium is eligible to submit projects and receive implementation grants. The Governor's office has proposed a path of action in which by specifying the Consortium as implementer in the Stand-Up SEP (and the FSEP), signing and transmitting the plans and obtaining Council approval, the Consortium would be fully authorized to proceed with implementation.

Analysis:

RESTORE Council staff have stated that the administrative and financial controls that have been in place to date for the management of the Consortium's existing Planning Grant are insufficient to conform to applicable Federal requirements, and that the Council cannot release any funds to the Consortium for implementation grants until such time that adequate controls are adopted and operating. For example, the

segregation of duties and Risk Management/COSO framework that has been in place for development of the FSEP is not robust enough for the implementation phase.

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

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

The Draft Stand-Up SEP (attached) includes a single project, “Expanding the financial and administrative capabilities of the Gulf Consortium.” Modeled in part on the Council-approved Mississippi SEP (which included a project similar to the scope of the Stand-Up SEP) and the Consortium’s Pre-Draft FSEP document, the Manager prepared the Draft Stand-Up SEP. Format and content within the Draft Stand-Up SEP relating to conformity with RESTORE Act and Council specifications will be completed during the window of public comment and agency review and included in the Final SSEP, proposed to be presented at the February 2018 meeting. The Draft Stand-Up SEP reflects partial input from DEP and responds to concerns raised at the September 27th Board meeting,

Timeline: Three timelines have been prepared to explain the impacts of approving the Draft Stand-Up SEP or exercising other options.

Attachment 6a describes the expected activities and months if the Draft Stand-Up SEP is approved in November 2017. Public comment and formal agency review would be concluded in time for necessary edits and presentation to the Board at its February 2018 meeting. The Governor’s signing may be expedited via prior agency input (primarily FDEP); the final Stand-Up SEP would be transmitted and Council approval may be anticipated by end of April 2018. A planning grant to implement the SSEP would be requested from Council and implementation initiated. The first of the County FSEP projects may be accepted by August 2018, sub-award contracts executed, and first receipt of Council funds may be available by January 2019.

Attachment 6b describes the likely extension of the above timeline to February 2019 should the content of the Stand-Up SEP be included in the Draft FSEP as a general outline of administration, implementation, financial control, and avoidance of conflicts

of interest, but where the Stand-Up SEP becomes the first project to be carried out within the FSEP. Inclusion of the basic elements of the SSEP in the Draft FSEP may delay the start of the public comment period by a week or two. It should be added that ESA supports the notion of independent development of Stand-up activities, and not including it in the FSEP.

Attachment 6c reflects Board concerns expressed at the September 2017 meeting and includes additional time to coordinate additional input from the Board, RESTORE coordinators and other stakeholders before defining what implementation may look like under the authority of the Consortium. In this case, the expanded details of the Stand-Up SEP would not be available for inclusion in the Draft FSEP until the February 2018 Board meeting. A longer period of review by Council may be associated with the larger document and the timeline for first receipt of grant funds may be extended to April 2018.

All timelines described are optimistic and assume no significant issues, delays, or disapprovals by Council.

Budget: The budget for the Stand-Up SEP anticipates initialization of required software licenses and Council required finance and contract administration standards. Cost estimates were prepared based on obtaining quotes from various service and software providers, and scaling operational costs to date to anticipated activity levels during the Consortium stand-up period. Table 1 summarizes the categories of expense.

Table 1. Proposed Budget for the SSEP

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

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

Total costs are shown; not all costs may be incurred during the anticipated 8 month time period but have been included in an abundance of caution

In comparison, currently a flat fee of \$5,000 per month covers the data entry and administrative components for one grant; during SSEP phase, anticipate approx. six grants

The indicated costs translate into a maximum of about \$9,610 per county, one-time, to be able to receive their allocation of Pot 3 funds through the Consortium.

Project Administration: The budget outlines the effort required to stand-up the Consortium and reflects approximately eight months of support. Project-specific direct costs following the implementation of the SSEP would attach to individual counties' grant submittals. The costs for future FSEP project implementation are not fully known but may be estimated.

Base costs for administrative services include those of the fiscal agent, grant bundling and monitoring and grant closeout. These costs are estimated to be between 0.8% and 2.3% of the estimated project costs, and will be affected by the length of the project (shorter projects require will have fewer reports to Council). Ongoing costs, such as annual licensing fees for grant management software, renewals and re-procurements of services to support FSEP implementation, and the likely amending of the FSEP to reflect changing priorities or costs over 15 years, may be expected to add as little \$9,000 per year (total, Consortium-wide) or as much as \$47,000 in select years requiring stepped up effort. In either case, the impact would be a fraction of a percent, which would be allocated evenly to all counties. Treasury guidelines cap administrative costs at 3%. Effective Consortium administration, in the cases where counties are responsible for project grant development and oversight of their own contractors, may be expected to be cost less than 3% of project costs. However, costs for grant development and administration (and elements of project implementation as directed) for counties with limited resources for implementation may be significantly higher.

In contrast to the above estimates, administration of the current FSEP Planning Grant has been approximately 5% (excluding costs for Manager oversight of the SEP consultant), and the DEP has (to date) charged 7% for its administration of pass-thru monies for Pot 1 projects.

Assumptions:

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

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

Options:

- Option #1, Approve the Draft Stand-up SEP and direct the Manager to initiate the Public Comment windows, secure state agency input, coordinate with RESTORE Coordinators, and present Final SSEP at the February meeting.
- Option #2, Board Direction

Recommendation:

- Option #1.

Attachments:

- Timelines (3) for Implementation
- Draft Stand-up SEP

Prepared by:

- Craig Diamond
- The Balmoral Group, Manager
- On: October 24, 2017

ATTACHMENT 6a
SSEP AS SEPARATE SUBMITTAL
Draft Approved as of November 2017

Timeline / Funding Source																			
Product	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19
PSEP (Planning Grant)	Draft Approval	Public Comment, Agency Review	Public Comment, Agency Review	Final / Transmit	Council Review	Council Review	Council Approval												
SSEP (Stand-Up SEP)	Draft Approval	Public Comment, Agency Review	Public Comment, Agency Review	Final / Transmit	Council Review	Council Approval													
IMP (Stand-Up Planning Grant)							IMP*	IMP*	IMP*	IMP* Co submits project implementation grant to GC, GC submit to RC	IMP* RC approves; Co executes contract, GC does subaward	IMP* Work commences	IMP* Submit pmt request	IMP* Turn to RC for Pmt	IMP \$\$\$ 1st Pmt Rec'd				
* IMP Grant in place, but no funding until January																			
PG (Project Grant SubAwards)										PG	PG	PG	PG	PG	PG				



Timeline / Funding Source																				
Product	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	
PSEP (Planning Grant)	Draft Approval	Public Review; Agency Comment	Public Review; Agency Comment	Final / Transmit	Council Review	Council Review	Council Approval													
SUP (Stand-Up Project)	Approval of Draft Stand- Up Project Content; Include Project in FSEP																			
IMP (Stand-Up Planning Grant)								IMP*	IMP*	IMP*	IMP* Co submits project implementation grant to GC, GC submit to RC	IMP* RC approves; Co executes contract, GC does subaward	IMP* Work commences	IMP* Submit pmt request	IMP* Turn to RC for Pmt	IMP \$\$\$ 1st Pmt Rec'd				
								* IMP Grant in place, but no funding until February												
PG (Project implemenation Grant SubAwards)											PG	PG	PG	PG	PG	PG				



ATTACHMENT 6c
STANDUP SCOPE AS FSEP PROJECT
Content Finalized February 2018

Timeline / Funding Source																				
Product	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	
PSEP (Planning Grant)				Draft Approval	Public Review; Agency Comment	Public Review; Agency Comment; Final / Transmit	Council Review	Council Review	Council Approval											
SUP (Stand-Up Project)	Approval of Draft Stand- Up Project Content	Revise Project Content as Needed	Revise Project Content as Needed																	
IMP (Stand-Up Planning Grant)										IMP*	IMP*	IMP*	IMP* Co submits project implementation grant to GC, GC submit to RC	IMP* RC approves; Co executes contract, GC does subaward	IMP* Work commences	IMP* Submit pmt request	IMP* Turn to RC for Pmt	IMP \$\$\$ 1st Pmt Rec'd		
* IMP Grant in place, but no funding until April																				
PG (Project implemenation Grant SubAwards)													PG	PG	PG	PG	PG	PG	PG	





Gulf Consortium: Stand-up State Expenditure Plan for Florida

Points of contact for Gulf Consortium

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

Executive

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

Administrative

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

Introduction and Statement of Purpose

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



The Gulf Consortium is the designated public entity created to develop and manage the implementation of the State Expenditure Plan for Florida's portion of the Spill Impact Component ("Pot 3") funds designated by the RESTORE Act (33 U.S.C. § 1321(t)(3)).¹ The Gulf Consortium has an approved Planning State Expenditure Plan and associated implementation grant from the RESTORE Council that has been utilized to develop the FSEP for Florida. The development of the FSEP has involved extensive coordination with county stakeholders to develop projects, explore funding leveraging opportunities, and formulate the final FSEP, which is scheduled to be submitted to the Gulf Coast Ecosystem Restoration Council (RESTORE Council) in February, 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 with 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 Initial Comprehensive Plan adopted by the RESTORE Council.
- Pursuant to the RESTORE Act, 33 U.S.C. § 1321(t)(2)(B)(i), the projects and programs that would restore and protect the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, coastal wetlands, and economy of the Gulf Coast included in the SSEP will be based on the best available science as defined by the RESTORE Act.²
- Pursuant to the RESTORE Act, 33 U.S.C. § 1321(t)(3)(B)(ii), not more than 25% of the funds will be used for infrastructure projects for the eligible activities described in 33 U.S.C. § 1321(t)(1)(B)(i)(VI-VII).

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

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

² The single project of the Stand-Up SEP is intended to advance and manage the implementation of projects in the FSEP that will achieve the indicated environmental and economic objectives of the RESTORE Act.



Development of the SSEP

The development of the SSEP involved an open and transparent process requiring its need, its intent, and its scope. The process resulted in a single project consistent with RESTORE Act requirements and which will further the success of the subsequent FSEP. 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 FSEP;
- Via the Consortium's internal procedures, ensure that eligible projects, programs and activities included in its FSEP 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 a Planning grant approved by the Gulf Coast Ecosystem Restoration Council in May 2015, in part with Consortium funds and in part with Pre-Award costs for a SEP Planning grant, approved by Council in September 2017.

Phase I: Identifying Need

Through review of the Gulf Consortium's first Organizational Self-Assessment (OSA), Council, the Consortium Interim Manager (the Florida Association of Counties), and the Consortium Permanent 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 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 FSEP.

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 FSEP was considered. Subsequent 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 FSEP. The RESTORE Act provides that multiple SEPs may be submitted by an individual state.



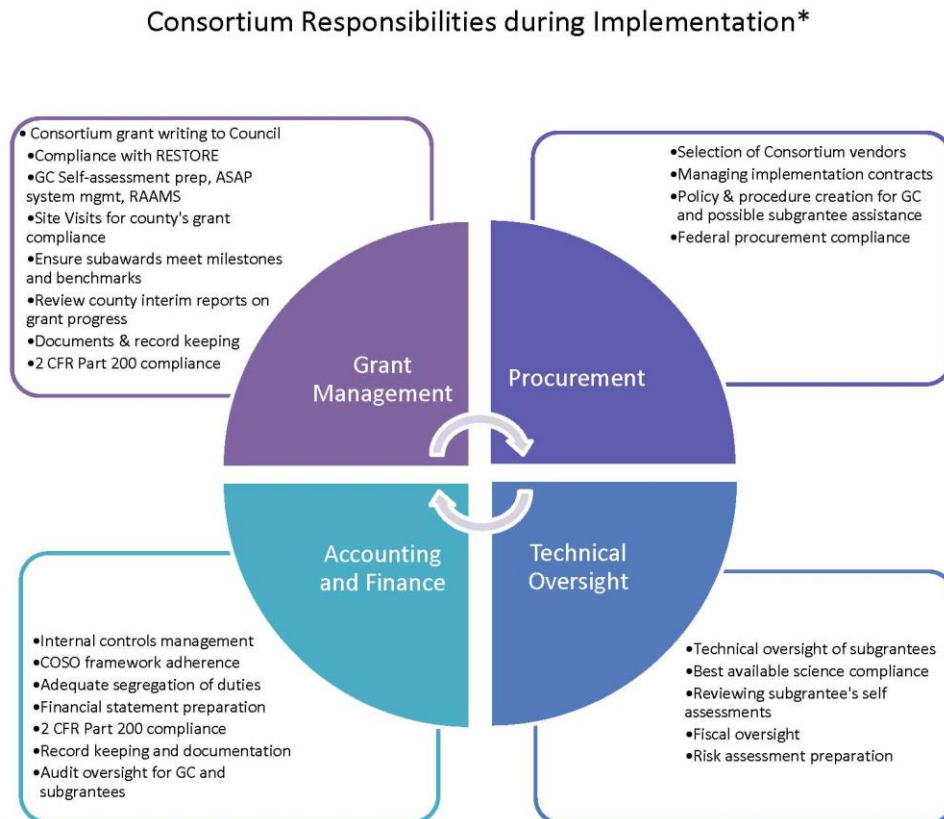
Between May 17 and June 28, 2017 the Consortium deliberated whether to amend the existing Planning Grant and include the Stand-Up project in the FSEP or to submit an independent SSEP. In selecting the latter option at a duly advertised and open public meeting, the Board directed staff to prepare a Draft SSEP for review at the Board's September 27, 2017 meeting. The Board's stated objective was to advance the general calendar of implementation of the FSEP and to ensure 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 FSEP with respect to consistency with the goals and objectives of the Initial 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 tabled its approval of the Draft SSEP on September 27, 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 Council staff, DEP, FWC, and with input from Florida's SEP consultant) identifies specific tasks under each category. Ultimately, each task will be supported by policies, procedures, and assignments of roles to ensure full compliance with Federal requirements for all implementation grants and sub-awards.



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



*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 Draft 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)
- Gulf Coast Ecosystem Restoration Council, Science Program
- RESTORE Act coordinators in the 23 Florida counties



- Environmental Science Associates, the Consortium's SEP Consultant
- Langton Consulting, the Consortium's SEP Planning Grant manager
- Nabors, Giblin & Nickerson, the Consortium's General Counsel
- Reedy Creek Improvement District

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

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

Process Used to Verify Compliance

The compliance of the SSEP with the RESTORE Act was accomplished via both legal and technical review. 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. **Appendix A** summarizes the roles of the several parties contributing to this compliance review. The respective Responding Parties were asked to verify that the content of the Draft SSEP met the indicated subject. All comments on the Draft are addressed in this Final SSEP; comments are summarized in the Appendix.

Results of the Process Used to Verify Compliance

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

Public Participation Statement

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



Consistent with Treasury regulations, this Standup State Expenditure Plan was made available for public review and comment in accordance with 31 CFR § 34.503(g). The SSEP was extensively advertised and made publicly available at the Consortium website (<https://www.gulfconsortium.org/>) between November 16, 2017 and January 19, 2018 (i.e., 64 days). Links to this site were provided on the DEP Portal (<http://www.dep.state.fl.us/deepwaterhorizon/>) and several Consortium County member homepages (see **Appendix B**). All submitted comments were reviewed and incorporated as appropriate.

Financial Integrity and Program Management

The Consortium understands its fiduciary responsibilities under the RESTORE Act and is committed to maintaining the highest level of transparency and internal controls to ensure financial accountability. It is the Consortium's mission to maintain transparency in such a way that assures the public's faith and trust in the ability of the Consortium to appropriately manage and disburse funds for the FSEP 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 FSEPs 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 FSEP related projects, programs, and activities. The SSEP anticipates carefully assigning the authorities 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 Council, instituting firewalls between approval of disbursements and access to funding.

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

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



Financial Controls

The financial controls put in place through the SSEP will allow the Consortium to reduce the risk of asset loss or misappropriation of funds, maintain compliance with the RESTORE Council's financial documentation requirements, create a uniform financial standards for member counties, and ensure that financial reports and disclosures are complete 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,
- Both the RESTORE Act and the FSEP grants will require sub-recipients to operate and use resources with minimal potential for waste, fraud, and mismanagement.

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

1. **Control Environment** – The internal control environment
2. **Risk Assessment** – The types of risks both perceived and real must be identified, analyzed, and categorized in 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, Permanent Manager, and FSEP Consultant were amended on September 27, 2017, to include provisions required by 2 CFR Part 200 for all non-Federal recipients of Federal funds.

Proposed Project

Expanding the financial and administrative capabilities of the Gulf Consortium

The single project included in this SSEP involves the development of 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 1**. This structure illustrates functional roles within the Consortium rather than individual personnel.



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

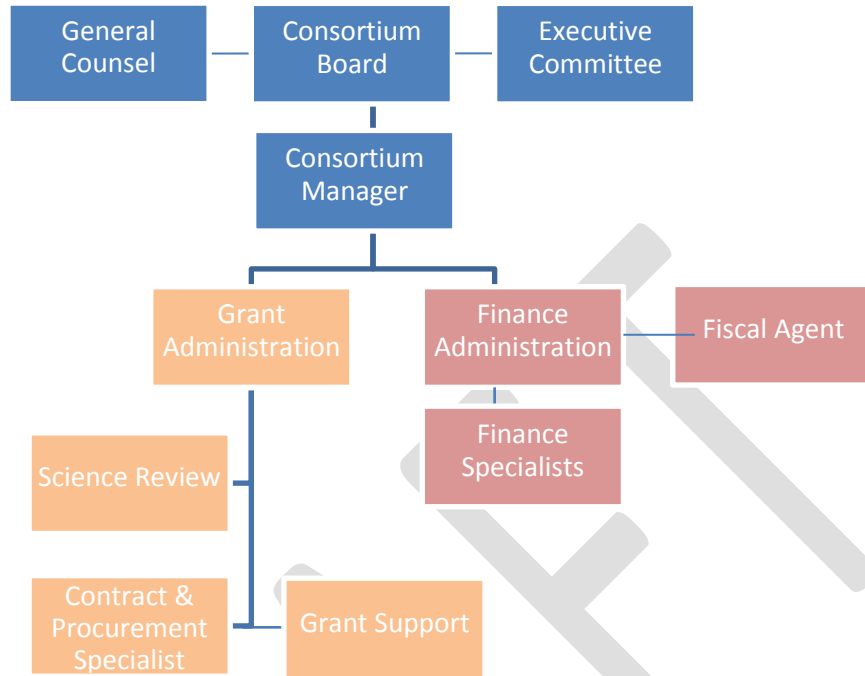


Figure 2 is organized into three primary cluster of functions: overall management as guided by the Board, financial administration, and grant management.

Table 1 recognizes that the only continuous staffing services of the Gulf Consortium are that of the Permanent 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 Permanent Manager.



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

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

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 activity that have been assessed; the FY 2018 budget has been derived based on the “Likely” Scenario. It is important to note that while first year FSEP activities show more than 30 grants, more than 20 are related to feasibility studies and conceptual design that based on discussion with Council may be bundled into fewer grant applications.



Table 2. Grant management and procurement activity level scenarios

Estimated Volume	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Task
High Volume	12	12	12	Grant Applications
	24	24	12	Procurements/Contracts
Low Volume	2	4	4	Grant Applications
	4	4	4	Procurements/Contracts
Likely Scenario	6	6	6	Grant Applications
	12	12	12	Procurements/Contracts

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 FSEP. The Consortium needs to have administrative infrastructure suited for the accounting and finance-related work that will need to be done in order to run all the grants for the projects contained in the FSEP. The SSEP will be used to establish that hierarchy of positions so that the Consortium has finance and accounting structure in the background capable of handling the fiduciary responsibilities of carrying out the grant administration for the FSEP.

The SSEP will give the Consortium manager and supporting vendors the opportunity to create a cohesive administrative arm that fulfill 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

Council has indicated their recommendation for the Consortium to implement a standalone grant management system dedicated to Consortium business. Existing accounting software in place has been identified as Defense Contract Audit Agency (DCAA) compliant, but may require upgraded licensing depending on the volume of grant activity in the early years of the implementation of the FSEP. 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 FSEP at reasonable costs.

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



Grant Management

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

Sub-recipient Monitoring

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

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

RESTORE Act Compliance

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

Technical Oversight

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

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

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

The unique project types among the current list of 70 projects that may be in the FSEP 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 FSEP:

- Aquaculture



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

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

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

1. Develop best practices protocol for reviewing project eligibility for Spill Impact Component funding, and for meeting the technical oversight requirements of the RESTORE Council. This protocol will detail how to determine the type of technical oversight and how it is decided if technical oversight needs to be procured or if it can be achieved utilizing capacity within The Balmoral Group, the manager of the Consortium.

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 possible, the Consortium plans to develop a contract for scientific review services from Federal and local environmental agencies in order 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. Existing NRDA contracts have been obtained and will be used as a template for Consortium contracting.

2. Establish contracts with groups of qualified technical professionals (Engineering/Design, Ecologists/Biologists, Education Specialists, and Construction Engineering Inspection



professionals) for grant review and implementation assessment and monitoring. This effort will include the development of regionalized Requests for Proposals (RFPs) in three Gulf Coast regions to ensure local experience and to reduce travel costs for each of the four technical professional services. Within each technical professional class, scopes of work will be developed for sub-types of professionals. For example, the expected work and qualifications required from a production fisheries aquaculture expert will be different than the work and qualifications of specialist in living shorelines, but both types would be within the Ecologists/Biologists class of professionals. RFPs will be developed for each services group and will be tailored to each of the three geographic regions that will be established. Detailed review of project descriptions from the FSEP will be used to identify all the sub-types of technical professionals. Existing state agency contracts for similar services have been obtained and will be used as a template for Consortium contracting.

3. Develop a data management plan to ensure consistency of monitoring for biological, water quality, and other environmental data for projects requiring monitoring. This effort will establish the observational protocols and will establish the data storage and analysis system to ensure that monitoring data is preserved and is publicly accessible. Coordination with Treasury staff overseeing Pot 1 funding will occur to attempt compatibility and consistency with long-term monitoring requirements for Consortium projects.

The outcome of the process described above will be contracts with pools of available specialists that can efficiently provide technical oversight services for grant and implementation 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 FSEP project implementation grants and all services required to ensure that such grants are carried out efficiently, the SSEP will contribute to the economic and ecological recovery of the Gulf via the successful implementation of the FSEP and its own compliance with and furtherance of the RESTORE Act.

ELIGIBILITY AND STATUTORY REQUIREMENTS

Administrative costs are eligible for funding in conjunction with one of the eligible activities listed in the RESTORE Act. The SSEP is an administrative cost supporting other RESTORE Act eligible activities in Florida.

COMPREHENSIVE PLAN GOALS AND OBJECTIVES

To the extent that the SSEP supports all projects in the FSEP, the following Comprehensive Goals are supported:

- 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. Council affirmed the authority of the Consortium to implement the FSEP in a letter dated October 6, 2017; the Consortium affirmed its intent to serve in this capacity on November 15, 2017. By his approval of the SSEP and transmittal to Council, the Gulf Consortium will be responsible for receiving the planning grant from 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 a purely administrative initiative, Best Available Science (BAS) is not directly applicable to this SSEP. However, the implementation of the SSEP contemplates the procurement of professionals with BAS expertise to provide review of grant requests (via sub-awards) 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 permanent 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 permanent manager. The proposed budget reflects the anticipated workload for standing up the Consortium and processing an initial cycle of FSEP 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 an administrative project. Uncertainties remain as to whether all conditions and requirements of Treasury and Council have been duly identified and for which SSEP tasks, actions, or roles and responsibilities have been defined. Review of the Draft SSEP by 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 Council scrutiny and audits. Applicable metrics for success include the following:

- Approval by Council of the SSEP
- Approval by 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 FSEP implementation grants 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 seven 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
Develop, transmit SSEP Implementation Grant										
Grant approval by Council										
Services RFPs developed, advertised										
Services agreements executed										
1 st County Implementation Grant forwarded to Consortium										
1 st County Implementation Grant forwarded to Council										
1 st Sub-award executed with County										
Work Commences										
1 st Project Payment Request										
1 st Project Payment Received										



Budget/Funding

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:

None is estimated at this time.

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 FSEP project review procedures.

Leveraged Resources:

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

Funds Used as Non-Federal Match:

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

Other: None anticipated



APPENDICES

Appendix A. Compliance Reviews by Responding Parties

Table A-1. RESTORE Act Compliance Review

Subject	Responding Parties	Comments
Project Eligibility	Consortium SEP Consultant; Consortium General Counsel; commenting public	
Contribution to Economic and Ecological Recovery of Gulf	Consortium SEP Consultant; Florida Dept. of Environmental Protection; commenting public	
Conformity with Council Comprehensive Plan	Consortium General Counsel Consortium SEP Consultant; Florida Dept. of Environmental Protection; commenting public	
Application of Best Available Science	Consortium SEP Consultant; Florida Dept. of Environmental Protection; Florida Fish and Wildlife Conservation Commission; commenting public	
Limitation on Infrastructure Projects	Consortium SEP Consultant; Florida Dept. of Environmental Protection; commenting public	
Cross-Border Issues	N/A (Florida Dept. of Environmental Protection; commenting public)	

Appendix B. List of County Webpages used for requesting public comment on the SSEP

To be added prior to submittal to RESTORE Council

Appendix C. Summary of Agency and Public Comments

To be added prior to submittal to RESTORE Council

AGENDA ITEM 7

Gulf Consortium Executive Committee
October 31, 2017

Agenda Item 7
Amended FY 18 Budget for the Gulf Consortium

Summary:

Request for Board approval of an amended FY 18 budget.

Background:

Following the tabling of an agenda item relating to the proposed Stand-up State Expenditure Plan (SSEP), the Board approved a budget that included only the anticipated remaining funds for the closure of the State Expenditure Plan Planning (PSEP) Grant, funds to conduct meetings and carry out operations and legal obligations of the Consortium not covered by the Planning Grant, and expected State Expenditure Plan (SEP) project implementation grant proceeds associated with the first year of projects to be initiated.

Analysis:

For FY 18, funds are anticipated to be received from four sources: the existing SEP Planning Grant; a Stand-up SEP Grant for which pre-award costs have been approved by Council; SEP project implementation grants; and County funds for items which are not allowable as grant expenses. Pursuant to final Board action, both the SEP Planning Grant and SEP are expected to be approved during the 2017-2018 fiscal year.

Operational costs were estimated based on historical costs for meeting administration and grant management, remaining costs associated with the SEP Planning Grant, and costs identified as likely under the Stand-up SEP and SEP project implementation grants.

Conservative assumptions were used to ensure budgeting was adequate for sufficient levels of operations during implementation. Best available information at time of drafting was used in preparation of the budget. Primary assumptions include Council approval of the Stand-up SEP around April 2018, approval of the grant to implement the Stand-Up SEP by June 2018, approximately 12 service procurement activities and 6 SEP project implementation grant applications submitted and approved by September 2018. Based on discussion with Council, likely turnaround for grant approvals is approximately 60 days under normal volume and potentially twice that during heavy volume. As a practical consideration there may not be only 3 months of FY 18 during which grant requests may be expected to be transmitted to and approved by Council. In addition, similar projects, such as feasibility studies, may be combined into one implementation grant request thereby lowering the number of submittals while reducing Consortium administrative time and labor costs.

The expenses remaining to finalize the State Expenditure Plan and gain its approval comprise the majority of non-project-specific budget items, \$1.9 million. Consortium operating expenses, which have been based on the volume described above, are split one-third to fixed costs at \$140,000 (audit expense, management fees, etc.) and two-thirds to variable costs at \$282,000 (grant BAS reviews, procurement costs, etc.). The variable costs equate to roughly \$6,360 per procurement and \$5,825 per grant activity and have been estimated based on the volume of activity that is considered most likely. Project-funding totals \$11.6 million for budgeting purposes. However, it is unlikely \$11.6 million can be drawn down or encumbered prior to fiscal year end based on the likely approval date for the SEP and the transmittal of SEP project implementation grants. Consequently, this is an upper bound. Table 1 provides a summary by cost category.

Table 1. Budget Summary by Cost Category

Cost Category	Amended 2017-18 Budget
SEP Planning Grant - Remaining Expense	1,684,372
SEP Planning Grant - General Operating Expense	225,000
Stand-up SEP - One Time Expense	221,038
SEP Project Implementation Expenses	11,492,846
General Fixed and Variable Operating Expenses	282,057
Total	13,905,313

Consortium funding sources for expenses as described above are summarized in Table 2.

Table 2. Budget Summary by Funding Category

Funding Source	Amended 2017-18 Budget
SEP Planning Grant	1,909,372
Stand-up SEP	221,038
Florida SEP Project Implementation Grants	11,634,853
County Funding	140,050
Total	13,905,313

The proposed budget allows for establishment of Council-required financial upgrades to support SEP and Stand-up SEP implementation and is considered adequate for Consortium operations through the first year of implementation.

Options:

Option #1, Approve the Amended FY 18 Budget
Option #2, Board Direction

Recommendation:

Board Approval of Option #1.

Attachment:

Amended FY 18 Budget

Prepared by:

Valerie Seidel
The Balmoral Group, Manager
On: October 24, 2017

ATTACHMENT: AMENDED FY 2018 BUDGET

Amended Gulf Consortium Budget Fiscal Year 2017-2018

REVENUES	Grant Funding				Total
	County Funds	PSEP Funds	SSEP Funds	Imp Funds	
County Funding	\$ 140,050				\$ 140,050
Planning Grant		\$ 1,909,372			1,909,372
Stand-Up SEP Grant			\$ 221,038		221,038
Florida SEP Grant				\$ 11,634,853	11,634,853
TOTAL REVENUES	\$ 140,050	\$ 1,909,372	\$ 221,038	\$ 11,634,853	\$ 13,905,313
DISBURSEMENTS					
PSEP Expenses					
ESA Contract Consulting					
Task 6		116,440			116,440
Task 7		98,400			98,400
Task 8		303,400			303,400
Task 9 & 10		276,000			276,000
Task 11		328,000			328,000
Task 12		266,500			266,500
Task 13		164,432			164,432
Task 14		131,200			131,200
Subtotal Planning Grant Expenses	-	1,684,372	-	-	1,684,372
SSEP Expenses					
Pre-Award costs			45,100		45,100
Software and licensing costs			17,500		17,500
Grant/procurement software labor costs			47,175		47,175
Services Procurement & Related Contract Activities			76,313		76,313
Grant Bundling and Administration			34,950		34,950
Subtotal SSEP Expenses	-	-	221,038	-	221,038
FSEP Expenses					
County Projects					
(project costs excluding grant mgmt)				11,492,846	
Subtotal FSEP Expenses	-	-	-	11,492,846	11,492,846
General Operating Expenses					
Management Expense	60,000	50,000			110,000
Legal Expense	60,000	90,000			150,000
Grant-specific Management					-
Work Order 5B (Langton)		60,000			60,000
Implementation-dependent				124,534	124,534
Meeting and Travel Expense	14,050				14,050
Miscellaneous	1,000				1,000
Audit Expense	5,000	25,000	-	-	30,000
Fiscal Agent Expense	-	-	-	17,473	17,473
Subtotal General Operating	140,050	225,000	-	142,007	507,057
TOTAL EXPENSES	140,050	1,909,372	221,038	11,634,853	13,905,313

AGENDA ITEM 8a

**Gulf Consortium Executive Committee
October 31, 2017**

**Agenda Item 8a
Financial Statement**

Executive Summary:

Presentation Consortium Financial Statement as of September 30, 2017

Report:

The Manager's report will be given verbally at the Executive Committee meeting on October 31, 2017.

Attachment:

Financial Statement

Prepared by:

Valerie Seidel
The Balmoral Group
Manager
On: October 14, 2017

Gulf Consortium
Balance Sheet
 As of September 30, 2017

	<u>Sep 30, 17</u>
ASSETS	
Current Assets	
Checking/Savings	
Seaside Bank (Operating)	100,776.34
Wells Fargo Account (Grant)	312.20
Total Checking/Savings	<u>101,088.54</u>
Accounts Receivable	
Planning Grant Receivable	68,929.88
Total Accounts Receivable	<u>68,929.88</u>
Total Current Assets	<u>170,018.42</u>
TOTAL ASSETS	<u>170,018.42</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Accrued Liabilities - General	11,374.37
Accrued Liabilities - Grant	66,585.51
Total Other Current Liabilities	<u>77,959.88</u>
Total Current Liabilities	<u>77,959.88</u>
Total Liabilities	77,959.88
Equity	
Unrestricted Net Assets	33,939.90
Net Income	58,118.64
Total Equity	<u>92,058.54</u>
TOTAL LIABILITIES & EQUITY	<u>170,018.42</u>

Gulf Consortium

Profit & Loss

October 2016 through September 2017

	General Fund	Grants Fund	TOTAL
Income			
Planning Grant			
SEP - Work Order 4B	0.00	209,046.00	209,046.00
SEP - Work Order 6	0.00	339,480.00	339,480.00
SEP - Management Fees	0.00	29,571.25	29,571.25
SEP - Grant Management	0.00	60,000.00	60,000.00
SEP - Legal Fees	0.00	55,778.42	55,778.42
SEP - AV/Meeting Fees	0.00	12,459.60	12,459.60
Total Planning Grant	0.00	706,335.27	706,335.27
County Funding	140,050.00	0.00	140,050.00
Interest and Other income	13.67	0.00	13.67
Total Income	140,063.67	706,335.27	846,398.94
Expense			
Development of SEP			
Grant Management	0.00	60,000.00	60,000.00
Work Order 4B	0.00	209,046.00	209,046.00
Work Order 6	0.00	339,480.00	339,480.00
Total Development of SEP	0.00	608,526.00	608,526.00
Legal	17,146.23	55,778.42	72,924.65
Management Fees	52,556.25	29,571.25	82,127.50
Accounting	3,000.00	0.00	3,000.00
Meeting Expense	6,829.89	12,459.60	19,289.49
Bank Service Charges	2,237.66	0.00	2,237.66
District Fees	175.00	0.00	175.00
Total Expense	81,945.03	706,335.27	788,280.30
Net Income	58,118.64	0.00	58,118.64

AGENDA ITEM 8b

**Gulf Consortium Executive Committee
October 31, 2017**

**Agenda Item 8b
Status of Consortium Audit Procurement**

Executive Summary:

Status of contract scope of work with Moore, Stephens, & Lovelace.

Report:

The update will be provided verbally at the Executive Committee meeting on October 31, 2017.

Attachment:

None

Prepared by:

Valerie Seidel
The Balmoral Group
Manager
On: October 14, 2017

AGENDA ITEM 9a

Gulf Consortium Executive Committee
November 15, 2017

Agenda Item 9a
2018 Officer Elections Briefing

Executive Summary:

This agenda item provides information about the process for electing the Chairman, Vice-Chairman and Secretary/Treasurer for the 2018 calendar year. This item does not require Board action; rather it serves as a reminder about the process the Consortium has used in the past and will use for the election of officers for 2018.

The election will be held at the first meeting in 2018, scheduled for February 8, 2018. The following is a summary of the election process adopted by the Board for the election:

- A Director may nominate him or herself for one or more of the offices sought.
- **The Director must notify the Permanent Manager by January 12, 2018 of the intent to run for office.**
- The Director must secure written approval of the Director's candidacy by the respective Board of County Commissioners. The Board's approval must be provided to the Manager prior to the election.
- The re-election of an incumbent officer is allowed.
- Election is by written ballot, with a majority vote required of the Directors present and voting to determine the election outcome.
- Newly elected officers shall take office immediately and serve until the election of new officers in 2019.

After the election of the officers, the three elected officers select two additional Directors to serve as "at large," voting members of the Executive Committee. The Chairman typically calls a special conference call meeting of the three elected officers to select the two at-large members of the Executive Committee.

Background:

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

The Interlocal Agreement also provides that the Chairman, Vice-Chairman and Secretary/Treasurer shall select two other Directors who, together with the elected officers, shall constitute an Executive Committee.

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

Analysis:

This agenda item does not require Board action. It provides information to the Directors and the public of the election process and that qualification for election to the three elected positions remains open until **January 12, 2018**, the closing date as established by the Permanent Manager pursuant to the election procedure.

Options:

This agenda item is informational only. No action by the Board is required.

Fiscal Impact:

None.

Recommendation:

No Board action is required.

Attachments:

Policy adopted by Board of Directors, November 2012

Prepared by:

Lynn M. Hoshihara
Nabors, Giblin & Nickerson, P.A.
General Counsel
On: October 24, 2017

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

Adopted by the Board of Directors in November 2012.

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

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

- **Majority Vote Requirements.** -- A majority vote of the Directors present shall be required for the election of the officer. Voting shall continue until a majority vote of the Directors present is achieved for a candidate for the office. In case of a tie, the Interim Manager shall call for another vote for those tied until the office is filled by a majority vote of the Directors present.

AGENDA ITEM 9b

Gulf Consortium Executive Committee
October 31, 2017

Agenda Item 9b
ESA Contract Amendment Request – Conflict Of Interest

Executive Summary:

ESA is requesting an amendment to the existing Conflict of Interest (COI) clause in their Agreement for Consultant Services for the State Expenditure Plan (see attached). In 2015, ESA was selected to provide consultant services related to the development of the SEP. In order to prevent conflicts of interests in the development and implementation of the plan, ESA agreed to recuse themselves from “all participation in any projects, programs, and activities ultimately included in the SEP.”

As a result, ESA and its subcontractors are currently prohibited from working on implementation of SEP projects, programs and activities for the Consortium, the individual counties or any other entity. ESA is now requesting a revision to the COI clause that would allow them to participate in SEP implementation.

Background/History:

April 2014: Consortium issued an Invitation to Negotiate (ITN) for Consultant Services for the Development of the SEP. The following four firms were short-listed: 1) ESA, 2) MWH, 3) Ecology & Environment, and 4) Arcadis.

Sept. 2014: A Request for Best and Final Offer (RBAFO) was issued to the four firms, which among other things required them to address “how the Consortium’s use of the Firm in implementing the SEP would comply with the Treasury Interim Final Rule section 34.503(b)(3) to prevent conflicts of interest in the development and implementation of the SEP.”

Oct. 2014: In its response to the RBAFO, ESA agreed to avoid any actual or perceived conflicts of interest by expressing the following:

We have reviewed and carefully considered the Conflict of Interest clause contained in the RBAFO, as well as later clarification of that clause provided by the Leon County Purchasing Department. As we interpret it, the clear intention of this clause is to preclude any actual or perceived bias on the part of the SEP planning consultant such that they could later profit from participating in the implementation of projects, programs, and activities included in the SEP.

The ESA team fully accepts the limitations expressed in this clause, and ESA and its named team partner firms and individuals will formally recuse themselves from all later participation in any projects, programs, and

activities ultimately included in the SEP. If selected by the Consortium, the ESA team will be beholden solely and exclusively to the interests of the Consortium, and will not seek to profit from the subsequent implementation of the SEP prepared by the ESA team.

In addition, it should be noted that ESA and its team members are not currently providing RESTORE Act services to any member counties of the Gulf Consortium, and we have expressly rejected opportunities to do so pending the selection of the SEP planning consultant by the Consortium. We consider existing agreements to provide RESTORE Act services to Florida Gulf Coast counties, such as the preparation of County Multi-Year Implementation Plans (MYIP's), to be a clear conflict of interest with respect to also serving as the SEP planning consultant to the Consortium. Such existing contractual relationships with member counties could potentially result in bias in the development of the SEP that favors one county over the others. Accordingly, we advise the Consortium to consider this factor in the selection of the SEP planning consultant.

ESA also proposed using the FDEP project portal to serve as the universe of potential projects to be included in the SEP.

March 2015: Consortium and ESA (and its subcontractors), entered into an Agreement for Consultant Services, which contained the following COI clause:

The Consultant agrees to recuse itself from all participation in any projects, programs, and activities ultimately included in the State Expenditure Plan. Attached as composite Exhibit E is a copy of each of the Consultant's agreements with its named team partner firms and individuals regarding such firms recusal from all participation in any projects, programs, and activities ultimately included in the State Expenditure Plan.

Nov. 2015: Consortium rejected ESA's proposal to use the FDEP project portal and adopted the Even-Steven, county-driven approach.

April 2016: ESA's agreement with the Consortium was amended to address the change in scope, increase the contract amount, and update certain required provisions. In developing the Amended Agreement, ESA proposed revising or deleting the COI clause, but was rejected by Sarah Bleakley and the existing COI clause was carried forward into the Amended Agreement verbatim (as well as the Administrative Grant Application and PSEP).

Analysis:

Fair and open competition is a basic tenet of public procurement. Such competition reduces the appearance and opportunity for favoritism and inspires public confidence that contracts are awarded equitably and economically and helps to establish public confidence in the process by which services are procured.

The existing COI clause was put in place to provide sufficient control to prevent conflicts in the development and implementation of the SEP as required by Treasury. ESA agreed to this restriction and spent the last 2.5 years working on the development of the SEP.

Under federal law, the Consortium is required to safeguard against conflicts of interests in administering federal funds. In reviewing ESA's request, the Consortium should consider the following guiding principles related to competitive procurements and COI:

Federal Law

- The U.S. Department of Treasury Regulation requires the SEP to "describe the processes used to prevent conflicts of interests in the development and implementation of the plan." §34.503(b)(3), *31 CFR Part 34*.
- "In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements." §200.319(a), *2 CFR Part 200*.

RESTORE Council

- The Council has adopted a Code of Conduct which requires the Consortium to maintain written standards of conduct regarding conflicts of interest. The provision includes a conflict certification form that requires the Consortium to "establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain in the administration of this award." *Form SF-424B, Section N, Restore Council Financial Assistance Standard Terms and Conditions*.

Florida Law

- "A person who receives a contract that has not been procured pursuant to subsections (1) - (3) to perform a feasibility study of the potential implementation of a subsequent contract, who participates in the drafting of a solicitation or who develops a program for future implementation, is not eligible to contract with the agency for any other contracts dealing with that specific subject matter." §287.057(17)(c), *F.S.*

In the attached request, ESA claims the existing COI clause is “a punitive and damaging restraint of trade” that will likely result in the loss of substantial business income by ESA. As stated above, the COI clause was offered by ESA in response to the RBAFO and Treasury requirements, ESA voluntarily entered into the agreement with the Consortium and has reaped the benefits thereof. Contrary to ESA’s assertions, the COI clause is reasonable, serves a legitimate public interest and is limited solely to the projects included in the SEP. ESA is free to work on Pot 1 projects, Triumph projects or any other individual counties’ projects.

Concerns in Amending the COI Clause:

- Even under the Even-Steven, county-driven approach, ESA has had a significant role in the characterization and refinement of projects in the SEP. Over the last 2.5 years, ESA and its subcontractors have met with individual counties and may be deemed as having an “unfair advantage” over other future bidders as they are in a position to have more information about timing, costs, leveraging and inner-project needs.
 - A state agency may not enter into a contract if a conflict of interest is based upon the vendor gaining an unfair competitive advantage. §287.057(16), F.S.
 - An “unfair competitive advantage” exists when the vendor has obtained:
 - a) Access to information that is not available to the public and would assist the vendor in obtaining the contract; or
 - b) Source selection information that is relevant to the contract but is not available to all competitors and that would assist the vendor in obtaining the contract.
- A concern may be raised as to the integrity of the original selection process as other consulting firms may have decided not to bid on the development of the SEP to remain eligible to compete on implementation.
- Future bidders may be discouraged from competing on implementation based on a perception of favoritism towards ESA and its subcontractors.
- The ultimate determination as to whether a conflict of interest exists could be raised in an audit, which may result in financial repercussions.

Conclusion:

There is no question that of the 23 counties, those that require more support and assistance are likely to benefit from amending the COI clause as requested. However, the question to be considered by the Board is whether amending the COI clause is in the best interest of the Consortium as a whole. As there is no legal justification for doing so, I recommend against amending ESA’s COI clause.

Should the Consortium wish to approve ESA’s request, such amendment will be subject to approval by the RESTORE Council in accordance with federal grant law and Council rules.

Options:

Option #1, Accept General Counsel's recommendation to deny request.

Option #2, Approve contract amendment request.

Option #3, Board Direction.

Attachment:

ESA Contract Amendment Request

Prepared by:

Lynn M. Hoshihara

Nabors, Giblin & Nickerson, P.A.

General Counsel

October 24, 2017

Agenda Item 9b
ESA Contract Amendment Request

Requested Contract Amendment

ESA is respectfully requesting an amendment to contract provision 7 - Conflict of Interest - of the executed *Gulf Consortium and Environmental Science Associates Agreement for Consultant Services for State Expenditure Plan*, dated April 22, 2016. The requested amendment is to replace the existing conflict of interest clause with a proposed conflict of interest clause that is:

- Appropriate for the revised ESA scope of work; and
- Compliant with the requirements U.S. Department of Treasury's RESTORE Act regulations.

Definition of Conflict of Interest

Chapter 112.312 (8), Florida Statutes, states: "*Conflict*" or "*conflict of interest*" means a situation in which regard for a private interest tends to lead to disregard of a public duty or interest.

Existing Conflict of Interest Clause

The Consultant (ESA) agrees to recuse itself from all participation in any projects, programs, and activities ultimately included in the State Expenditure Plan. Attached as composite Exhibit E is a copy of each of the Consultant's agreements with its named team partner firms and individuals regarding such firm's recusal from all participation in any projects, programs, and activities ultimately included in the State Expenditure Plan.

Proposed Conflict of Interest Clause

The Consultant (ESA) and its named team partner firms and individuals certify that there are no present or planned interests relating to work to be performed under this Agreement that would compromise their ability to render impartial, technically sound, and objective assistance or advice to the Consortium. Furthermore, the Consultant and its named team partner firms and individuals agree to comply with all applicable Florida statutes and federal regulations related to the proper disclosure of any actual or potential conflicts of interest that may arise during the execution of work under this Agreement, including the U.S. Department of Treasury's RESTORE Act regulations as they relate to conflicts of interest that may arise in the development and implementation of the State Expenditure Plan.

Basis for the Requested Contract Amendment

1. Under the original scope of work described in the first ESA master agreement with the Consortium dated March 13, 2015, the Consultant (ESA) was to independently select, rank, and prioritize projects for funding. As such, there was a potential for conflict whereby the Consultant could be biased to select and rank projects in a manner that benefitted the Consultant, or favored certain counties and/or other sub-recipients.
2. The existing conflict of interest clause was considered to be reasonable and valid by both the Consortium and ESA because it was intended to prevent bias on the part of the Consultant in the selection and ranking of projects. Accordingly, it served a legitimate interest on the part of the Consortium and the individual member counties, and ESA and its partner firms agreed to abide by this clause.
3. Following the “even-steven” vote by the Consortium, however, ESA’s scope of work was substantially revised to undertake a “county-driven” process whereby each county would have one or more projects included in the SEP, and each county would self-determine their projects. Under the revised scope of work, ESA would not select, rank or prioritize projects. Therefore, the potential for bias was eliminated.
4. The ESA master agreement with the Consortium was subsequently amended on April 22, 2016 to reflect the revised scope of work. ESA requested at that time to have the existing conflict of interest clause removed or amended, however, that request was denied by then Counsel Sarah Bleakley for unspecified reasons with no rebuttal. To prevent delays in the work effort ESA signed the amended agreement with objections, and with the understanding that this issue would be revisited at a later time.
5. Under the revised scope of work ESA and its partner firms have not selected, ranked, nor prioritized projects, but rather have been assisting each county equally in the definition, feasibility assessment, and refinement of projects that the counties have independently selected for inclusion in the SEP.
6. The existing conflict of interest clause does not address the disclosure of actual or potential conflicts, but rather is a “restraint of trade” because it prevents ESA and its partner firms from conducting business as they normally would without the restraint.
7. Contractual restraints of trade are typically not upheld by the courts unless they: are reasonable; serve a legitimate interest; are limited to that particular interest; and are not contrary to the public interest.
8. The existing conflict of interest clause should be amended because it:
 - No longer serves a legitimate interest on the part of the Consortium or the individual member counties;

- Prohibits the Consortium, individual member counties, or any other entities involved in the implementation of the SEP from contracting with ESA and/or its partner firms should they desire to do so;
 - Prohibits ESA and its partner firms from fairly and openly competing for any and all future work associated with the implementation of the projects, programs, and activities described in the State Expenditure Plan; and
 - Is inconsistent with Florida statutes and federal regulations requiring fair and open competition in the procurement of professional services - and is thus contrary to the public interest.
9. Environmental planning, science, engineering, and grant writing are the primary businesses of ESA and its partner firms. Therefore, contractually requiring perpetual recusal from “all participation in any projects, programs, and activities ultimately included in the State Expenditure Plan” is a punitive and damaging restraint of trade that, if strictly enforced, will potentially result in the loss of substantial business income by ESA and its partner firms.
10. ESA and its partner firms are respectfully requesting the proposed contract amendment so that they may fairly and openly compete for any and all future procurements by the Consortium, the individual member counties, the Florida Department of Environmental Protection, Florida Water Management Districts, or any other entities for work associated with the implementation of the projects, programs, and activities included in the State Expenditure Plan.

AGENDA ITEM 10a

Gulf Consortium Executive Committee
October 31, 2017

Agenda Item 10a
Update on Planning Grant

Executive Summary:

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

Most Recent Activity:

A Planning Grant in the amount of \$4,640,675 was awarded to the Gulf Consortium on June 23, 2016. The Gulf Consortium executed the grant agreement on June 28, 2016. Langton Consulting and Consortium staff have developed the financial control systems and enrolled the Consortium in invoicing and payment systems and commenced the drawdown and disbursement of federal grant funds. Eight payment requests totaling \$956,753.32 have been submitted and paid to date.

Full Background on Post Award Process/Procedure:

The Consortium submitted its eighth payment request in the amount of \$40,734.93 through RAAMS on September 13, 2017. It was approved in RAAMS on September 27 and submitted to ASAP on the same day. Payment request #8 was approved in ASAP on October 2, 2017 and funds were rendered to the Gulf Consortium through Leon County (the Gulf Consortium's fiscal agent) on October 10, 2017.

The Consortium's next Financial Progress report is due October 30, 2017.

Fiscal Impact:

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

Attachments:

None

Recommendation:

For information only.

Prepared by:

Lisa King
Langton Consulting
On: October 23, 2017

AGENDA ITEM 10b

Gulf Consortium Executive Committee
October 31, 2017

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

Executive Summary:

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

Background:

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

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

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

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

Analysis:

As of October 24, 2017, the Consortium has approved ten work orders, totaling \$2,585,208, broken down as follows:

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

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

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

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

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

AV/IT Reimbursement \$18,856.77
(Incurred between 8/22/14 – 9/30/17)

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

Grant Award	ESA Contract Amount	ESA Work Orders Approved to Date	NGN Contract from Grant	TBG Contract from Grant	AV Reimbursement
\$4,640,675	\$2,722,780	\$2,585,208	\$180,000	\$120,000	\$18,856.77

Options:

No action required.

Recommendation:

For information only.

Prepared by:

Valerie Seidel
The Balmoral Group, Manager
On: October 24, 2017

AGENDA ITEM 11a

**Gulf Consortium Executive Committee
October 31, 2017**

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

Background:

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

Update:

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

In addition, the ESA consultant team has continued to work with The Balmoral Group and NGN with regard to resolving questions about the Consortium's authority to implement the SEP, and how the Draft SEP should describe implementation financial and conflict of interest controls. When this issue is resolved per Board direction, the Draft SEP will be completed and released for State agency and public review.

Recommendation:

Information only

Attachment:

None

Prepared by:

Doug Robison – SEP Project Manager
Environmental Science Associates
On: October 24, 2017

AGENDA ITEM 11b

**Gulf Consortium Executive Committee
October 31, 2017**

**Agenda Item 11b
Status Report of Work Order #10 (Tasks 12 & 13: Draft FSEP Review and
Revisions; Stakeholder Outreach and Public Involvement)**

Background:

At its September 27, 2017 meeting the Gulf Consortium authorized ESA Work Order #10 which encompasses Task 12 - Draft FSEP Review and Revisions; and Task 13 - Stakeholder Outreach and Public Involvement.

Update:

With regard to Task 12, the ESA consultant team has continued to work with individual counties to make revisions and updates to their respective project descriptions. In addition, General Counsel Lynn Hoshihara is conducting a legal review of the Pre-Draft SEP to ensure compliance with all applicable federal and state laws and regulations. Task 12 will also involve the State multi-agency review, once the Draft SEP is approved and released for public review.

With regard to Task 13, the ESA consultant team has explored various locations and venues for the two advertised public meetings. Currently, the preferred options include a meeting in Bay County and a meeting in Hillsborough County. Both meetings would be held in the county facilities to minimize costs. In addition, the ESA consultant team has been working to refine the logistics and costs associated with the two public webinars.

Potential dates for the public meetings and webinars will be determined upon approval of the Draft SEP by the Gulf Consortium.

Recommendation:

Information only

Attachment:

None

Prepared by:

Doug Robison – SEP Project Manager
Environmental Science Associates
On: October 24, 2017

AGENDA ITEM 11c

**Gulf Consortium Executive Committee
October 31, 2017**

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

Background:

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

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

Recommendation:

Information only

Attachment:

Draft Work Order #11

Prepared by:

Doug Robison – SEP Project Manager
Environmental Science Associates
On: October 24, 2017

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

-WORK ORDER #11-

Prepare Final Florida State Expenditure Plan (Task 14)

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

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

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

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

Background

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

Scope of Work

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

Task 14 - Prepare Final Florida SEP

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

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

formal presentations of the Final Florida SEP to the Governor and the Council, as well as continued coordination with the Consortium and the FDEP. The ESA consultant team will make document revisions recommended by the Council as needed to ensure timely approval of the Final Florida SEP.

Deliverables

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

- Task 12 – Up to 50 hard and electronic (CD) copies of the final FSEP for distribution to the Council, the Governor, the FDEP, and the Consortium.
- Letter from the Council formally approving the Florida SEP.

Schedule

Upon formal approval of this Work Order #11 by the Consortium at its November 15, 2017 meeting, the above described scope of work and deliverables will be completed on or before January 31, 2018.

Compensation

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

Work Order #11			
Task	Description	Hours	Dollars @\$205/hour*
14	Draft FSEP Review and Revisions	640	\$131,200
Totals		640	\$131,200

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

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

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

GULF CONSORTIUM

By: _____

Date: _____

**ENVIRONMENTAL SCIENCE
ASSOCIATES**

By: _____
Vice President or designee

Title: _____

Date: _____

DRAFT

SECRETARY/TREASURER:

By: _____

Date: _____

Approved as to Form:
Gulf Consortium General Counsel

BY: _____
Lynn Hoshihara
Nabors, Giblin & Nickerson, P.A.
Gulf Consortium General Counsel

DRAFT

AGENDA ITEM 12

Gulf Consortium Executive Committee
October 31, 2017

Agenda Item 12
Approval of Draft Florida SEP

Background:

Completion of the Draft SEP is contingent upon Consortium direction with regard to SEP implementation. Assuming the Consortium approves an implementation strategy at its November 15, 2017 meeting, the Draft SEP can be completed and released for State multi-agency and public review and comment. The public comment period must cover at least 45 days. Based on this schedule it is anticipated that the Draft SEP will be completed for public review on or before December 1, 2017.

Recommendation:

Information only

Attachment:

None

Prepared by:

Doug Robison – SEP Project Manager
Environmental Science Associates
On: October 24, 2017