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**CITY OF MARATHON, FLORIDA
RESOLUTION 2004-132**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MARATHON, FLORIDA, APPROVING THE PROJECT AGREEMENT
WITH THE STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL
PROTECTION TO PROVIDE FUNDS FOR THE MARATHON
COMMUNITY PARK PROJECT**

WHEREAS, the City of Marathon, Florida (the "City"), submitted a grant application to the State of Florida Department of Environmental Protection (the "Department"), seeking an award of grant funding for the construction of public outdoor recreation facilities at Marathon Community Park; and

WHEREAS, the Department has found that public outdoor recreation is the primary purpose of the project; and

WHEREAS, the Department has approved the City's grant application subject to the terms and conditions set forth in the project agreement attached hereto.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THAT:

Section 1. The above recitals are true and correct and incorporated herein.

Section 2. The Project Agreement between the Department and the City awarding grant funding for the construction of public outdoor recreation facilities at Marathon Community Park, a copy of which is attached as Exhibit "A," together with such non-material changes as may be acceptable to the City Manager and approved as to form and legality by the City Attorney, is approved.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED by the City Council of the city of Marathon, Florida, this 26th day of October, 2004.

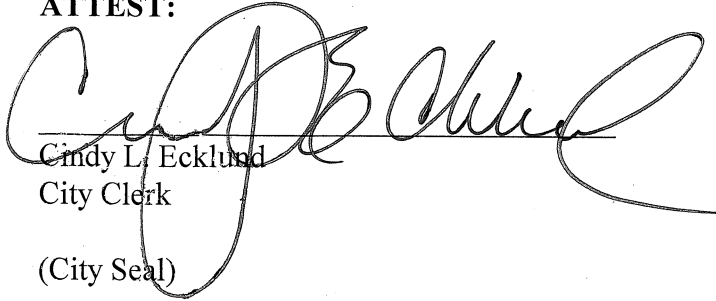
THE CITY OF MARATHON, FLORIDA



Jeffrey M. Pankus, Mayor

AYES: Bartus, Bull, Mearns, Miller, Pinkus
NOES: None
ABSENT: None
ABSTAIN: None

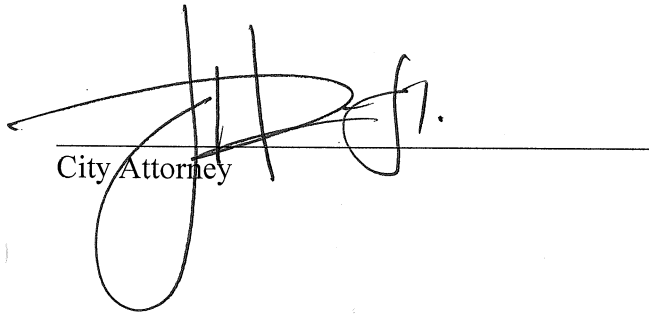
ATTEST:



Cindy L. Ecklund
City Clerk

(City Seal)

**APPROVED AS TO FORM AND LEGALITY FOR THE USE AND RELIANCE OF THE
CITY OF MARATHON, FLORIDA ONLY:**



City Attorney

12-00491

(LWCF Project Number)

LW491

DEP Contract Number
CFDA Number: 15.916

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION
LAND AND WATER CONSERVATION FUND PROGRAM
FY 2004 - 2005
PROJECT AGREEMENT - DEVELOPMENT

This Project Agreement is entered into between the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION, whose address is 3900 Commonwealth Boulevard, Tallahassee, Florida 32399-3000 (hereinafter called the "Department"), and the **CITY OF MARATHON**, whose address is 10045-55 Overseas Highway, Marathon, Florida 33050, (hereinafter called the "Grantee"), a local government, in furtherance of the Marathon Community Park project, an approved outdoor recreation project.

WHEREAS, the Department receives funds for the purpose of passing through the agency as grants to other entities in accordance with Section 375.021(4), Florida Statutes; and,

WHEREAS, Chapter 375, Florida Statutes, further authorizes the Department to receive grants for outdoor recreation and conservation; and,

WHEREAS, the Grantee has submitted Project Application number 390, which has been approved by the Department.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Department and Grantee do hereby agree as follows:

1. This Project Agreement shall be effective upon execution of this Project Agreement and end no later than three (3) years from the date of Agreement execution, inclusive. The Project Agreement shall be performed in accordance with Chapter 62D-5, Part VII, Florida Administrative Code, effective July 15, 2001 (hereinafter called the **Rule**), the Land and Water Conservation Fund (LWCF) Act of 1965, Public Law 88-578, 78 Stat 897, as amended, (hereinafter called the **Program**), and in accordance with general provisions for such agreements prescribed by the United States Department of the Interior (hereinafter called the **USDOI**) in the LWCF Grants-in-Aid Manual, (hereinafter called the **Manual**). The Manual refers to the code of federal regulations (CFRs) applicable to this Agreement. The following table identifies several of the key CFRs addressed in the Manual, but does not limit the Grantee to compliance with only the CFRs identified in the table.

CFR Cite	Title
36 CFR 59	Land and Water Conservation Fund Program Assistance to States; Post-Completion Compliance Responsibilities
36 CFR 800.8	Coordination With the National Environmental Policy Act
43 CFR 12	Administrative and Audit Requirements and Cost Principles for Assistance Programs
43 CFR 17	Nondiscrimination in Federally Assisted Programs of the Department of Interior

The Grantee agrees to become familiar with all provisions and comply with the Rule and Manual, which are incorporated into this Project Agreement by reference, as if fully set forth herein. In the event a dispute should arise between the parties concerning the intent of any language herein contained, the same shall be resolved by the adoption of that meaning which furthers the intent and purpose of the LWCF Act of 1965 and the general provisions governing this Project Agreement as set forth in the Manual. No construction shall be contrary to the requirements of the Acts of Congress or of the regulations of the Secretary of the Interior.

2. The Department has found that public outdoor recreation is the primary purpose of the project known as Marathon Community Park (Land and Water Conservation Fund, LWCF Project Number 12-00491), hereinafter called the Project, and enters into this Project Agreement with the Grantee for the development of that real property, the legal description of which shall be submitted to the Department as described in the Land and Water Conservation Fund Program Approved Project Documentation Form, DEP Form FPS-A048. The approved Project Application, which includes the Project Elements (description of project, detailed budget, and anticipated deliverables), is incorporated into this Project Agreement by reference as if fully set forth herein. Any revisions to the Project Elements as set forth in the approved Project Application must be formally requested by the Grantee and, if agreed upon by the Department, the modifications will be reduced to writing in an amendment to this Agreement.
3. The Grantee shall construct, or cause to be constructed, specified public outdoor recreation facilities and improvements consisting of the following Project Elements: **boat dock, boat ramp, swimming pool, nature trail boardwalk, skate park facilities, and renovation of baseball field, basketball court, hockey rink, restrooms, landscape and other related support facilities.**
4. The Project Elements identified in Paragraph 3 herein shall be designed and constructed substantially in accordance with the conceptual site development plan contained in the Project Application. Project Site facilities shall be attractive for public use, and generally consistent and compatible with the environment. Plans and specifications for Project Site improvements and facilities shall be in accord with current and established engineering and architectural standards and practices. Emphasis should be given to the health and safety of users, accessibility to the general public, and the protection of the recreational and

natural values of the area. This site development plan may be altered by the Grantee, only after written approval by the Department. Any and all utility lines installed within the park shall be placed underground. The Grantee shall have the final site development plan (site engineering and architectural) prepared by a registered architect or engineer licensed in accordance with the laws of the State of Florida.

5. A. The Department shall pay the Grantee on a reimbursement basis the eligible Grant amount not to exceed \$200,000.00, which will pay said federal Program's share of the cost of the Project. Program funding limits are based upon the following:

Total Department (federal) Program Amount	\$200,000.00
Grantee Match Amount	\$200,000.00
Total Project Cost	<u>\$400,000.00</u>

Type of Match (Cash and/or In-kind Services)

- B. Within sixty (60) days after receipt of the request, the Department's Grant Manager shall review the completion documentation and payment request from the Grantee for the Project. If the documentation is sufficient and meets the requirements of the Land and Water Conservation Fund Program Required Project Completion Documentation Form, DEP Form FPS-A051, referenced in s. 62D-5.073(7)(e)2, F.A.C., the Department will approve the request for payment.

6. In addition to the invoicing requirements contained in paragraph 5 above, the Department will periodically request proof of a transaction (invoice, payroll register, etc.) to evaluate the appropriateness of costs to the Agreement pursuant to State and Federal guidelines (including cost allocation guidelines), as appropriate. This information when requested must be provided within 30 calendar days of such request. The Grantee may also be required to submit a cost allocation plan to the Department in support of its multipliers (overhead, indirect, general administrative costs, and fringe benefits). All bills for amounts due under this Agreement shall be submitted in detail sufficient for a proper pre-audit and post-audit thereof. State guidelines for allowable costs can be found in the Florida Department of Financial Service's Reference Guide for State Expenditures at www.dbf.state.fl.us/aadir/reference_guide and allowable costs for federal programs can be found under 48 CFR Part 31 at <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html> and OMB Circulars A-87, A-122, A-21, at <http://www.whitehouse.gov/omb/circulars/index.html#numerical>.

7. Reimbursement for travel expenses is not authorized under this Project Agreement.

8. The Grantee agrees to comply with the Division of Recreation and Parks' Grant and Contract Accountability Procedure, hereinafter called the Procedure and

incorporated into this Project Agreement by reference as if fully set forth herein. All purchases of goods and services for accomplishment of the Project shall be secured in accordance with the procurement requirements specified in 43 CFR 12.76. Expenses representing the Project costs, including the required matching contribution, shall be reported to the Department and summarized on certification forms provided in the Procedure. The Department and Grantee agree to use the Procedure guidelines in accounting for LWCF funds disbursed under the Project. The parties further agree that the principles for determining the eligible costs, supporting documentation and minimum reporting requirements of the Procedure shall be used.

9. Allowable indirect costs as defined in the Procedure shall not exceed 15% of the Grantee's eligible salaries/wages. Indirect costs that exceed 15% must be approved in advance in writing by the Department to be considered eligible Project expenses.
10. Project funds may be reimbursed for eligible Preagreement Expenses (as defined in s. 62D-5.069(31) of the Rule) incurred by Grantee prior to execution of this Project Agreement as set forth in s.62D-5.073(2) of the Rule. The Department and the Grantee fully understand and agree that there shall be no reimbursement of Project funds by the Department for any expenditure made prior to the execution of this Project Agreement with the exception of the following expenditures which meet the requirements of the foregoing sections of the Rule.

Preagreement Costs Approved:

Description of Work Performed	Amount Approved
None	0
Total Preagreement Costs Approved:	0

11. A. Prior to commencement of Project development, the Grantee shall submit the documentation required by the Land and Water Conservation Fund Program Required Project Commencement Documentation Form, DEP Form FPS-A050, referenced in s. 62D-5.073(7)(e) of the Rule, to the Department. Upon determining that the documentation complies with the Rule, the Department will give written notice to Grantee to commence the development and approve the request for payment.
- B. Upon execution of this Project Agreement, the Grantee acknowledges the prior receipt of the LWCF Grants-in Aid Manual, the Division of Recreation and Parks' Grant and Contract Accountability Procedures, and the required project commencement documents listed below that must be completed by the Grantee, if applicable, and returned to the Department within one hundred eighty (180) days following the execution date of this

Project Agreement. This date may be extended upon written approval from the Department Grant Manager who is authorized to sign such approval letters.

C. Required Project Commencement Documentation for Development Agreements:

1. Boundary Survey
2. Title Search
3. Certification of Manual Possession
4. Site Plan (2 copies)
5. List of Facilities and Improvements for Construction with Related Costs
6. Permitting Certification

12. The Grantee shall obtain all required local, state and federal permits and approvals prior to commencement of Project construction and shall certify that it has done so to the Department by completing the Land and Water Conservation Program Project Permitting Certification, DEP Form FPS-A052, referenced in s. 62D-5.073(7)(e)(1) of the Rule.
13. The Grantee shall complete all Project construction by the completion date established in paragraph 1, above.
14. Project completion means the Project is open and available for use by the public. The Project must be completed prior to release of final reimbursement.
15.
 - A. The Grantee shall maintain books, records and documents directly pertinent to performance under this Agreement in accordance with generally accepted accounting principles consistently applied. The Department, the State, or their authorized representatives shall have access to such records for audit purposes during the term of this Agreement and for five years following Agreement completion. In the event any work is subcontracted, the Grantee shall similarly require each subcontractor to maintain and allow access to such records for audit purposes.
 - B. The Grantee agrees that if any litigation, claim, or audit is started before the expiration of the record retention period established above, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.
 - C. Records for equipment acquired with federal funds shall be retained for five years following final disposition.
16. In addition to the provisions contained in Paragraph 15 above, the Grantee shall comply with the applicable provisions contained in **Attachment A**, Special Audit Requirements, attached hereto and made a part hereof. A revised copy of

Attachment A, Exhibit-1, must be provided to the Grantee with each amendment which authorizes a funding increase or decrease. The revised Exhibit-1 shall summarize the funding sources supporting the Project Agreement for purposes of assisting the Grantee in complying with the requirements of **Attachment A**. If the Grantee fails to receive a revised copy of **Attachment A**, Exhibit-1, the Grantee shall notify the Department's Grant Manager at 850/245-2501 to request a copy of the updated information.

17. Following receipt of an audit report identifying any reimbursement due the Department for the Grantee's noncompliance with this Project Agreement, the Grantee will be allowed a maximum of thirty (30) days to submit additional pertinent documentation to offset the amount identified as being due to the Department. The Department, following a review of the documentation submitted by the Grantee, will inform the Grantee of any reimbursement due the Department.
18. The Grantee, as an independent contractor and not an agent, representative, or employee of the Department, agrees to carry adequate liability and other appropriate forms of insurance. The Department shall have no liability except as specifically provided in this Project Agreement.
19. To the extent required by law, the Grantee will be self-insured against, or will secure and maintain during the life of this Agreement, Workers' Compensation Insurance for all of its employees connected with the work of this Project and, in case any work is subcontracted, the Grantee shall require the subcontractor similarly to provide Workers' Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the Grantee. Such self-insurance program or insurance coverage shall comply fully with the Florida Workers' Compensation law. In case any class of employees engaged in hazardous work under this Agreement is not protected under Florida Workers' Compensation law, the Grantee shall provide, and cause each subcontractor to provide, adequate insurance satisfactory to the Department, for the protection of those employees not otherwise protected.
20. The purchase of non-expendable equipment is not authorized under the terms of this Agreement.
21. The Department's Grant Manager for the purpose of this Project Agreement shall be responsible for ensuring performance of its terms and conditions and shall approve all reimbursement requests prior to payment. The Grantee's Liaison Agent (also known as Grantee's Grant Manager), as identified in the Project Application, or successor, shall act on behalf of the Grantee relative to the provisions of this Project Agreement. The Grantee's Liaison Agent, shall submit to the Department signed Project status reports every ninety (90) days summarizing the work accomplished, problems encountered, percentage of completion, and other information which may be requested by the Department. Photographs to reflect the construction work accomplished shall be submitted when the Department requests them. Any and all notices shall be deemed

effective and sufficient if sent via U.S. mail, facsimile (fax), or by hand-delivery to the parties at the following addresses:

Grantee's Liaison Agent

Name: Mr. Stan Hemphill, Project Consultant
Entity: City of Marathon
Address: 12300 N.W. 10th
City, State, Zip: Plantation, FL 33323
Phone: 954/474-2421
SunCom Phone:
Fax: 954/474-4721
SunCom Fax:
Email: stanhemphill@juno.com

Department's Grant Manager

Name: Collier Clark
Entity: Florida Department of Environmental
Protection
Address: 3900 Commonwealth Boulevard, MS585
City, State, Zip: Tallahassee, Florida 32399-3000
Phone: (850) 245-2501
SunCom Phone: 205-2501
Fax: (850) 245-3038
SunCom Fax: 205-3038
Email: collier.clark@dep.state.fl.us

22. Prior to final reimbursement, the Grantee must erect a permanent information sign on the Project site which credits Project funding or a portion thereof, from the Land and Water Conservation Fund Program through the USDOJ and the Department.
23. The Department and USDOJ have the right to inspect the Project and any and all records related thereto at any reasonable time.
24. This Agreement may be unilaterally canceled by the Department for refusal by the Grantee to allow public access to all documents, papers, letters, or other material made or received by the Grantee in conjunction with this Agreement, unless the records are exempt from Section 24(a) of Article I of the State Constitution and Section 119.07(1), Florida Statutes.
25. Prior to the closing of the Project the Department shall have the right to demand a refund, either in whole or in part, of the LWCF funds provided to the Grantee for non-compliance with the material terms of this Project Agreement. The Grantee, upon such written notification from the Department, shall refund, and shall forthwith pay to the Department, the amount of money demanded by the Department. Interest on any refund shall be calculated and determined pursuant to Section 55.03(1) of the Florida Statutes. Interest shall be calculated from the date(s) of payment(s) to the Grantee by the Department to the date repayment is

made by Grantee.

26. If the United States, acting through the USDO, the Secretary of the Interior, or any other branch of the government of the United States, acting within the scope of its lawful authority, should for any reason demand a refund from the Department, in whole or in part, of the funds provided to the Grantee under the terms of this Project Agreement, the Grantee, upon notification from the Department, agrees to pay the refund and will forthwith repay directly to the Department the amount of money demanded.
27. The Grantee shall comply with all federal, state and local laws, rules, regulations and ordinances in developing this Project. The Grantee acknowledges that this requirement includes compliance with all federal, state and local health and safety rules and regulations including all applicable building codes. The Grantee further agrees to ensure that the Grantee's contract will include the requirements of this paragraph in all subcontracts made to perform this Project Agreement.
28. Competitive open bidding and purchasing for construction of said Project facilities or improvements shall comply with all applicable laws and the Manual. Following completion of Project construction, the Grantee's Liaison Agent shall provide the Department with a statement certifying that all purchases or contracts for construction were competitively bid pursuant to applicable law and the Manual.
29. If asphalt paving is required for the Project it shall conform to the Florida Department of Transportation's specifications for road and bridge construction. Bid specifications, contracts and/or purchase orders of the Grantee must specify thickness of asphalt and square yards to be paved.
30. By acceptance of the provisions of this Project Agreement, the Grantee does hereby agree to dedicate the Project Site and all land within the Project boundaries, identified in Paragraph 2 herein, in perpetuity as an outdoor recreation site for the use and benefit of the public, as stated in s. 62D-5.074(1) of the Rule. Execution of this Project Agreement by the Department shall constitute an acceptance of said dedication on behalf of the general public of the State of Florida. The Grantee represents that it has sufficient site control to enable this dedication. All dedications must be promptly recorded in the county's official public records by the Grantee and Grantee shall provide a certified copy to the Department.
31. The Grantee agrees to operate and maintain the Project site as stated in s. 62D-5.074(2) of the Rule. The Project site, Project-related facilities, and any future outdoor recreation facilities developed on the Project site shall be open to the general public for outdoor recreation use, maintained in accordance with applicable health and safety standards, and kept in good repair to prevent undue deterioration and provide for safe public use. The Grantee covenants that it has full legal authority and financial ability to develop, operate and maintain said Project-related facilities and improvements as specified within the terms of this Project Agreement. The Grantee shall obtain Department approval prior to any

and all current or future development of facilities on the Project site, if said development is not described in Paragraph 3 herein.

32. The Grantee shall not, for any reason, convert all or any portion of the park for any purpose other than public outdoor recreation without prior approval of the USDOJ and the Department pursuant to Section 6(f)(3) of the LWCF Act, the Manual, and s. 62D-5.074(3) of the Rule.
33. Failure to comply with the provisions of the Rule or the terms and conditions of this Agreement will result in cancellation of the Project Agreement by the Department. The Department shall give the Grantee in violation of the Rule or this Project Agreement a notice in writing of the particular violations stating a reasonable time to comply. If the Grantee does not comply or obtain and extension of time within the time period stated in the notice, this Project Agreement shall be automatically terminated.
34. In the event of conflict in the provisions of the Rule, the Project Agreement and the Project Application, the provisions of the Rule shall control over this Project Agreement and this Project Agreement shall control over the Project Application documents.
35. If the Department determines that site control is not sufficient under the Rule or has been compromised, the Department shall give the applicant a notice in writing and a reasonable time to comply. If the deficiency cannot be reasonably corrected within the time specified in the notice, the Department shall cancel this Project Agreement.
36. In accordance with the LWCF Act, Program funds will be made available contingent upon an annual appropriation to each State by Congress. The State of Florida's performance and obligation to pay under this Agreement is contingent upon an annual appropriation of spending authority by the Florida Legislature. The parties hereto understand that this Agreement is not a commitment of future appropriations.
37. A. The Grantee certifies that no Federal appropriated funds have been paid or will be paid by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding, renewal, amending or modifying of any Federal contract, grant, or cooperative agreement. If any non-Federal funds are used for lobbying activities as described above, the Grantee shall submit **Attachment B**, Form DEP 55-221, effective January 2001, "Disclosure of Lobbying Activities" (attached hereto and made a part hereof), and shall file quarterly updates of any material changes. The Grantee shall require the language of this certification to be included in all subcontracts, and all subcontractors shall certify and disclose accordingly. **(43 CFR Part 18)**

- B. In accordance with Section 216.347, Florida Statutes, the Grantee is hereby prohibited from using funds provided by this Agreement for the purpose of lobbying the Legislature, the judicial branch or a state agency.
38. A. No person on the grounds of race, creed, color, national origin, age, sex, marital status or disability, shall be excluded from participation in; be denied the proceeds or benefits of; or be otherwise subjected to discrimination in performance of this Project Agreement.
- B. An entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid on a contract to provide goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not award or perform work as a contractor, supplier, subcontractor, or consultant under contract with any public entity, and may not transact business with any public entity. The Florida Department of Management Services is responsible for maintaining the discriminatory vendor list and intends to post the list on its website. Questions regarding the discriminatory vendor list may be directed to the Florida Department of Management Services, Office of Supplier Diversity at (850) 487-0915.
39. Each party hereto agrees that it shall be solely responsible for the wrongful acts of its employees and agents. However, nothing contained herein shall constitute a waiver by either party of its sovereign immunity or the provisions of s. 768.28, Florida Statutes, and other statutes that provide immunity to the Department or the State.
40. A person or affiliate who has been placed on the convicted vendor list following a conviction for public entity crime may not perform work as a grantee, contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in s. 287.017, Florida Statutes, or Category Two, for a period of 36 months from the date of being placed on the convicted vendor list.
41. A. In accordance with Executive Order 12549, Debarment and Suspension (**43 CFR Part 12.100-.510**), the Grantee shall agree and certify that neither it, nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency; and, that the Grantee shall not knowingly enter into any lower tier contract, or other covered transaction, with a person who is similarly debarred or suspended from participating in this covered transaction, unless authorized in writing by USDOT to the Department.
- B. Upon execution of this Agreement by the Grantee, the Grantee shall complete, sign and return a copy of the form entitled "Certification Regarding Debarments, Suspension, Ineligibility and Voluntary Exclusion -

Lower Tier Federally Funded Transactions", attached hereto and made a part hereof as **Attachment C**.

- C. As required by paragraphs A and B above, the Grantee shall include the language of this section, and **Attachment C** in all subcontracts or lower tier agreements executed to support the Grantee's work under this Agreement.
42. This Project Agreement has been delivered in the State of Florida and shall be construed in accordance with the laws of Florida. Wherever possible, each provision of this Project Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Project Agreement shall be prohibited or invalid under applicable Florida law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Project Agreement. Any action hereon or in connection herewith shall be brought in Leon County, Florida unless prohibited by applicable law.
43. No delay or failure to exercise any right, power or remedy accruing to either party upon breach or default by either party under this Project Agreement, shall impair any such right, power or remedy of either party; nor shall such delay or failure be construed as a waiver of any such breach or default, or any similar breach or default thereafter.
44. This Project Agreement is not intended nor shall it be construed as granting any rights, privileges or interest in any third party without mutual written agreement of the parties hereto.
45. This Project Agreement is an exclusive contract and may not be assigned in whole or in part without the prior written approval of the Department.
46. The parties hereto acknowledge and agree that the provisions contained in paragraphs 15, 23, 30, 31, and 32 shall survive the end date of this Agreement established in paragraph 1.
47. This Project Agreement represents the entire agreement of the parties. Any alterations, variations, changes, modifications or waivers of provisions of this Project Agreement shall only be valid when they have been reduced to writing, duly executed by each of the parties hereto, and attached to the original of this Project Agreement.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, the day and year last written below.

STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

CITY OF MARATHON

By: *Wanda Brantley*
Division Director
Division of Recreation and Parks
and State Liaison Officer
(or designee)

By: *[Signature]*

Jeffrey M. Parks
Printed Name

Mayor
Title

Date: 11-16-04

Date: 10-26-04

FEID No.: 65-0984873

Address:
Office of Information and Recreation
Services (MS 585)
Division of Recreation and Parks
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Address: 10045-55 Overseas Hwy
Marathon FL 33050

[Signature]

DEP Grant Manager

[Signature]

Grantee's Attorney

Approved as to form and legality for use for one year by Suzanne Brantley, Assistant General Counsel on 7/28/04.

Attachments:

- Attachment A - Special Audit Requirements (5 pages)
- Attachment B - Disclosure of Lobbying Activities (2 pages)
- Attachment C - Certification Regarding Debarments/Suspension, etc. (2 pages)

ATTACHMENT A

SPECIAL AUDIT REQUIREMENTS

The administration of resources awarded by the Department of Environmental Protection (*which may be referred to as the "Department", "DEP", "FDEP" or "Grantor", or other name in the contract/agreement*) to the recipient (*which may be referred to as the "Contractor", Grantee" or other name in the contract/agreement*) may be subject to audits and/or monitoring by the Department of Environmental Protection, as described in this attachment.

MONITORING

In addition to reviews of audits conducted in accordance with OMB Circular A-133 and Section 215.97, F.S., as revised (see "AUDITS" below), monitoring procedures may include, but not be limited to, on-site visits by Department staff, limited scope audits as defined by OMB Circular A-133, as revised, and/or other procedures. By entering into this Agreement, the recipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Department of Environmental Protection. In the event the Department of Environmental Protection determines that a limited scope audit of the recipient is appropriate, the recipient agrees to comply with any additional instructions provided by the Department to the recipient regarding such audit. The recipient further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Chief Financial Officer or Auditor General.

AUDITS

PART I: FEDERALLY FUNDED

This part is applicable if the recipient is a State or local government or a non-profit organization as defined in OMB Circular A-133, as revised.

1. In the event that the recipient expends \$300,000 (\$500,000 for fiscal years ending after 12/31/03) or more in Federal awards in its fiscal year, the recipient must have a single or program-specific audit conducted in accordance with the provisions of OMB Circular A-133, as revised. EXHIBIT 1 to this Agreement indicates Federal funds awarded through the Department of Environmental Protection by this Agreement. In determining the Federal awards expended in its fiscal year, the recipient shall consider all sources of Federal awards, including Federal resources received from the Department of Environmental Protection. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, as revised. An audit of the recipient conducted by the Auditor General in accordance with the provisions of OMB Circular A-133, as revised, will meet the requirements of this part.
2. In connection with the audit requirements addressed in Part I, paragraph 1., the recipient shall fulfill the requirements relative to auditee responsibilities as provided in Subpart C of OMB Circular A-133, as revised.
3. If the recipient expends less than \$300,000 (\$500,000 for fiscal years ending after 12/31/03) in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, is not required. In the event that the recipient expends less than \$300,000 (\$500,000 for fiscal years ending after 12/31/03) in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, the cost of the audit must be paid from non-Federal resources (i.e., the cost of such an audit must be paid from recipient resources obtained from other than Federal entities).
4. The recipient may access information regarding the Catalog of Federal Domestic Assistance (CFDA) via the internet at <http://12.46.245.173/cfda/cfda.html>.

PART II: STATE FUNDED

This part is applicable if the recipient is a nonstate entity as defined by Section 215.97(2)(1), Florida Statutes.

1. In the event that the recipient expends a total amount of State financial assistance equal to or in excess of \$300,000 in any fiscal year of such recipient, the recipient must have a State single or project-specific audit for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Executive Office of the Governor and the Chief Financial Officer; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. EXHIBIT 1 to this Agreement indicates State financial assistance awarded through the Department of Environmental Protection by this Agreement. In determining the State financial assistance expended in its fiscal year, the recipient shall consider all sources of State financial assistance, including State financial assistance received from the Department of Environmental Protection, other state agencies, and other nonstate entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a nonstate entity for Federal program matching requirements.
2. In connection with the audit requirements addressed in Part II, paragraph 1, the recipient shall ensure that the audit complies with the requirements of Section 215.97(7), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2)(d), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.
3. If the recipient expends less than \$300,000 in State financial assistance in its fiscal year, an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, is not required. In the event that the recipient expends less than \$300,000 in State financial assistance in its fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the non-State entity's resources (i.e., the cost of such an audit must be paid from the recipient's resources obtained from other than State entities).
4. For information regarding the Florida Catalog of State Financial Assistance (CSFA), a recipient should access the Florida Single Audit Act website located at <http://state.fl.us/fsaa/catalog> or the Governor's Office of Policy and Budget website located at <http://www.myflorida.com/myflorida/government/contacts/opbOffice.html> for assistance. In addition to the above websites, the following websites may be accessed for information: Legislature's Website <http://www.leg.state.fl.us/>, Governor's Website <http://www.myflorida.com/>, Department of Financial Services' Website <http://www.dbf.state.fl.us/> and the Auditor General's Website <http://www.state.fl.us/audgen>.

PART III: OTHER AUDIT REQUIREMENTS

(NOTE: This part would be used to specify any additional audit requirements imposed by the State awarding entity that are solely a matter of that State awarding entity's policy (i.e., the audit is not required by Federal or State laws and is not in conflict with other Federal or State audit requirements). Pursuant to Section 215.97(7)(m), Florida Statutes, State agencies may conduct or arrange for audits of State financial assistance that are in addition to audits conducted in accordance with Section 215.97, Florida Statutes. In such an event, the State awarding agency must arrange for funding the full cost of such additional audits.)

PART IV: REPORT SUBMISSION

1. Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by PART I of this Attachment shall be submitted, when required by Section 320 (d), OMB Circular A-133, as revised, by or on behalf of the recipient directly to each of the following:

- A. The Department of Environmental Protection at the following address:

Audit Director

Florida Department of Environmental Protection
Office of the Inspector General, MS 40
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

- B. The Federal Audit Clearinghouse designated in OMB Circular A-133, as revised (the number of copies required by Sections .320 (d)(1) and (2), OMB Circular A-133, as revised, should be submitted to the Federal Audit Clearinghouse), at the following address:

Federal Audit Clearinghouse
Bureau of the Census
1201 East 10th Street
Jeffersonville, IN 47132

- C. Other Federal agencies and pass-through entities in accordance with Sections .320 (e) and (f), OMB Circular A-133, as revised.

2. Pursuant to Section .320(f), OMB Circular A-133, as revised, the recipient shall submit a copy of the reporting package described in Section .320(c), OMB Circular A-133, as revised, and any management letters issued by the auditor, to the Department of Environmental Protection the following address:

Audit Director

Florida Department of Environmental Protection
Office of the Inspector General, MS 40
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

3. Copies of financial reporting packages required by PART II of this Attachment shall be submitted by or on behalf of the recipient directly to each of the following:

- A. The Department of Environmental Protection at the following address:

Audit Director

Florida Department of Environmental Protection
Office of the Inspector General, MS 40
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

- B. The Auditor General's Office at the following address:

State of Florida Auditor General
Room 401, Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

4. Copies of reports or management letters required by PART III of this Attachment shall be submitted by or on behalf of the recipient directly to the Department of Environmental Protection at the following address:

Audit Director

Florida Department of Environmental Protection
Office of the Inspector General, MS 40
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

5. Any reports, management letters, or other information required to be submitted to the Department of Environmental Protection pursuant to this Agreement shall be submitted timely in accordance with OMB Circular A-133, Florida Statutes, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.
6. Recipients, when submitting financial reporting packages to the Department of Environmental Protection for audits done in accordance with OMB Circular A-133, or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the recipient in correspondence accompanying the reporting package.

PART V: RECORD RETENTION

The recipient shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of 5 years from the date the audit report is issued, and shall allow the Department of Environmental Protection, or its designee, Chief Financial Officer, or Auditor General access to such records upon request. The recipient shall ensure that audit working papers are made available to the Department of Environmental Protection, or its designee, Chief Financial Officer, or Auditor General upon request for a period of 3 years from the date the audit report is issued, unless extended in writing by the Department of Environmental Protection.

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EXHIBIT - 1

FUNDS AWARDED TO THE RECIPIENT PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

Federal Resources Awarded to the Recipient Pursuant to this Agreement Consist of the Following:					
Federal Program Number	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
Original Agreement	U.S. Department of Interior	15.916	Land and Water Conservation Fund	\$200,000.00	140001

State Resources Awarded to the Recipient Pursuant to this Agreement Consist of the Following Matching Resources for Federal Programs:					
Federal Program Number	Federal Agency	CFDA	CFDA Title	Funding Amount	State Appropriation Category

State Resources Awarded to the Recipient Pursuant to this Agreement Consist of the Following Resources Subject to Section 215.97, F.S.:						
State Program Number	Funding Source	State Fiscal Year	CSFA Number	CSFA Title or Funding Source Description	Funding Amount	State Appropriation Category

Total Award				\$200,000.00	
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For each program identified above, the recipient shall comply with the program requirements described in the Catalog of Federal Domestic Assistance (CFDA) [<http://12.46.245.173/cfda/cfda.html>] and/or the Florida Catalog of State Financial Assistance (CSFA) [<http://state.fl.us/fsaa/catalog>]. The services/purposes for which the funds are to be used are included in the Contract scope of services/work. Any match required by the recipient is clearly indicated in the Contract.

ATTACHMENT C

CERTIFICATION REGARDING DEBARMENTS, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-LOWER TIER FEDERALLY FUNDED TRANSACTIONS

DEP AGREEMENT NO: LW491

- 1. The undersigned hereby certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- 2. The undersigned also certifies that it and its principals:
 - (a) Have not within a three-year period preceding this certification been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
 - (b) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph 2.(a) of this Certification; and
 - (c) Have not within a three-year period preceding this certification had one or more public transactions (Federal, State or local) terminated for cause or default.
- 3. Where the undersigned is unable to certify to any of the statements in this certification, an explanation shall be attached to this certification.

Dated this 28th day of October, 2004.

By Susie Thomas
Authorized Signature/Contractor

Project Manager
Typed Name/Title

City of Marathon
Contractor's Firm Name

10045-55 Overseas Highway
Street Address

Building, Suite Number
Marathon, Florida 33050
City/State/Zip Code

305-289-4103
Area Code/Telephone Number

**INSTRUCTIONS FOR CERTIFICATION REGARDING DEBARMENT,
SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-
LOWER TIER FEDERALLY FUNDED TRANSACTIONS**

1. By signing and submitting this form, the certifying party is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the certifying party knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Department of Environmental Protection (DEP) or agencies with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The certifying party shall provide immediate written notice to the person to which this contract is submitted if at any time the certifying party learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this contract is submitted for assistance in obtaining a copy of those regulations.
5. The certifying party agrees by submitting this contract that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier contract, or other covered transaction with a person who is proposed for debarment under 48 CFR 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the DEP or agency with which this transaction originated.
6. The certifying party further agrees by executing this contract that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all contracts or lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (Telephone No. (202) 501-4740 or (202) 501-4873.)
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the DEP or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by the reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee", then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.

GRANT

ACCOUNTABILITY PROCEDURE

EXHIBIT A

Applicability

The "Grant Accountability Procedure" establishes guidelines agreed upon by the parties for utilization in accounting for grant funds disbursed through grant programs administered by the Bureau of Design and Recreation Services, Division of Recreation and Parks, Department of Environmental Protection (hereinafter "Bureau") for the mutual benefit of the parties. These procedures set forth principles for determining eligible costs, supporting documentation, and minimum reporting requirements to assist both parties in receiving appropriate and timely payment by the Office of the Comptroller.

Disbursement of Funds

Funds shall be disbursed by the Bureau in accordance with good cash management principles. Grant funds shall be disbursed as set forth within the agreement and provided for by law. The Bureau shall retain up to 10% of its obligation in order to insure compliance with agreement terms and conditions. Retained funds shall be released upon satisfactory completion of said terms and conditions. Disbursement terms shall be negotiated by

the parties prior to execution of the agreement and shall be clearly identified in the agreement between the Department and grantee.

Reimbursable Costs

To be eligible for payment under a project grant agreement, costs must be necessary and reasonable for accomplishment of the project and be directly allocable thereto pursuant to State or Federal laws, rules, or regulations. Cost must be incurred and work performed within the agreement period with the exception of preagreement costs allowed by law or rule and specifically identified within the agreement. Costs cannot be allocable to or included as a cost of any other State or Federally-financed program unless clearly specified in the agreement. Costs must be net of all applicable credits such as purchase discounts, allowances, sales of scrap, and income from incidental services.

The following paragraphs identify eligible and ineligible costs under actual cost contracts subject to any limitations of State or Federal law.

Contractual Services

Services provided for a grantee by private or independent contractors shall be evidenced by a formal agreement or contract executed by all appropriate parties specifying the exact terms

and conditions. Competitive bid specifications and actual bids received shall be maintained by the grantee. The Contractual Services Purchases Schedule FPS-040, attached hereto and incorporated herein as Attachment 1, shall accompany payment requests for contractual services. The contractor's name, check or voucher number, contract invoice number, a general description of the services provided, and related project element shall be reported.

- Eligible Contract costs are costs of work performed by private or independent contractors that are directly related to the accomplishment of the project.

Ineligible Contract costs are costs for work performed by private or independent contractors or consultants pursuant to cost plus or contingency fee contracts.

Salaries and Wages

Payroll registers or journals, payroll warrants, and other financial source documents shall be maintained to substantiate the rates of pay and actual payments to grantee employees. Hours of work reported for grantee employees shall be supported by individual time records, project activity reports, or other operational cost records signed by the immediate field supervisor (foreman) or higher official. These record shall reflect the general categories of work performed. The Grantee Labor Cost

Schedule FPS-A041, attached hereto and incorporated herein as Attachment 2, shall accompany payment requests for reimbursement of salaries and wages of grantee employees. The following information shall be reported:

- a. Last name of employee, initial, and social security number;
- b. Job classification and description of work performed;
- c. Project hours this billing;
- d. Rate of pay;
- e. Labor cost this billing; and

Eligible salaries and wages of employees are those paid by grantee for the performance of work directly related to the accomplishment of the project. Hourly wage rates shall be calculated by dividing the employee's regular gross annual salary for pay purposes by 2,080 gross annual work hours. Overtime charges for such employees shall be eligible costs provided they are necessary. Overtime charges shall be computed in accordance with the grantee's normal procedures for payment of overtime to employees.

Ineligible salaries and wages are those of employees responsible for administration and general activities who do not perform work directly related to accomplishment of the project;

salaries and wages of employees paid for vacation, sick leave, or holidays, except as otherwise allowed herein; and salaries and wages of employees performing routine daily servicing of equipment, including general maintenance and repair work.

Employee Benefits

Calculations and supporting documentation used to determine the actual cost percentages incurred by the grantee for employee benefits shall be maintained by the grantee. Employee benefits shall be reported as a line item on payment requests.

Eligible employee benefits are the percentage of eligible salaries and wages of grantee employees allowed as a reasonable reimbursement for benefits. The allowable percentage shall be calculated based on one of the following methods:

- I. A maximum of 15% of eligible salaries and wages of employees who accrue annual, sick, and holiday leave from the grantee; plus a maximum of 25% of eligible salaries and wages of employees who receive other benefits (such as FICA retirement, health and life insurance, and workers compensation) from the grantee;
or
- II. The actual cost percentage incurred by the grantee for employee benefits, if greater than the maximum of 40%

as in (I) above, provided that the actual cost percentage can be documented by the grantee.

Ineligible employee benefits are those in excess of the rates as established by either of the above methods.

Materials and Supplies

Direct Purchases: Vendor invoices shall be maintained that include a description of the items and quantity purchased, unit cost and total cost, less applicable discounts. Invoices shall also contain the delivery date, signature of an employee assigned to work on the project, and description of the general use for such materials or supplies. Purchase orders, requisitions, and competitive bid documentation, as applicable, shall be maintained by the grantee for such purchases. Canceled warrants shall be maintained as evidence of payment for such purchases. The Direct Material Purchases Schedule FPS-A042, attached hereto and incorporated herein as Attachment 3, shall accompany payment requests for direct material purchases. The vendor's name, check or voucher number, vendor invoice number, cost, a general description of items purchased, and related project elements shall be reported.

Eligible costs of materials and supplies are those consumed or expended in accomplishing the project, including

direct purchases from vendors and withdrawals from grantee's stock, and clothing of employees worn for safety purposes.

Ineligible costs are those for small tools (e.g. shovels, saws, hammers, drills); clothing or uniforms worn by employees, except clothing worn for safety purposes; and operating, expendable, or replacement parts purchased for grantee-owned equipment used on the project.

Equipment

Equipment usage logs, project activity reports, or other operational cost reports shall be maintained to reflect the daily use of each piece of equipment. These records shall reflect the general work performed, the name of the equipment operator, and the actual dates and hours of use. These records shall be signed by the immediate field supervisor (foreman) or higher official. Invoices and other documentation, such as canceled checks and purchase orders, shall be maintained to support charges for rental costs of equipment obtained from independent sources. The Grantee Equipment Cost Schedule FPS-A044, attached hereto and incorporated herein as Attachment 4, shall accompany payment request for equipment rental costs or for utilization of grantee-owned equipment. The report (form) shall include the type of equipment and general use, rates or rental costs, actual operating hours, and operating allowances.

Eligible costs are all reasonable costs for rental or use of equipment which is required to be used or kept available at the site for accomplishment of the project, except as otherwise specified herein. Such costs shall be computed as follows:

- I. The actual cost incurred for the rental of equipment by the grantee from independent sources for the time such equipment is used or required to be available to accomplish the project.
- II. Rental rates for the use of grantee-owned equipment, provided the use of each piece of equipment is necessary for accomplishment of the project.

Ineligible costs are costs of repairs or servicing of grantee-owned equipment; rental charges incurred subsequent to the need for a piece of equipment for the project; and purchase of equipment for accomplishment of the project.

Grantee Stock

Materials or supplies taken from grantee's stock or inventory shall be supported by material requisitions or other project cost records signed by the storekeeper and an employee assigned to work on the project. These source documents shall

describe items in detail and identify the general use of such materials in the project. Appropriate records (e.g., vendor invoices, canceled checks) shall be maintained to support unit costs of the materials based upon the grantee's inventory evaluation. An inventory system with procedures and records in accordance with generally accepted accounting principles should be maintained by the grantee. No warehouse or overhead charges added by the grantee shall be allowed. The Grantee Stock Material Cost Schedule FPS-A043, attached hereto and incorporated herein as Attachment 5, shall accompany payment requests for materials utilized from the grantee's stock or inventories. The material requisition date and number, general description of materials used, and applicable costs shall be reported on the form.

Indirect Costs

Indirect costs shall be calculated at the approved rate and shall be reported as a line item on payment requests. No specific supporting documentation need be supplied for an approved cost rate unless otherwise specified in the agreement.

Eligible costs are the percentage of costs incurred by the grantee which shall not exceed fifteen percent (15%) of eligible salaries and wages of grantee employees (not to include employee benefits), is eligible as indirect costs. The Bureau is

authorized to approve a greater rate when an agency documents the need for such rate using generally accepted accounting standards, or when a greater rate is required for the administration of federal funds, except that no rate shall exceed that established by law.

Ineligible costs are Indirect costs in excess of the rate established by statute or these procedures.

Record Retention and Audits

The agreement executed between the Department and grantee establishes the eligible costs, supporting documentation, and billing requirements for the project. In addition to the billing requirements contained in the agreement, grantees, upon request of the Auditor General, Inspector General, or Comptroller of the State of Florida, pursuant to their statutory authority, or the Department, shall supply documentation (such as payrolls, paid invoices, canceled checks, indirect cost calculations) to support their billings. Costs connected with the solicitation or receipt of a grant or contract shall be the responsibility of the grantee and are not eligible for payment, except for allowed planning expenses set forth in the Agreement or in the law governing the programs administered by the Bureau.

The grantee shall retain all original records in support of project costs included in the payment requests for three fiscal

years after the fiscal year in which final grant payment was made to the grantee, except that such records shall be retained until resolution of matters resulting from any litigation, claim, or audit that started prior to the expiration of the three-year retention period.

All records of the grantee in support of project costs included in payment requests shall be subject to review by the Bureau, the Auditor General, Inspector General, State Comptroller, federal auditors, or others who may be authorized by law to audit the records of the Bureau which involve the grantee. Records of the grantee shall be made available at a reasonable time and place at no cost to the auditor unless otherwise required by law.