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Modification Number 2 to Subgrant Agreement Between the Florida Department of Commerce and the City of Chipley, Florida

This Modification Number 2 is entered into by and between the State of Florida, Department of Commerce, ("Commerce"), and the City of Chipley, Florida ("the Recipient"), (each individually a "Party" and collectively the "Parties").

WHEREAS, Commerce and the Recipient entered into **Contract Number** 23DB-N30, **FLAIR Contract Number** H2567, on June 15, 2023 ("the Agreement"), pursuant to which Commerce provided a subgrant in the amount of $700,000.00 to the Recipient under the Small Cities Community Development Block Grant ("CDBG") Program as set forth in the Agreement;

WHEREAS, Paragraph (4) Modification of Agreement, of the Agreement provides that modifications to the Agreement shall be valid when executed in writing by both Parties;

WHEREAS, Commerce and the Recipient desire to modify the Agreement;

NOW, THEREFORE, in consideration of the mutual promises of the parties contained herein, the parties agree as follows:

☐ **Revise the Activity Work Plan**

1. Attachment __, Activity Work Plan, of the Subgrant Agreement is hereby deleted and is replaced by the revised Attachment __, which is attached hereto and incorporated herein by reference.

☐ **Revise the Project Budget**

2. Attachment A, _____, of the Subgrant Agreement is hereby deleted and is replaced by the revised Attachment A, which is attached hereto and incorporated herein by reference.

☐ **Revise the Project Narrative**

3. Attachment A, Project Narrative, of the Subgrant Agreement is hereby deleted and is replaced by the revised Attachment A, which is attached hereto and incorporated herein by reference.

☐ **Change the Number of Accomplishments and/or Beneficiaries**

4. Attachments _____ of the Subgrant Agreement are hereby deleted and are replaced by the revised Attachments _____, which are attached hereto and incorporated herein by reference.

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☐ **Include an Unaddressed Need from the Application for Funding as Addressed Need**

5. Attachments _____ of the Subgrant Agreement are hereby deleted and are replaced by the revised Attachments _____, which are attached hereto and incorporated herein by reference.

☐ **Change the Participating Parties**

6. (Type in the name of firm), is removed as a Participating Party to the Subgrant Agreement.

7. (Type in the name of new firm) is added as a Participating Party to the Subgrant Agreement. A copy of the new Participating Party Agreement, containing provisions and caveats that meet or exceed the conditions agreed to in the original Participating Party Agreement, is attached.

☒ **Extend the Agreement**

8. Paragraph (3) titled Period of Agreement on page 1 of the Subgrant Agreement is hereby deleted and replaced by the following Paragraph (3):

(3) Period of Agreement

This Agreement begins on January 1, 2023, (the "Effective Date") and ends on January 31, 2027, unless otherwise terminated as provided in this Agreement. Commerce shall not grant any extension of this Agreement unless the Recipient provides justification satisfactory to Commerce in its sole discretion, and Commerce's Deputy Secretary of the Division of Community Development approves such extension. The justification must document that project delays are due to events beyond the Recipient's control, and include a performance plan that demonstrates the Recipient's capacity to perform and complete the remaining project tasks within the extension period. Commerce will also take into consideration the Recipient's progress and verifiable achievements at Commerce's sole and absolute discretion. Upon expiration or termination of this Agreement, the Recipient shall follow the agreement closeout procedures set forth in Attachment H.

☒ **Other:**

9. The Agreement is hereby reinstated as though it had not expired if this amendment if not fully executed before the expiration of the Agreement.

10. Section (6), Audit Requirement, Subsection (a)&(c), is hereby deleted and replaced with the following:

(a)The Recipient shall conduct a single or program-specific audit in accordance with the provisions of 2 C.F.R. part 200 if it expends $1,000,000 or more in Federal awards from all sources during its fiscal year.

(c) Within 60 calendar days of the close of the fiscal year, on an annual basis, the Recipient shall electronically submit a completed Audit Compliance Certification, a blank version of which is attached

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hereto as Attachment K, to audit@commerce.fl.gov. The Recipient's timely submittal of one completed

Audit Compliance Certification for each applicable fiscal year will fulfill this requirement within all agreements (e.g., contracts, grants, memorandums of understanding, memorandums of agreement, economic incentive award agreements, etc.) between Commerce and the Recipient. This form is in addition to the Audit Certification Memo, Form SC-47, that must be sent to Commerce if an audit is not required because the local government spent less than $1,000,000 in Federal funds during the fiscal year.

10. Section (17), Attachments, Subsection (b), is hereby amended to add the following:

Attachment L –PUR 2024: Use of Coercion for Labor or Services and PUR 2023: Provision of Commodities Produced by Forced Labor

11. This Agreement is hereby amended to add the following:

(29) Contracting with Entities of Foreign Countries of Concern Prohibited:
If applicable and in accordance with section 287.138, F.S., a contract between a governmental entity and an entity which would give access to an individual's personal identifying information which is executed, extended, or renewed on or after the dates provided in section 287.138(4), F.S., must include an attestation by the entity on Form PUR 1355, "Foreign Country of Concern Attestation Form," which is incorporated herein by reference.

Prior to execution of this Agreement, Recipient must provide Commerce with a signed Foreign Country of Concern Attestation Form pursuant to section 287.138(4), F.S., and rule 60A-1.020, Florida Administrative Code (F.A.C.).

(30) Foreign Influence
In accordance with section 286.101, F.S., if this Contract has a value of $100,000 or more, Recipient shall disclose to Commerce any current or prior interest of, any contract with, or any grant or gift received from a foreign country of concern if such interest, contract, or grant or gift has a value of $50,000 or more and such interest existed at any time or such contract or grant or gift was received or in force at any time during the previous five (5) years. The disclosure requirements are more fully defined within the statute. Recipient represents that it is, and for the duration of this Agreement will remain, in compliance with section 286.101, F.S.

(31) Human Trafficking and Forced Labor

If applicable and in accordance with section 287.1346(4)(b), F.S. and 787.06, F.S., when an agreement is executed, renewed, or extended between a nongovernmental entity and a governmental entity, the nongovernmental entity must provide the governmental entity with an affidavit signed by an officer or a representative of the nongovernmental entity under penalty of perjury attesting that the nongovernmental entity does not use coercion for labor or services or that commodities offered to Commerce have not been produced, in whole or in part, by forced labor as defined in statute.

If applicable, Recipient must provide Commerce with an affidavit signed by an officer or a representative of Recipient on Forms PUR 2023, "Provision of Commodities Produced by Forced Labor" and/or PUR

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2024, "Use of Coercion for Labor or Services Attestation Form," which are incorporated herein by reference under penalty of perjury (Attachment L) attesting that the Recipient does not use coercion for labor or services or that commodities offered to Commerce have not been produced, in whole or in part, by forced labor as defined in statute. Commerce may terminate this Agreement at its sole option if Recipient is placed on the forced labor vendor list pursuant to s. 287.1346, F.S.

12. Attachment J, Audit Requirements, is hereby deleted in its entirety and replaced with the following Attachment J – Audit Requirements.

13. Attachment K, Audit Compliance Certification, is hereby deleted in its entirety and replaced with the following Attachment K- Audit Compliance Certification.

14. This Agreement is hereby amended to add the attached Attachment L- PUR 2024: Use of Coercion for Labor or Services and PUR 2023: Provision of Commodities Produced by Forced Labor.

All provisions of the Subgrant Agreement and any attachments thereto in conflict with this Modification shall be and are hereby changed to conform to this Modification, effective as of the date of the execution of this Modification by both parties.

All provisions not in conflict with this Modification remain in full force and effect and are to be performed at the level specified in the Agreement.

(Remainder of this page is intentionally blank.)

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Recipient: City of Chipley, Florida

Modification Number: 2

Commerce Contract Number: 23DB-N30

FLAIR Contract Number: H2567

IN WITNESS WHEREOF, the parties hereto have executed this document as of the dates set herein.

State of Florida
Department of Commerce

By: _____

Name: J. Alex Kelly

Title: Secretary

Date: _____

Recipient: City of Chipley, Florida

By: _____

Name: Tracy Andrews

Title: Mayor

Date: _____

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

Office of the General Counsel
Florida Department of Commerce

By: _____

Approved Date: _____

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Attachment J – Audit Requirement

The administration of resources awarded by Commerce to the Recipient may be subject to audits and/or monitoring by Commerce as described in this section.

MONITORING

In addition to reviews of audits conducted in accordance with 2 C.F.R. 200 Subpart F (Audit Requirements) and section 215.97, F.S., as revised (see "AUDITS" below), monitoring procedures may include, but not be limited to, on-site visits by Commerce staff, limited scope audits as defined by 2 C.F.R. part 200, 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 Commerce. In the event Commerce determines that a limited scope audit of the Recipient is appropriate, the Recipient agrees to comply with any additional instructions provided by Commerce staff 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 (CFO) 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 2 C.F.R. part 200, as revised.

1. In the event that the Recipient expends $1,000,000 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 2 CFR 200 Subpart F (Audit Requirements), as revised. In determining the federal awards expended in its fiscal year, the Recipient shall consider all sources of federal awards, including federal resources received from Commerce. The determination of amounts of federal awards expended should be in accordance with the guidelines established by 2 C.F.R. 200 Subpart F (Audit Requirements), as revised. An audit of the Recipient conducted by the Auditor General in accordance with the provisions of 2 C.F.R. 200 Subpart F (Audit Requirements), 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 2 C.F.R. 200 Subpart F (Audit Requirements), as revised.

3. If the Recipient expends less than $1,000,000 in federal awards in its fiscal year, an audit conducted in accordance with the provisions of 2 C.F.R. 200 Subpart F (Audit Requirements), as revised, is not required. In the event that the Recipient expends less than $1,000,000 in federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of 2 C.F.R. 200 Subpart F (Audit Requirements), 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).

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4. Although 2 C.F.R. 200 Subpart F (Audit Requirements) does not apply to commercial (for-profit) organizations, the pass-through entity has an obligation to ensure that for-profit Sub-recipients that expend $1,000,000 or more in federal awards must comply with federal awards guidelines (see 2 C.F.R. 200.501(h)). Additionally, for-profit entities may be subject to certain specific audit requirements of individual federal grantor agencies.

Additional Federal Single Audit Act resources can be found at:

https://harvester.census.gov/facweb/Resources.aspx

PART II: STATE FUNDED

This part is applicable if the Recipient is a non-state entity as defined by section 215.97(2), F.S.

1. In the event that the Recipient expends a total amount of state financial assistance equal to or in excess of $750,000 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, F.S.; applicable rules of the Department of Financial Services; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. 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 Commerce, other state agencies, and other non-state entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a non-state 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(8), F.S. This includes submission of a financial reporting package as defined by section 215.97(2), F.S., 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 $750,000 in state financial assistance in its fiscal year, an audit conducted in accordance with the provisions of section 215.97, F.S., is not required. In the event that the Recipient expends less than $750,000 in state financial assistance in its fiscal year and elects to have an audit conducted in accordance with the provisions of section 215.97, F.S., 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).

Additional information regarding the Florida Single Audit Act can be found at:

https://apps.fldfs.com/fsaa/

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(8), F.S., 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, F.S. In such an event, the State awarding agency must arrange for funding the full cost of such additional audits.)

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N/A

PART IV: REPORT SUBMISSION

1. Copies of reporting packages, to include any management letter issued by the auditor, for audits conducted in accordance with 2 C.F.R. 200 Subpart F (Audit Requirements), as revised, and required by PART I of this Exhibit Agreement shall be submitted by or on behalf of the Recipient directly to each of the following at the address indicated:

   A. Florida Department of Commerce
   Financial Monitoring and Accountability (FMA)
   The copy submitted to the FMA section should be sent via email to:
   FMARWB@commerce.fl.gov

   B. The Federal Audit Clearinghouse designated in 2 C.F.R. 200 Subpart F (Audit Requirements), as revised, electronically at: https://harvester.census.gov/facweb/

2. Copies of audit reports for audits conducted in accordance with 2 C.F.R. 200 Subpart F (Audit Requirements), as revised, and required by Part I (in correspondence accompanying the audit report, indicate the date that the Recipient received the audit report); copies of the reporting package described in Section .512(c), 2 C.F.R. 200 Subpart F (Audit Requirements), as revised, and any management letters issued by the auditor; copies of reports required by Part II of this Exhibit must be sent to Commerce at the addresses listed in paragraph three (3) below.

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

   A. Commerce at the following address:

   Electronic copies: Audit@commerce.fl.gov

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

   Auditor General
   Local Government Audits/342
   Claude Pepper Building, Room 401
   111 West Madison Street
   Tallahassee, FL 32399-1450

   Email Address: flaudgen_localgovt@aud.state.fl.us

4. Any reports, management letter, or other information required to be submitted to Commerce pursuant to this Agreement shall be submitted timely in accordance with 2 C.F.R. part 200 subpart F, section 215.97 F.S., and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

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5. Recipients and Sub-recipients, when submitting financial reporting packages to Commerce for audits done in accordance with Chapter 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/Sub-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 five (5) years from the date the audit report is issued, or five (5) state fiscal years after all reporting requirements are satisfied and final payments have been received, or for a period of three (3) years from the date that Commerce closes out the CDBG program year(s) from which the funds were awarded by the U.S. Department of Housing and Urban Development, whichever period is longer, and shall allow Commerce, or its designee, the Chief Financial Officer (CFO), or Auditor General access to such records upon request. In addition, if any litigation, claim, negotiation, audit, or other action involving the records has been started prior to the expiration of the controlling period as identified above, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the controlling period as identified above, whichever is longer. The Recipient shall ensure that audit working papers are made available to Commerce, or its designee, CFO, or Auditor General upon request for a period of five (5) years from the date the audit report is issued, unless extended in writing by Commerce.

(Remainder of this page is intentionally blank.)

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Modification to Subgrant Agreement

Small Cities CDBG Program
Form SC-44

Attachment K - Audit Compliance Certification

Email a copy of this form within 60 days of the end of each fiscal year in which this subgrant was open to audit@commerce.fl.gov***.***	
Recipient:	
Unique ID #	Recipient's Fiscal Year:
Contact Name:	Contact's Phone:
Contact's Email:	

1. Did the Recipient expend state financial assistance, during its fiscal year, that it received under any agreement (e.g., contract, grant, memorandum of agreement, memorandum of understanding, economic incentive award agreement, etc.) between the Recipient and the Florida Department of Commerce (Commerce)? ☐ Yes ☐ No

   If the above answer is yes, answer the following before proceeding to item 2.

   Did the Recipient expend $750,000 or more of state financial assistance (from Commerce and all other sources of state financial assistance combined) during its fiscal year? ☐ Yes ☐ No

   If yes, the Recipient certifies that it will timely comply with all applicable State single or project-specific audit requirements of section 215.97, Florida Statutes, and the applicable rules of the Department of Financial Services and the Auditor General.

2. Did the Recipient expend federal awards during its fiscal year that it received under any agreement (e.g., contract, grant, memorandum of agreement, memorandum of understanding, economic incentive award agreement, etc.) between the Recipient and Commerce? ☐ Yes ☐ No

   If the above answer is yes, also answer the following before proceeding to execution of this certification:

   Did the Recipient expend $1,000,000 or more in federal awards (from Commerce and all other sources of federal awards combined) during its fiscal year? ☐ Yes ☐ No

   If yes, the Recipient certifies that it will timely comply with all applicable single or program-specific audit requirements of 2 C.F.R. part 200, subpart F, as revised.

By signing below, I certify, on behalf of the Recipient, that the above representations for items 1 and 2 are true and correct.

Signature of Authorized Representative	Date
Printed Name of Authorized Representative	Title of Authorized Representative

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Attachment L

PUR 2024: Use of Coercion for Labor or Services

Pursuant to section 787.06(14), Florida Statutes, this portion of the form **must be completed by an officer or representative of the nongovernmental entity** executing, renewing, or extending a contract with a governmental entity.

The entity named below does not use coercion for labor or services as defined in section 787.06, Florida Statutes.

Under penalties of perjury, I declare that I have read the foregoing statement and that the facts stated in it are true.

Entity Name:

Representative/Officer's Printed Name:

Representative/Officer's Title:

Signature: Date:

PUR 2023: Provision of Commodities Produced by Forced Labor

Pursuant to section 287.1346(4)(b), Florida Statutes, this portion of the form **must be completed by a member of the company's senior management, as defined in section 287.1346, F.S.,** when the company submits a response to a solicitation for the provision of commodities and before the company enters into or renews a contract for the provision of commodities.

As defined in section 287.1346(c), Florida Statutes, "Senior management" includes chief executive officers; assistant chief executive officers, including, but not limited to, assistant presidents, vice presidents, or assistant treasurers; chief financial officers; chief personnel officers; or any employee of an entity performing similar functions.

I certify that to the best of my knowledge, the commodities the entity named below is offering to the Department have not been produced, in whole or in part, by forced labor.

Entity Name:

Senior Management's Printed Name:

Senior Management Member's Title:

Signature: Date: