

Quality Assurance/Quality Control Plan CDBG Funded Projects



May 2023

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Introduction

The purpose of these Quality Assurance/Quality Control (QA/QC) procedures are to assure The Town of Eatonville (Town) projects funded in whole or partially through the Community Development Block Grant (CDBG) program meet quality, performance measures and with rules, regulations, statutes, laws, best practices and requirements identified by the federal government, the State of Florida and those incorporated in the Town's contractual agreement with the Florida Department of Economic Opportunity (DEO) while reducing the risks of HUD and DEO CDBG-MIT program non-conformance. The Town will exercise impartial, unbiased and professional and balanced assessment/care when completing their QA/QC reviews and are not unduly influenced by their own interests or by others in forming judgements. This document is the general approach for compliance of the Town's CDBG program, establishing monitoring practices and oversight of professional services to meet acceptable standards of professional practices and be based on sound engineering and science fundamentals and principles of all program areas including:

- Self-Evaluation
- Eligible Activities and National Objective
- Duplication of Benefits
- Procurements
- Environmental Review
- Acquisition
- Financial Systems and Financial Management
- Monitoring
- Project Progress and Amendments
- Construction Related (Labor Standards Compliance/Engineer Specialist
- Civil Rights (Fair Housing, EEO, MWBE, Section 504, and Section 3)
- Reporting
- Complaints
- Records Retention
- Public Records Requests

1.0 Self-Evaluation, Capacity and Monitoring Plan

The City will, upon receipt of notification of award or receipt of an executed CDBG agreement, evaluate its capacity, staffing, grant management history, financial systems and fiscal history (i.e. any previous financial monitoring findings or concerns from previous grants and/or audit findings or compliance issues) and coupled with DEO's Risk Assessment will put into place strategic adjustments that supplement the City's existing capacity. These adjustments may include such actions as purchasing updated accounting software, hiring additional staff or hiring consultants. In addition, to these adjustments, the City will adhere to and participate in monitoring in accordance with DEO's monitoring plan. The City will exhibit the highest level of professional objectivity in gathering, evaluation and communicating information, finding, and conclusion about the processes and data being examined.

2.0 Eligible Activities and Meeting a National Objective

The City will take the appropriate steps to ensure that only eligible activities are addressed with CDBG funds and that projects paid for with these grant funds meet a National Objective. Activities approved through the project's application and contracting with DEO are assumed to meet the tests for being eligible activities and for meeting a National Objective. Any changes in the activities, beneficiaries and scope of work will require reviews by City staff and DEO to determine the eligibility of activities and whether or not a project continues to meet a National Object. Projects that provide direct benefit to residents, such as housing rehabilitation will require the beneficiaries to provide substantial documentation of household income to ensure they are low-to-moderate income, or in the case of work on a multi-unit housing project documentation confirming that at least 51% of the units are occupied by person from low-to moderate income and/or will be or remain available and affordable to persons from low-to moderate income households.

3.0 Duplication of Benefits

The City will take ongoing measures to ensure that there is no Duplication of Benefits (DOB) utilizing the CDBG funds. For Disaster Recovery projects the City will adhere to the requirements of the Stafford Act to avoid DOB. A DOB occurs when a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need for assistance. Within the CDBG program, all grantees are bound by Section 312 of the Stafford Act, as amended by the DRRRA, and the OMB Cost

Principles within 2 C.F.R. § 200 that requires all costs to be “necessary and reasonable for the performance of the Federal award.”

The Town will ensure that no DOB occurs by:

1. **Assessing Need:** Determine the amount of need (total cost) to accomplish a project.
2. **Determining Available Assistance:** Determine the amount of assistance that has or will be provided from all sources to pay for the cost of the project.
3. **Calculating Unmet Need:** Determine the amount of assistance already provided compared to the need to determine the maximum CDBG award (unmet need)
4. **Documenting the Analysis:** Document calculation and maintain adequate documentation justifying determination of maximum award.

Additionally, the Town will adhere to the Disaster Recovery Subrogation Agreement, enclosed in the CDBG agreement, and cooperate with DEO in its prescribed monitoring for and recovery of dollars that are deemed a DOB.

4.0 Procurement

The Town will follow 2 CFR 200.317-326 and the Town's adopted and DEO approved Procurement Policy for all procurements funded by CDBG. Additionally, the Town will adhere to the requirements of Section 287.055 Florida Statutes when conducting procurements for professional services such as grant administration engineering. The Town will advertise its procurements for CDBG funded work and services in a regional Metropolitan Statistical Area newspaper of general circulation. Construction procurements will additionally adhere to Sections 255.05 (bonding), 255.0525 and DEO requirements (advertising times). Requests for Proposals, at a minimum, must be advertised at least twelve (12) days prior to the deadline for receipt of proposals.

The Town will make every effort to ensure that no conflicts of interest occur in the procurements process. Town elected officials and staff will be required to divulge any potential conflicts of interest and will be required to remove themselves from the process and abstain from participation in any procurements where an actual or a perceived conflict of interest exists. In the event of any bid protest, the Town will

follow the procedure as outlined in Section 127.57(3) Florida Statutes and will notify its DEO contract manager immediately of any protests it receives. The Town will communicate any other procurement challenges or problems to its DEO contract manager immediately. The Town will ensure that it has an E-Verify Memorandum of Understanding (MOU) and will include a requirement in all contracts with contractors, subcontractors, consultants and subrecipients, funded with CDBG funds, to utilize the U.S. Department of Homeland Security's E-verify system (E-Verify) to verify employment eligibility of all new employees hired during the term of the CDBG agreement. Additionally, the Town will utilize E-Verify for any new employees it hires during the Grant Period. The Town will include the Section 3 Clause in all contracts with contractors, subcontractors, consultants and subrecipients that are \$100,000 or more.

5.0 Environmental Review

Prior to the expenditure of any CDBG funded project, other than the allowable expenditures for administration, the Town will complete a HUD required Environmental Review that meets the requirements of 24 CFR Part 58. While additional environmental reviews, studies or reports (such as a Phase I and Phase II Environmental Study typically conducted by an engineer) may be required and may also be needed for the HUD Environmental Review, the Town understands that these reviews, studies and reports are not a substitute for the HUD required Environmental Review. The Town understands that any expenditure of or commitment to expend CDBG funds (other than the allowable \$5,000 for initial administration) prior to its receipt of DEO's Authority to Use Grants Funds will not be eligible for payment or reimbursement with CDBG funds. Commitments to expend funds include but are not limited to the actual expenditure of funds, construction bidding and/or award, and agreements to acquire property.

6.0 Acquisition and Displacement/Relocation

The Town will adhere to 49 CFR Part 24, the Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs when purchasing property for a CDBG, regardless of the source of the funding. Additionally, the Town will make every effort to avoid CDBG funded projects that displace people or businesses. In instances where the CDBG funded project will displace persons or businesses, the Town will ensure that those displaced are accommodated as directed and required in the regulations.

7.0 Financial Managements Systems and Financial Management

The Town will manage all financial aspects of the CDBG program by ensuring that its financial systems and staff are structured in a manner that ensures optimal accountability and adheres to federal and state accounting requirements. All CDBG awards will be included in the Town's budget. A staffing system will be structured that ensures, to the extent possible, segregation of duties in the financial processes.

In instances where non-CDBG funding will be used with CDBG funding, the funding sources and uses will be clearly represented as separate funding streams and expenses in the Town's accounting systems. The Town's accounting system or subset of the same will be structured in a manner that reports budget to actual expenditures, detailed check/expenditure registers, and cash balance reporting and expenditures by request for funds.

The Town will ensure that there is no comingling of funds by placing CDBG funds in a separate bank account or by demonstrating that its accounting system has sufficient capacity and internal controls to separately track the receipts and expenditures of the CDBG grant. For CDBG projects that are funded through an advance process, the Town will ensure that these CDBG funds will be maintained in a separate non-interest-bearing account.

The Town will return any program income generated after the closeout of the CDBG agreement to DEO. The Town also understands that any program income generated prior to closeout must be returned to DEO unless the program income can be used for additional units of CDBG activities that are specified in a modification to the agreement executed prior to the closeout. It is also understood that program income included in the project by modification to the agreement must be used in accordance with 2 C.F.R. part 200, 24 C.F.R. part 570.504 and the terms of the CDBG agreement.

The Town will submit requests for funds through the DEO Subrecipient Enterprise Resource Application (SERA) system. To ensure the timely expenditure of CDBG funds the Town will submit requests for funds on a regular basis and in accordance with the CDBG agreement's Scope of Work, Project Detail Budget and Activity Work Plans. These request for funds will include a signed invoice from the Town as well as all contractor invoices, cancelled checks and other documentation required by DEO that supports the expenditures reflected in the Town's invoice.

The Town will maintain detailed and organized financial records and will be prepared to provide the same for DEO monitoring and annual audits. For years that the Town expends \$750,000 or more in federal funds, it will submit a Single Act or Program Specific Audit to DEO and the Florida Auditor General no later than June 30. For years that the Town expends less than \$750,000 in federal funds, it will submit a DEO Audit Certification Memo to DEO no later than June 30. Additionally, the Town will submit an Audit Compliance Certification (an attachment to the CDBG agreement) no later than sixty (60) calendar days following the end of its fiscal year. The Town will respond in a timely manner to any potential DEO financial monitoring findings or concerns and to any potential audit findings or issues.

8.0 Monitoring

The Town, on an ongoing basis, within the terms of the CDBG-MIT Grant Agreement and DEO and HUD guidelines set by DEO and HUD, create a QA/QC team that will monitor, comply with monitoring requirements, identify potential compliance issues and implement best practices for CDBG-MIT program managements. The team will maintain a complete and accurate record of both Observations/Concerns, Finding/Material Exceptions all review/monitoring reviews conducted internally in order to ensure:

1. Adherence to the requirements of the CDBG agreement, as well as state and federal requirements;
2. Classify findings according to their potential impact on the outcome of the CDBG Grant Program/Project by Observation/Concerns and Finding/Material Exceptions;
3. Adequate efforts are made, and actions taken to Affirmatively Further Fair Housing, that additional efforts are made toward Affirmative Action, enhancing opportunities for minority and women business enterprises (MWBE) in procurements, ensuring program access for handicap persons (Section 504), as well as staffing and beneficiaries, and proactive approaches to providing opportunities to low to moderate income persons (Section 3);
4. The project's timely progress as it relates to the agreement's Milestones/Activity Work Plans/Timeline;
5. The project's timely expenditure rate;
6. The maintenance and accuracy of project related accounting;

7. That project work is certified complete by a Housing Rehab Specialist and Building Official for housing projects and by an engineer for infrastructure and public facilities projects;
8. Timely submission of required reporting;
9. Complete, correct, and organized retention of records;
10. The avoidance of conflicts of interest in procurements and beneficiaries;
11. The timely and appropriate response to complaints;
12. The timely response to public records requests; and
13. Continuing file reviews in order to collect data and improve the program processes and procedures.

The Town will prioritize preparation for, participation in and responses to DEO monitoring visits and desk monitoring. The Town will prepare for these monitoring's by:

1. Completing, when available, DEO monitoring checklists to organize appropriate files and copies of backup;
2. Utilizing DEO monitoring checklists and/or DEO Initial Document Request List from the DEO monitoring notification letter to organize appropriate files, documents, policies, financials record, etc.;
3. Providing DEO advanced copies of requested files, documents, policies, financial records, etc., for desk and remote monitoring;
4. Having appropriate Town staff including program and fiscal staff as well as consultants (if applicable) available for the monitoring, whether they are desk, remote or in person monitoring;
5. Making sure a local elected official or Town Administrator is available for the entrance and exit interviews; and
6. Making appropriate Town staff available for interim telephone conference calls, which are not actual monitoring, but serve to provide DEO project updates;

The Town will respond to DEO monitoring questions, findings, and concerns by:

1. Providing DEO any requested additional documentation or information in a timely manner;
2. Taking appropriate action(s) to correct any monitoring findings and/or concerns; and
3. Providing DEO with a timely written response to any monitoring findings and/or concerns.

The Town will additionally review ongoing DEO and HUD correspondence and notices as well as annual audit reports and will take necessary prescribed actions to correct or improve any items requiring corrections or improvements and will in a timely manner respond in writing to DEO regarding these actions, when required. The Town is committed to requesting technical assistance from DEO, as needed, to ensure project quality, compliance, and progress.

9.0 Project Progress and Amendments

The Town understands that the timely completion of the CDBG project and timely expenditure of funds must be a priority as it is vital to provide the grant funded repairs, improvements, infrastructure, public facilities, housing and/or services to its residents. Additionally, the Town is aware of the mandates on HUD and DEO to expend the grant funds in a timely manner, and that failure to do so can potentially jeopardize additional future funding opportunities.

The Town is committed to working within the parameters and requirements of the program to ensure timely completion of the CDBG project. In the event that unforeseen and unavoidable delays are imminent, the Town will communicate in a reasonable timeframe with the appropriate DEO staff and if necessary, will initiate a request for any necessary contract amendments to align actual timeframes with project work plans, timelines and to adjust expiration dates if necessary.

10. Construction Elements

The Town will conduct the bidding process, taking actions to promote minority and women business enterprises and Section 3 participation and advertising for the required time frames. As required, the Town will conduct a pre-bid conference/meeting, will provide bid documents at a reasonable cost, will receive sealed bids with proper bonding and required documents, will open the bids publicly, will create or obtain a bid tabulation and award recommendation from staff or the project engineer, will have

the governing body vote to award the contract to the contractor pending receipt of any additional information including proof of active registration in the SAM.gov system, required bonds and proof documenting that the contractor is not on the Excluded Parties list. Following receipt of these documents, the Town will request contractor clearance from DEO and once received, will execute a contract with the contractor.

Following execution of a construction contract or planning project, the Town will determine the necessary protocols and if warranted conduct a pre-construction meeting with the contractor and discuss requirements for Section 3, MWBE, Davis Bacon (prevailing wage requirements) including submission of weekly certified payroll reports, Contract Work Hours and Safety Standards Act (CWHSSA) requiring time and a half pay for hours worked over 40 hours per week, and Copeland Act-Anti-Kickback assuring contractors do not induce an employee to give up part of their compensation they are entitled to. This meeting will also serve to outline schedules for work, payments and other discussions deemed necessary with the contractor. The Town will then issue a Notice to Proceed to the contractor allowing the contractor to begin construction.

The contractor will be required to provide weekly signed certified payrolls to ensure compliance with Labor Standards (Davis-Bacon, Copeland Act, and CWHSSA). The Town's staff or consultant will review the certified payrolls for compliance prior to any payments to the contractor. Also, prior to payments being made to the contractor, the Town's engineer will conduct an onsite review of the work accomplished to date, compare the accomplishments to the work reported in the contractor's invoice and will sign off on any pay requests certifying that the work reported by the contractor has been completed.

Prior to the final payment being made to the contractor, the Town's engineer must inspect the work site(s) and provide a Certification of Completion, and the Town or its consultant will confirm that all required documentation and reports from the contractor have been received and are complete and in good order.

11.0 Civil Rights Compliance

The Town will adhere to contract requirements, federal regulations and state laws and rules in meeting Civil Rights requirements. To this end, the Town will follow the Civil Rights Compliance

attachment to the CDBG agreement, adopting required policies, ordinances, and resolutions, designating various coordinators, advertising the coordinators' contact information, conducting various required activities, and establishing various complaint procedures and tracking logs.

The Town will ensure compliance in regard to:

1. Affirmatively Furthering Fair Housing;
2. Equal Employment Opportunity (EEO);
3. Section 504 and the Americans with Disabilities Act; and
4. Section 3.

Additionally, the Town will maintain a list of minority and women business enterprises and will take measures to ensure that when requesting bids, Minority and Women Business Enterprises (MWBE) on this list are contacted and that contractors awarded CDBG funded contracts are required to take measures to hire MWBE subcontractors and make efforts to hire Section 3 residents for available work.

12.0 Reporting

The Town will provide the required reports as established in the Reports attachment to the CDBG agreement. The Town understands that if all reports are not submitted to DEO in an acceptable manner, payments from DEO may be withheld until the reports are properly completed and submitted. The following reports will be submitted to DEO through the SERA system (or other DEO specified means) by the required outlined dates:

1. Monthly Progress Reports (for Disaster Recovery) will be submitted no later than 10 days following the end of the month;
2. Quarterly Progress Reports or Quarterly Status Reports will be submitted no later than the 10th of April, July, October, and January;
3. QA/QC Quarterly Report;
4. Valid QA/QC findings will be addressed as necessary by the Engineer, Finance Director and Grants Administrator. All valid findings will require the development of a Corrective Action Plan (CAP);

5. Contract and Subcontract Activity forms, HUD 2516, reporting MWBE participation as well as Section 3 participation, will be submitted no later than April 15 and October 15;
6. Single or Program Specific Audit will be submitted no later than June 30, if the Town expends \$750,000 or more in total federal funds from all sources. If the Town expends less than \$750,000 in total federal funds, a DEO Audit Certification Memo will be submitted no later than June 30. Submissions will be made to Audit@deo.myflorida.com or as specified by the DEO staff and to the Florida Auditor General through their website at <https://flaauditor.gov>. Hard copies of the audits may be submitted to DEO and the Audit General via the addresses outlined in the CDBG agreement;
7. Audit Compliance Certification, attesting whether or not an audit submission will be required, will be annually submitted no later than 60 days following the end of the Town's fiscal year;
8. An Administrative Closeout Report and supporting documentation will be submitted no later than 60 days following the expiration of the CDBG agreement;
9. Section 3 Report, HUD 60002, will be annually submitted no later than July 30; and
10. Any additional updates or reports as requested by DEO will be provided in a timely manner.

13.0 Citizen's Complaints

The Town will take prompt actions to address any complaints it receives and will make every effort to resolve these complaints in a timely manner.

All complaints received, including verbal (phone calls, in person) and written, will be documented in appropriate log sheets for general citizens' complaints, EEO complaints and Section 504/ADA complaints. The Town will notify its DEO grant manager immediately upon receipt of any CDBG grant related complaints and will make efforts to address, assist, resolve and/or make referrals on complaints received, whether verbal or written. The actions, results and conclusions of these complaints will be recorded in the appropriate log sheets.

For a complaint to be formally processed, reviewed, and responded to by the Town in writing, the complaint must:

1. Be submitted in writing;
2. Include the complainant's full name;
3. Include the Complainant's Contact information and preferred method of notification for communications regarding complaint (telephone; physical, postal, and Email addresses), Nature of the complaint (CDBG or Other, please specify); and
4. Include a summary of the complaint and desired remedy requested.

Additionally, the complainant should include previously contacted individuals concerning the complaint and any supporting evidence. The Town will respond in writing to written complaints that meet the above criteria within fifteen (15) days and may take additional measures to address and close the complaint. The Town's written response is not a guarantee of resolution to the complaint. CDBG grant related complaints that are not resolved and closed within 30 days will be referred to the Town's DEO contract manager.

14.0 Records Retention and Access

The Town will retain all grant related and grant agreement specified records and audits for a period of five (5) years following the final audit after the grant closeout, or for six (6) state fiscal years after all reporting requirements have been satisfied and final payments have been received; whichever period is longest. The Town will provide access to these records and audits to DEO, Florida's CFO, and the Auditor General upon request for a period of six (6) years following the final audit, unless extended by DEO. The Town understands that this period for records retention and access will be extended if any litigation, claim, negotiation, audit, or other action involving the records has been started prior to the expiration of the controlling periods. The Town additionally understands that such extensions will be in place until the completion of any associated actions and resolution of all associated issues have been determined.

15.0 Public Records Requests

The Town will directly respond to each CDBG agreement related public records request and will notify DEO of such requests by email to PRRequest@deo.myflorida.com within one business day following the date of the records request. Additionally, the Town, upon request from DEO's custodian of public records, will provide DEO records or allow inspection of these records within a reasonable time. The Town understands that it may be reimbursed for the costs of preparing and providing these records as long

as the costs do not exceed the allowable costs outlined in Chapter 119, Florida Statutes. Furthermore, the Town understands that DEO may terminate the CDBG agreement if the Town fails to provide and/or allow access to public records.

16.0 Summary

Utilizing these procedures, the Town will make it a priority to implement its CDBG programs in a manner that adheres to federal, state and local requirements, will ensure CDBG projects employ a quality and fiscally responsible process that provides a successful project result in a timely manner.