



ARPA-Funded Stormwater Infrastructure Program (ASIP)

POLICY & PROCEDURES MANUAL

2024

South Carolina Office of Resilience
Mitigation Department

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Amendments

Date	Page Number	Section	Change/Addition/Deletion
03.12.24	21	1.11 Project Amendments	SCOR Mitigation Director can approve/deny time extension requests

Abbreviations

ADC	Activity Delivery Cost
AFN	Access Functional Need
AGI	Adjusted Gross Income
AMI	Area Median Income
ARPA	American Rescue Plan Act
BCA	Benefit-Cost Analysis
BFE	Base Flood Elevation
CFR	Code of Federal Regulations
COG	Councils of Government
CTD	Contract to Date
DOB	Duplication of Benefits
EA	Environmental Assessment
EEO	Equal Employment Opportunity
EIS	Environmental Impact Statement
EPA	Environmental Protection Agency
ERR	Environmental Review Record
FAR	Federal Acquisition Regulation
FOIA	Freedom of Information Act
GIS	Geographic Information System
GMCR	Grants Management Common Rule
ICC	Increased Cost of Compliance
IG	Inspector General
IPR	In-progress Review
LMA	LMI Area Benefit
LMI	Low-to-Moderate Income
LSO	Labor Standards Officer
MOD	Method of Distribution
MSCP	Mitigation Special Case Panel
NEPA	National Environmental Policy Act
NOFA	Notice of Funding Availability
NOGA	Notice of Grant Award
NTP	Notice to Proceed
OSE	Office of State Engineers
PII	Personal Identifiable Information
POP	Period of Performance
QPR	Quarterly Performance Report
RFP	Request for Proposal
RFQ	Request for Qualification
SAM	Federal System of Award Management
SCOR	South Carolina Office of Resilience
SLFRF	State and Local Fiscal Recovery Fund
SOR	System of Record
UGLG	Units of General Local Government
URA	Uniform Relocation Act

Definitions

Acquisition – The utilization of funds to acquire real property. Acquisition only is typically not considered a complete activity in the Program and must be combined with another eligible use (i.e., stormwater improvements). The purchase price must be consistent with applicable uniform cost principals.

Area Median Income (AMI) – Calculated limits based on HUD-estimated median family income with adjustments based on family size.

Benefit-Cost Analysis – A method for determining the potential benefits of a mitigation project and comparing them to the cost.

Davis-Bacon Act of 1931 (40 USC Part 3141 et seq.) and Related Acts – All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this chapter shall be paid fair wages.

Demolition – The clearance and proper disposal of buildings, improvements, and any other necessary items.

Environmental Review – All substantially qualified applicants must undergo an environmental review process. This process ensures that the activities comply with National Environmental Policy Act (NEPA) and other applicable state and federal laws.

Federally assisted construction contract (41 CFR § 60-1.3) – means any agreement or modification thereof between any applicant and a person for construction work which is paid for in whole or in part with funds obtained from the Government or borrowed on the credit of the Government pursuant to any Federal program involving a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, or any application or modification thereof approved by the Government for a grant, contract, loan, insurance, or guarantee under which the applicant itself participates in the construction work.

Subrecipient – Units of General Local Government responsible for the implementation of an ASIP awarded project with technical assistance and grant oversight by SCOR. The definition of Subrecipient does not include procured contractors providing supplies, equipment, construction, or services and may be further restricted by Program Rules or other guidance including applications.

Subrogation Agreement– Means an agreement executed by the beneficiary agreeing to repay any duplicative assistance if they later receive other disaster assistance for the same purpose.

Units of General Local Government – UGLGs are either Cities, Counties, Indian Tribes, local governmental agencies.

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INTRODUCTION

The purpose of this manual is to establish and document the policies and procedures that the South Carolina Office of Resilience (SCOR) will use in the implementation and execution of the State's ARPA funding for stormwater infrastructure. This manual will serve to adopt and follow written policies and procedures throughout the life of the program.

The South Carolina Office of Resilience (SCOR) is the Governor directed responsible entity for administering the American Rescue Plan Act (ARPA) State and Local Fiscal Recover Fund (SLFRF) funding allocated to SCOR from the South Carolina General Assembly. SCOR's Mitigation Department is responsible for the planning and implementation of \$55 million dollars in ARPA funding for stormwater infrastructure projects across the state.

In 2020, the S.C. Disaster Relief and Resilience Act (SC Code §48-62-10) the South Carolina Office of Resilience (SCOR). The Act mandated SCOR to develop and implement a Strategic Resilience and Risk Reduction Plan (Resilience Plan), to establish and operate the South Carolina Resilience Revolving Fund (Revolving Fund), to establish and operate the Disaster Relief and Resilience Reserve Fund (Reserve Fund), and to coordinate statewide disaster recovery efforts while collaborating with federal, state, and local stakeholders. The Act further mandated the South Carolina Disaster Recovery Office (DRO) transfer from the Department of Administration to the Office of Resilience.

In January 2022, The United States Department of the Treasury (Treasury) issued a Federal Register for the Final Rule on Coronavirus State and Local Fiscal Recovery Funds (87 FR 4338). The Final Rule, effective April 1, 2022, made State and Local Fiscal Recovery Funds (SLFRF) available for water, sewer, and broadband infrastructure improvements, among other eligible uses. In May 2022, South Carolina passed a Joint Resolution (SC H4408) which allocated \$100 million in American Rescue Plan Act (ARPA) funds to the SCOR to complete stormwater infrastructure projects and acquisitions of property in the floodplain throughout the State to lessen the impacts of future flood events. All expenditures, reimbursements, and grants awarded by the Office of Resilience must be in compliance with ARPA and the methods and guidance issued by the United States Department of Treasury for the allocation and oversight of ARPA funding in 87 FR 4338.

SCOR has allocated 5% of the ARPA award amount to grant administration, 45% to environmental resilience, and 55% to stormwater infrastructure projects. SCOR created the ARPA-Funded Stormwater Infrastructure Program (ASIP) to implement and oversee the completion of the stormwater infrastructure projects in accordance with the Joint Resolution¹.

The SCOR Mitigation Department is responsible for the administration of federal and state grants to implement mitigation projects across the state in four program areas: Plans & Studies, Buyouts, Infrastructure, and Funds Match. The Mitigation Infrastructure Program will oversee the development and implementation of the ASIP Program.

Mitigation projects that are selected for ASIP grant funding may be awarded as Subrecipient Run projects. The SCOR Subrecipient Manual outlines responsibilities and requirements of ASIP Subrecipients.

¹ Further information related to SCOR's implementation of the ARPA-Funded Floodplain Acquisition is reserved.

CHAPTER 1: PROGRAM OVERVIEW

This manual contains the policies and procedures related to SCOR's ARPA-Funded Stormwater Infrastructure Program (ASIP). As the program evolves, the applicable policies and procedures may be amended. Each amendment will be clearly outlined within this manual to include the substance of the amendment and the date for which the amendment occurred. The amended manual will be distributed to all grantees via email and the policy manual on the SCOR program website, located at <https://scor.sc.gov/arpa/arpa>, will be updated within 3-business days of an update or a change to any policy or procedure.

1.0 SCOR ARPA-Funded Stormwater Infrastructure Program (ASIP)

In accordance with the Joint Resolution (SC-H4408), SCOR will use \$55,000,000 in ARPA funds for the ASIP program to complete stormwater infrastructure projects throughout the State to lessen the impacts of future flood events.

The rules and regulations attached to the funding is published into law via the Federal Register (87 FR 4338) and the Joint Resolution (SC-H4408). SCOR has developed the ASIP Policy and Procedure Manual to ensure the ASIP program and usage of funding are in compliance with all applicable federal law and the requirements presented in the Federal Register and Joint Resolution. The Policy and Procedure Manual defines the scope of the ASIP program, eligible applicants, and allowable activities for funding, and defines the methods by which projects will be implemented. These policies and procedures will be updated as necessary throughout the life of the ASIP program to ensure programmatic compliance and maximize ease of project implementation and completion. The latest versions of the policies and procedures will be available on SCOR's website at <https://scor.sc.gov/mitigation/>.

In accordance with the Joint Resolution and the ASIP Policy & Procedure Manual, the ASIP program will fund activities designed to reduce the likelihood of flooding due to failing stormwater infrastructure. Eligible applicants for ASIP funds are Units of Local Government (UGLGs) and Tribal Nations from all 46 counties in the state.

At a minimum, all ASIP projects will be completed in accordance with the following:

- U.S. Treasury Final Rule Federal Register (87 FR 4338), and all other Treasury rules, policies, procedures, and directives including reporting and compliance requirements;
- Uniform Guidance (2 CFR 200) and SC State Procurement regulations;
- SCOR ASIP Policies and Procedures and all other SCOR policies, procedures and guidelines.

1.1 Program Timeline

In accordance with federal requirements, SCOR will obligate \$55 million in grant awards for the completion of stormwater infrastructure projects across the state by December 31, 2024. All awarded projects must be completed, and all grant funds expended by December 31, 2026.

SCOR anticipates conducting one application window from September 1, 2022 to October 31, 2022. At the conclusion of the application window, all applications received will be reviewed and evaluated using scoring criteria identified in this policy and procedure manual. It is the intention of SCOR to award all allocated ASIP funds in one round of applications. If there is additional money remaining at the conclusion of the first

application round, or if more ARPA funding is made available to SCOR for the ASIP program, SCOR will conduct additional application windows until all available funds are awarded. All ARPA funds must be allocated by December 31, 2024.

To ensure projects are completed prior to December 31, 2026, SCOR will evaluate project applications for the project's ability to meet the construction complete deadline. Once awarded, SCOR will conduct monthly project meetings, at a minimum, to ensure projects are progressing towards construction and meeting project milestones in accordance with the approved project schedule. SCOR Subrecipients must conduct regular project coordination calls and provide monthly and quarterly progress reports to SCOR.

1.2 Project Beneficiaries

The beneficiaries of awarded ASIP projects are the citizens that reside in the target area directly served by the stormwater infrastructure activity. The service area of a stormwater infrastructure project encompasses citizens that will see a benefit such as flood reduction on their property, or improved access to critical community resources. The project service area typically extends beyond the limits of the construction activity for the project.

Applicants must document the LMI percentage of the project service area in the ASIP project application. LMI percentage is determined by the percentage of citizens in the project service area with income equal to or less than 65% of the county Area Median Income (AMI). The most recently published HUD AMI data must be used. If the project is awarded and substantial changes are made to the proposed design, SCOR and its consultants will re-evaluate the service area to verify the LMI percentage of the project service area. The project service area LMI will be tracked as a key performance metric for awarded projects as part of the quarterly and annual progress report requirements SCOR must comply with.

1.3 Project Eligibility

Each activity must: (1) be an ASIP-eligible activity; (2) must be cost reasonable; (3) lessen impacts of future flood events; and (4) must be able to be completed prior to December 2026. ASIP funds may be used for projects in any of the 46 S.C. counties. All activities and projects must be in South Carolina.

1.3.1 Eligible Activities

Eligible activities include a variety of both grey- and green- stormwater infrastructure improvement projects. Eligible costs of an awarded ASIP project include activities such as:

- Engineering design costs
- Environmental review costs
- Permitting fees
- Property acquisition necessary for the completion of the awarded project
- Permanent or temporary easement acquisition necessary for the completion of the awarded project
- Activity delivery costs (ADC)
- Construction of awarded project included labor and materials

1.3.2 Ineligible Activities

Any activity not authorized in the ASIP Policy & Procedure manual, or not authorized under the statute and/or regulations, as noted in the applicable Federal Register and Joint Resolution, is ineligible to be assisted with ASIP funds. The following activities are specifically deemed ineligible for ASIP funding assistance:

- Duplicative projects or project scope items
- Projects that do not comply with local, state, and/or federal regulations
- Buildings for the general conduct of government
- General government expenses
- Grant administration expenses for Subrecipients
- The financing of political activities
- Purchase of equipment that is not fixed in place, including construction equipment
- Purchase of fixed in place equipment or furnishings for a property or project, except where prior approval has been issued by SCOR
- Income payments
- Law enforcement
- Emergency Operation Centers (EOC)
- Operation and general maintenance (O&M) expenses of public facilities, improvements, and services
- Software, except where it is integral to the function of a stormwater improvement

If the applicant is unsure about the eligibility of a project cost, they must contact their SCOR project manager in writing and request a determination prior to spending money on the item in question. The SCOR project manager will provide a written determination regarding the eligibility of the project cost within 5 business days.

1.3.3 Pre-Agreement Costs

Pre-award costs are those incurred by an applicant or Subrecipient prior to the start date of the ASIP grant award contract, known as the executed Award Letter and Resolution for state-run projects and the Resolution and Subrecipient Agreement for subrecipient-run projects. These costs are generally deemed to be ineligible for ASIP funds.

In extenuating circumstances, SCOR, via the Mitigation Special Case Panel (MSCP), may deem certain pre-award expenditures as necessary to comply with the proposed delivery schedule or period of performance and may be considered allowable only to the extent that they would have been allowable if incurred after the start date of the ASIP grant agreement. The SCOR may allow the applicant or Subrecipient to incur costs for ASIP activities before the ASIP award agreement start date, and to charge these pre-agreement costs to the grant only if those costs incurred reflect the following:

- The activities for which the funds were used are eligible costs;
- The activities for which the funds were used are authorized under applicable state and/or federal law; and
- Funds were utilized for procurement for grant expenditures specific to the ASIP funding in accordance with all applicable federal and state procurement regulations, and as supported by adequate documentation

SCOR and Subrecipients may not incur costs or expend any awarded funds for choice-limiting actions such as land/easement acquisition or project construction prior to, at a minimum:

- Meeting the Environmental Review requirements in the ASIP P&P and award agreement documents;
- Satisfactorily submitting all applicable start-up documentation to SCOR;
- Obtaining all necessary Permits; and
- Following State or Federal Procurement processes

The best practice is to contact your SCOR Project Manager before incurring any costs intended to be reimbursed by ASIP.

1.3.4 Operation and Maintenance

Operation and maintenance projects on existing systems are not a qualifying activity. Grant awardees must agree to regular and consistent maintenance activities for the life of the system following the conclusion of the ASIP project. Operation and maintenance costs associated with such post-construction maintenance is to be funded by the UGLG and will not be eligible for funding or reimbursement from SCOR.

1.3.5 Cost Verification

Licensed engineers will be used to verify costs and determine cost reasonableness on awarded projects. Projects must maintain cost reasonableness throughout the engineering design process. Where necessary, value engineering will be conducted to ensure projects sufficiently address stormwater concerns and remain cost reasonable.

1.4 ASIP Application Overview

SCOR will solicit applications from Units of General Local Government (UGLGs) and Tribal Governments from the 46 counties in South Carolina. Applications will be accepted in Fall of 2022. SCOR will review all applications received for eligibility and completeness, verify LMI and BCA information, and score the applications in accordance with the prioritization criteria. Once the review period has ended, the SCOR Chief Resilience Officer will determine which projects will be awarded, and SCOR will issue award letters to the successful UGLG applicants. Condition of the grant award will require the identification of a responsible entity for long term maintenance costs of ASIP funded systems as a condition of consideration for infrastructure funding by the Applicant. SCOR will upload project names and award amounts for all awarded infrastructure projects to the SCOR Mitigation website.

Applicants are required to submit to SCOR a project application for ASIP funding prior to contract execution. Project Applications may be submitted by Units of General Local Government (UGLG) or Tribal Nations from any of the 46 counties in the state.

All Applications will be submitted electronically and must include, at a minimum:

- Applicant Information
- ASIP funding request amount and total project cost
- Identification of source and amounts of any leverage funds, if applicable
- Description of the Existing Problem
- GIS Map delineating proposed project area
- Detailed scoping narrative including,
 - Scope of proposed work
 - Proposed work schedule
 - Detailed cost estimate
 - Long-term planning and risk mitigation considerations
 - Construction standards
 - Operation and maintenance plans
- Description of how the project mitigates current and future flooding risks
 - Quality and Quantity of Flood Risk Reduction
- Low-and-Moderate Income (LMI) service area percentage
- Description of proposed nature-based solutions, if applicable
- Description of mobility improvements to roads and highways
- Description of environmental impact of the proposed project

- A Benefit-Cost Analysis for the proposed project²

1.4.1 Application Selection

The ASIP program provides flexibility in the activities eligible for funding, prioritizing the range of activities based on benefit-cost analysis, service area LMI percentage, quantity and quality of flood risk reduction, percentage of nature-based (green) infrastructure improvements incorporated into the proposed project, mobility improvements achieved, environmental impact, and project permitting and schedule requirements.

Complete applications will be evaluated for each of the scoring criteria and ranked by total score. Projects will be awarded to the applications with the highest total score until all available ASIP funds have been awarded. SCOR reserves the right to retain a portion of ASIP funds to cover unforeseen cost increases on awarded projects. SCOR’s Chief Resilience Officer will make final award determinations.

1.4.2 Project Prioritization Procedures

SCOR will use a methodology for prioritizing feasible projects that will be consistently applied to all ASIP applications received. The feasibility prioritization is based on a 100-point scale with a higher point total indicating a more feasible project.

Prioritization Category	Maximum Points
Benefit Cost Analysis (BCA)	20
LMI % Served	20
Nature-Based Solutions (Green)	20
Permitting/Scheduling	10
Level of Flood Risk Reduction	10
Quantity of Flood Risk Reduction	10
Mobility Improvement	5
Environmental Impact	5

Table 1: Prioritization Categories and Points

1.4.3 Benefit Cost Analysis (BCA)

A max of 20 points will be assigned based on the quartile ranking of projects after the close of the application period. SCOR will procure a third-party engineering firm (consultant) to assist with the Benefit-Cost Ratio determinations. The consultant will establish a modeling baseline condition using available data. All models used will be calibrated to USGS gages, photos, any other documented evidence to match the stage, or water surface elevation of the historical flooding.

The benefit-cost ration will be done by first calculating the benefit divided by the estimated cost. This ratio is an expression of the money saved by implementing a project as opposed to the costs incurred by not implementing the project.

The benefit-cost ratios for all project applications will be sorted by quartile to award points as shown in Table 2: Benefit-Cost Ratio Points. This will be done to weaken the cost-benefit ratio defined by a single

² SCOR may provide technical assistance with the BCA calculation. The applicant must request this assistance from SCOR prior to submitting the ASIP application.

value to account for the larger picture of the project, account for error from assumptions and methodologies, and be appropriate for the stage of most projects.

Benefit-Cost Ratio Quartile	Points
0-25%	0
25-50%	7
50-75%	13
75-100%	20

Table 2: Benefit-Cost Ratio Points

1.4.6 Low-to-Moderate Income (LMI) % Served

The Department of Treasury encourages recipients to use ARPA SLFRF-funds to advance shared interests and promote equitable delivery of government benefits and opportunities to underserved communities as outlined in *Executive Order 13985, On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*.

To ensure equitable delivery of stormwater infrastructure services through the use of SLFRF funds, SCOR will prioritize Low-and-Moderate Income (LMI) communities to the greatest extent possible. SCOR will identify Low-and-Moderate Income (LMI) communities in accordance with the Treasury Final Rule (87 FR 4338) which defines low income as income at or below 40 percent of the Area Median Income (AMI), and moderate income at or below 65% of the AMI, for the county and size of household based on the most recent data published by the Department of Housing and Urban Development (HUD). For services that reach a general geographic area such as a stormwater infrastructure project, SCOR will measure median income of the service area.

An area will be drawn for each project to represent both the service area as well as the extent of the mitigation impact. This area, called “service area”, will be overlaid with the LMI data to calculate a weighted average LMI percentage. This calculated percentage is multiplied by 20 points to produce the final LMI points awarded. An example calculation is shown below:

<i>Service Area LMI = 65% X 20 points = 13 LMI Points</i>
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1.4.6.1 Defining Service Areas

Infrastructure service areas, such as a storm water network in a neighborhood, will be drawn primarily based on the infrastructure’s watershed boundary. A watershed is defined by topology, or in other words, how the ground slopes to drain water. Any area where rain runs off into the storm water network is included as part of the watershed area. At times, the watershed boundary will be shortened, as many watersheds can elongate hundreds of miles downstream or upstream. In other cases, a watershed boundary may be extended as storm drain networks often connect multiple watersheds conveying runoff through pipes underground which cannot be obtained from the topology. The judgement to define appropriate service areas will be performed based on the best available data, modeling, and by engineers with experience in hydrologic and hydraulic studies.

1.4.7 Nature-Based Solutions (Green Infrastructure)

The Treasury encourages recipients to consider green infrastructure investments and projects to improve community resilience. SCOR will determine a proposed project’s nature-based solution score using the following criteria:

Nature-Based Solutions	Points
0% of Project consists of Nature-Based Solutions	0
Up to 25% of Project consists of Nature-Based Solutions	5
26-50% of Project consists of Nature-Based Solutions	10
51-75% of Project consists of Nature-Based Solutions	15
76-100% of Project consists of Nature-Based Solutions	20

Table 3: Nature-Based Solutions

1.4.8 Permitting Requirements / Schedule

The acquisition of necessary permits and overall schedule issues affect the efficiency and compliance of a project. The Treasury requires that all SLFRF funds be obligated by December 31, 2024 and spent by December 31, 2026. Proposed projects must demonstrate the ability to be designed, permitted and constructed prior to December 31, 2026. Challenges to permitting and schedule will influence the desirability of a project. The level of challenges depended on the following characteristics from the description of the project: amount and type of approvals required and pushback from various groups, capability of the municipality, location of the project, scope of the project, status of the project, and the anticipated schedule to completion. How points are awarded:

Permitting / Schedule Category	Points
Significant challenges	0
Potential challenges	5
Little-to-no challenges	10

Table 4: Permitting / Schedule Points

1.4.9 Flood Risk Reduction

Another major criterion was the issue of flood risk reduction. This will be two-fold counting the improved level of service of flood protection (quality) together with quantity of structures benefited/protected from flooding by proposed improvements. The points will be divided into these two subcategories with each worth a maximum of 10 points. How points are awarded is summarized in Tables 5 and 6 below.

1.4.9.1 Quality of Flood Risk Reduction:

The first step is to identify if the cause of flooding is from rainfall, riverine, coastal, and/or a combination of sources. Riverine flooding can only occur in stream water features defined by USGS. Methods such as particle tracing, illuminates a better understanding of the conveyance of water and cause of flooding.

The second step is to quantify the improvement from existing conditions to the proposed mitigation. This will be initially estimated for all projects based on information provided by the applicant in the ASIP project application. If the project description does not state the level of protection, the following will be assumed: minor storm water improvements such as a storm drain have a 25-year storm event protection, and major infrastructure such as culverts, bridges, railroads, water treatment plants have protection greater than the

25-year storm event. The 25-year, 24-hour event is the industry standard for stormwater infrastructure projects. Project’s protection performance can vary as storms occur at different durations, intensities, and prior conditions.

Quality of Flood Risk Protection	Points
Minimal increase	0
One Source 25-year, 24-hour storm event level of protection	4
Multi-Source 25-year, 24-hour storm event level of protection	7
Above a 25-year, 24-hour storm event level of protection	10

Table 5: Level of Flood Risk Reduction Points

1.4.9.2 Quantity of Flood Risk Reduction:

The third step is to quantify the number of above-ground structures benefiting from flood risk reduction as shown in Table 5. A structure is defined as benefitting from flood risk reduction if the flood levels will be reduced by at least a foot of depth. A foot of depth was chosen because it is assumed that no damage would occur before six inches to account for the slab foundation, and an additional six inches would cause significant damage. Other flood risk measures such as extent, duration, and velocity are related to depth, and therefore the process can be streamlined to depth.

Quantity of protection Category	Points
0-10 Structures	0
10-25 Structures	4
25-50 Structures	7
50+ Structures	10

Table 6: Quantity of Flood Risk Reduction Points

1.4.10 Mobility Improvement

During every day weather conditions or disasters (such as storm event flooding), it is important to have safe and efficient mobility/transportation corridors and stations for first responders, other emergency personnel, and the general public. Projects which have an attribute of improving this mobility will factor in positively. From the table below, 0, 3, or 5 points will be assigned based on how a project improves mobility towards the public and first responders. A definitive line can be drawn by categorizing roads as major or minor per SCDOT. Generally, a major road is an airport, evacuation route, highway, or railroad, and even a main route used by multiple neighborhoods. Since major roads are assumed to be used by first responders and a significant portion of the public, they receive 5 points. Minor roads will be awarded 3 points as it is assumed that a limited portion of the public and first responders would use them (neighborhood road, rural road, or low-use road). If the flooding does not occur or improve on a road, zero points will be awarded.

Mobility Improvement Category	Points
Minimal mobility improvements	0
Limited mobility improvements	3
Significant mobility improvements	5

Table 7: Mobility Improvement Points

1.4.11 Environmental Impact / Benefit

A project's impact on the environment is given up to a maximum of 5 points. Projects will be assumed to have a neutral impact. A project will receive the maximum points if it specifically mentions a quantifiable environmental improvement, green infrastructure, includes a pond/reservoir, or restores an urbanized area to a natural state. On the contrary if the urban footprint increased or alters the environmental by more than 20% then the project would have a negative impact. At times, projects would have both positive and negative impacts which were assumed to be neutral when combined. Points will be awarded as shown in below:

Environmental Impact Category	Points
Negative Impact	0
Neutral Impact	3
Green Infrastructure or Improved Impact	5

Table 8: Environmental Impact Points

1.5 Underserved Communities

The Treasury established in the Federal Register (87 FR 4338) that the use of ARPA SLFRF funds to assist underserved or disproportionately impacted communities is encouraged, but not required. Per the Federal Register, underserved communities can be defined by a percentage of the Federal Poverty Guidelines or, as Low-and-Moderate Income (LMI) if area income is equal to or less than 65 percentage of the Area Median Income (AMI) for its county.

SCOR seeks to develop safe and viable communities, principally for LMI communities or persons, in all programs the office administers. To achieve consistency across SCOR administered programs where possible, SCOR will evaluate the use of ARPA funds in underserved communities by evaluating the income as it relates to AMI of the project county, using the most recently published data from HUD.

SCOR does not require awarded ASIP projects to benefit a LMI community or service area. However, SCOR has encouraged such projects through the application scoring process which weighs project LMI service area as 20% of the total project score.

SCOR will maintain records showing which funded projects benefit an LMI community or service area. The Median Household Income and Lowest Quintile Income for the project Service Area will be documented and reported on by SCOR. Subrecipients will provide information to support documentation of these metrics where necessary.

1.6 Project Implementation

SCOR will award ASIP projects as either State-Run or Subrecipient-Run. SCOR may choose to contractually obligate funds to subrecipients to implement activities or programs. Units of General Local Government and Tribal Governments are eligible to apply to be an ASIP Subrecipient. A Subrecipient application must be received for each ASIP project application received if the applicant wishes to be considered for a Subrecipient-Run project. If a subrecipient application is not received for an awarded project, SCOR will default to a State-Run project award.

1.6.1 State-Run ASIP Project

State-Run projects will be managed by SCOR staff with input and coordination by the applicant. Under a State-Run project, SCOR will conduct all procurement in accordance with federal and state regulations, execute all contracts for consultants and contractors related to the project, and pay approved invoices directly. For State-Run Projects, SCOR is responsible for:

- Pre-Award Technical Assistance for applicants
- Review of ASIP Project Applications
- Grant Agreement document development and execution
- Day-to-day ASIP project management
- Public Outreach coordination
- Procurement and contracting of all project vendor(s)/contractor(s)
- Invoice review and payment for all project vendor(s)/contractor(s)
- Regular project coordination calls with applicant, vendor(s) and contractor(s)
- SLFRF Expenditure Reporting to S.C. Dept. of Administration (Guidehouse)
- Beneficiary data documentation and accuracy
- Submit project changes to SCOR's Mitigation Special Case Panel (MSCP)
- Assist with public outreach
- Internal audit function
- Record Keeping:
 - Document day-to-day management
 - Retain all records for five years after closeout of grant
- Privacy Act related to submitted required documents
- Freedom of Information Act (FOIA) Requests
- Ongoing Technical Assistance and Training

SCOR will adopt the following guidance to ensure successful administration of the ASIP program:

- Policy and procedures will be in writing and followed (or documented if not followed) in certain circumstances
- Build performance milestones into contracts and include detailed scopes of work
- Make the files/project records tell the story of the funds/projects
- Build compliance into day-to-day management
- Have a designated signatory to sign off on work progression
- Catch problems early and take action
- Maintain open communication at all times

1.6.2 Subrecipient-Run ASIP Project

All Subrecipients must adhere to the program guidelines and policies set forth in SCOR's Subrecipient Grant Manual and the SCOR ASIP Policy & Procedures Manual. Subrecipients will be notified by SCOR of all updates or changes to this Manual, as well as changes to the SCOR ASIP Policy & Procedures Manual or the subrecipient agreement. Subrecipients will have 5 business days to read the update or change and acknowledge the notification in an email to the Infrastructure Program Manager.

Each Subrecipient will be assigned a SCOR Project Manager (SPM) and given the project manager's contact information. SPM's will conduct regular meetings, conduct on-site visits, and serve as the main point of contact for the Subrecipient. The SPM shall be available to answer any questions about grant requirements and to receive all requests related to the administration of the grant. Subrecipients will also be given back-

up contact information when their SPM is unavailable. Subrecipients may request the name and contact information for their assigned SPM by contacting SCOR by email at MIT_Infrastructure@scor.sc.gov.

SCOR will monitor Subrecipient program activities for compliance with program requirements, approved policies and procedures, and applicable statutes and regulations. Implementing the guidance above will ensure efficient program operation and less disruptive monitoring sessions for SCOR and Subrecipient.

1.7 ASIP Grant Agreements

Approved State-Run ASIP projects will receive the following grant agreement documents for review and signature:

- An ASIP Award Letter, for review and signature
- An ASIP Project Resolution, for review and signature

Approved Subrecipient-Run ASIP projects will receive the following grant agreement documents:

- An ASIP Award Letter
- An ASIP Project Resolution, for review and signature
- An ASIP Project Subrecipient Agreement, for review and signature

Additionally, approved projects with a local cost share will be required to provide:

- A Commitment of Funds Letter
- A Proposed Payment Plan

The award documents will be emailed to the Grantee upon approval of the ASIP project application. Grantees have 30 days to review and sign the grant agreement documents or request additional time from the SCOR project manager identified in the award letter.

The grant does not become effective until the award documents are approved by the Chief Executive Official or other authorized signatory and the approved governing body (Ie: City/County Council members) and returned to SCOR. Subrecipient Agreements must also be signed by SCOR's Chief Resilience Officer (CRO) before the grant becomes effective. Copies of all executed grant agreement documents will be provided to the Grantee and retained in the SCOR project files/system of record.

A Project Kick-Off meeting will be scheduled by the designated SCOR Project Manager upon receipt of the executed award documents. During the kick-off meeting, SCOR will discuss grant procedures and requirements, roles and responsibilities for the project, payment plans (if applicable), and project implementation steps.

1.8 Period of Performance and Period of Budget Award

The funding award budget period refers to timeframe within which SCOR may expend the ARPA SLFRF funds. For SCOR, the start date of the period of budget award is February 17,2023 which the funds became available to the agency from the State. The end date of the period of the budget award is December 31, 2026 when all ASIP funds must be expended.

The period of performance is specific to each ASIP project and is based off the project schedules proposed by the grantee in the project application. SCOR requests that all ASIP projects be completed prior to June 1, 2026 unless otherwise indicated on the award documents.

SCOR will consider requests for a period of performance extension if the federal expenditure deadline can be met. Requests for extensions will be submitted to SCOR’s Mitigation Special Case Panel for review and determination.

If any Subrecipient-run project falls substantially behind the project schedule included in the Subrecipient Agreement, the Subrecipient must provide a explanation for the delays and a detailed project schedule update, demonstrating remaining project tasks and the project completion dates for each.

1.9 Reporting and Compliance

SCOR will comply with all reporting requirements set forth in the Treasury Final Rule 87 FR 4338. Required reporting will be submitted to the South Carolina Department of Administration. Subrecipients should refer to the SCOR ASIP Subrecipient Manual for additional reporting requirements. To ensure situational awareness for members of the SCOR organization as well as the S.C. Department of Administration, the U.S. Department of the Treasury, and the citizens of South Carolina, SCOR plans to report its progress in several ways.

1.9.1 Project and Expenditure Reports

SCOR is required to submit quarterly Project and Expenditure Reports on projects funded, expenditures, and contracts and subawards over \$50,000, and other information. Reports will be submitted through Salesforce in accordance with the Quarterly Project and Expenditure Report Timeline shown in Table 9 below:

Year	Quarter	Period Covered	Due Date
2023	1	January 1 – March 31	April 30, 2023
2023	2	April 1 – June 30	July 31, 2023
2023	3	July 1 – September 30	October 31, 2023
2023	4	October 1 – December 31	January 31, 2023
2024	1	January 1 – March 31	April 30, 2023
2024	2	April 1 – June 30	July 31, 2023
2024	3	July 1 – September 30	October 31, 2023
2024	4	October 1 – December 31	January 31, 2023
2025	1	January 1 – March 31	April 30, 2023
2025	2	April 1 – June 30	July 31, 2023
2025	3	July 1 – September 30	October 31, 2023
2025	4	October 1 – December 31	January 31, 2023
2026	1	January 1 – March 31	April 30, 2023
2026	2	April 1 – June 30	July 31, 2023
2026	3	July 1 – September 30	October 31, 2023
2026	4	October 1 – December 31	January 31, 2023

Additionally, SCOR will provide ASIP program and project updates through the agency website (<https://scor.sc.gov>), stakeholder and public meetings, and project public notification processes. Additional reporting requirements are required for subrecipient-run projects. Subrecipients must comply with all reporting requirements as outlined in the SCOR Subrecipient Grant Manual.

1.9.2 Key Performance Indicators (KPI)

SCOR will track key performance indicators (KPI) for ASIP projects using Salesforce. For each awarded ASIP project, SCOR will document the following KPI’s:

- **Benefit Cost Analysis** – A BCA will be conducted on the final design to ensure cost reasonableness is maintained.
- **Low-and-Moderate Income (LMI) % served** – The LMI percentage of the service area for the final design will document how many underserved communities benefitted from ASIP projects, and the amount of dollars invested into stormwater infrastructure in each underserved community.
- **Quality of Flood Risk Reduction** – The level of flood risk reduction achieved by each awarded project looking at a 25-yr, 24-hr storm event.
- **Quantity of Flood Risk Reduction** – The number of residential, commercial, and/or civil structures that benefit from flood risk reduction for the constructed project.
- **Percentage of Funds spent on Nature-Based solutions** – The percentage of total construction dollars spent on nature-based (green infrastructure) solutions.

1.10 Permits and Codes

SCOR, its Subrecipients, or consultants will be responsible for documenting and obtaining all necessary permits for each project. A copy of all permits obtained should be submitted with the environmental review report to the State for review. The State or its Subrecipient will ensure work performed satisfies all applicable Federal, State and Local building codes and regulations. The SCOR Program Manager or its designated Subrecipient will oversee the work of the construction contractor for each mitigation project.

1.11 Project Amendments

Amendment to awarded projects are required if there are changes to the project’s scope of work, schedule, or budget. For state-run projects, proposed projects changes must be submitted to the Mitigation Special Case Panel by the State Project Manager for review and approval.

The SCOR Mitigation Director will review, and either approve or deny all time extension requests for all project types. Such requests do not need to be brought to or approved by the Mitigation Special Case Panel.

The MSCP is a five-member panel that consists of the Mitigation Program Director (Chair), the Mitigation Program Manager, a SCOR Attorney, the SCOR Director of Support Services, and a SCOR Mitigation Program Representative appointed by the Mitigation Program Director, or any other member from the SCOR organization so chosen and designated by the chair. SCOR will consider and respond to concerns, suggestions, requests, cases with exceptional excessive costs, and other issues pertaining to ASIP by utilizing the Mitigation Special Case Panel (MSCP). The MSCP must review the following:

During the activities of the program, many decisions will be made involving each project. These decisions will be made based on the State of South Carolina’s interpretation of:

- Applicable federal and state statutes
- The Code of Federal Regulations
- State and local codes and ordinances
- The SCOR ASIP Program Policies and Procedures Manual

A decision memorandum or equivalent will set forth the Panel’s findings on each matter it considers. The decisions memorandum is signed by the Mitigation Director and the Disaster Recovery Division Director.

The signed decision memorandum will be uploaded to the System of Record.

Internal Auditing will review the proposed item prior to the MSCP meetings. Audit shall research and

investigate any information as deemed needed and may challenge the proposed item as submitted. Internal Auditing will forward any concerns regarding the information, findings, and the proposal to the South Carolina Chief Resilience Officer (CRO). The CRO will make a final determination as to whether the State will fund any items designated as inappropriate by Internal Auditing. Internal Auditing must submit documentation of the audit review into the System of Record.

1.11.1 Emergency Change Orders

The emergency change order process is used when a previously approved mitigation project requires a time sensitive change to the existing contract that cannot wait for MSCP's monthly meeting. An emergency change order will be reviewed for determination in a compressed timeframe to avoid project delays. An example of an emergency change order is the repair of an unexpected watermain break. All actions not included in the approved scope or any increase to the approved cost for a scoped action, MUST be submitted for review and approval. An Emergency Change Order request can be submitted for two reasons:

- To prevent a major delay or impact to the process, a critical system/service, or community; and
 - The action to resolve the issue cannot be delayed until the next scheduled Special Case Panel Meeting
- Immediate action required due to fault or action of contractor or firm (Break-Fix)

If an Emergency Change Order is requested for a Break-Fix scenario, it should be accompanied by an incident log for review and to determine the responsible party.

1.11.1.1 Emergency Change Order Process:

1. The awarded project contractor must notify the respective Mitigation Program Manager of the need for an emergency change order.
2. The contractor provides details about the required change to include, but not limited to the cause and cost.
3. The Mitigation Program Manager determines if the request is, indeed, an emergency and if the request is feasible. The Mitigation Program Manager will consider the scope, level of urgency, and cost of request. If approved, the Mitigation Program Manager may approve additional work for a cost "not to exceed" based on the nature of the scope.
4. The Mitigation Program Manager approves or denies the emergency change order.
5. All approved emergency change orders must be presented by the approving Mitigation Program Manager for an official SCP review at the next scheduled Special Case Panel Meeting. If approved or disapproved, a determination is recorded for the record.
6. Denied emergency change order requests will be presented at the next scheduled Special Case Panel Meeting. An official SCP review is performed, and the determination is recorded.
7. The SCP Decision Memorandum is added to the System of Record.

1.11.2 Appeals

Applicants have the right to appeal any determination issued by the MSCP that affects the applicant's eligibility or assistance determination.

If an applicant chooses to appeal, the appeal must be submitted in writing with thirty (30) calendar days of the eligibility or assistance determination letter. The appeal must include contact information for the appellant or complainant, address, and project number (if applicable), a detailed letter explaining the reason for the appeal and any supporting documents related to the appeal. The appeal may be submitted through one of the following methods below:

Address: South Carolina Office of Resilience
ATTN: Mitigation Appeals
632 Rosewood Drive
Columbia, South Carolina 29201

Email: MIT_Infrastructure@scor.sc.gov

The SCOR Mitigation staff is responsible for responding to complaints and appeals in a timely and professional manner. The appeals procedure will provide a quick and efficient system for resolution of concerns or disputes that applicants may have with the procedures followed and services provided by SCOR. The Mitigation Special Case Panel will review appeals. The Constituent Services Office of SCOR will review complaints. The review process may include but not be limited to informal hearings, third-party review, and director approval. SCOR will keep a record of each complaint or appeal that it receives to include all communications and their resolutions. If an applicant disagrees with an official decision, he or she can appeal to the SCOR.

1.12 Complaint Procedures

The SCOR has adopted a public complaint process to investigate and resolve issues arising from its administration of ASIP programs. Each Subrecipient must adopt a similar or equivalent provision that provides for the implementation of policies and procedures to address any and all complaints arising out of the administration of ASIP programs. The Subrecipient must provide SCOR with a copy of the adopted public complaint process, as well as copies of any complaints received and the Subrecipient's resolution efforts. The Subrecipient must retain records related to any complaint received and the resolution of the complaint.

When a complaint or appeal is received, a SCOR representative will respond to the complainant or appellant within fifteen (15) business days where practicable. For expediency, the SCOR Mitigation staff shall utilize telephone communication as the primary method of contact; however, email and postmarked letters will be used as necessary.

SCOR has identified the SCOR Constituent Services staff section to handle all property owner and homeowner inquiries. These staff will be responsible for:

- Determining whether complaints and appeals relate to the business or authority of SCOR
- Ensuring that a response to all complaints and appeals are within the appropriate time frame (response must be provided within 15 working days of the receipt of the complaint)
- Ushering all complaints and appeals through to a resolution
- Maintaining all documentation related to each appeal and complaint. Each file must include the following:
 - Results of the investigation, together with any notes, letters, or other investigative documentation

- The date the complaint or appeal was closed; and
- Any other action is taken.

1.13 Technical Assistance

SCOR will provide technical assistance to participants and subrecipients as needed. During the activities of the Programs, many decisions will be made involving each project. Technical assistance may be provided by SCOR staff or the State may contract with other technical assistance providers. Technical assistance may be delivered through a variety of methods to include in-person visits, virtual meetings, and written guidance. Requests for technical assistance must be submitted in writing through one of the following methods below:

Address: South Carolina Office of Resilience
ATTN: Mitigation Department
632 Rosewood Drive
Columbia, South Carolina 29201

Email: MIT_Infrastructure@scor.sc.gov

1.14 Record Retention and Monitoring

SCOR will establish and maintain project records in accordance with the requirements of the SLFRF funds. All records documenting funding decisions and project administration will be kept so that they can be reviewed by U.S. Treasury, S.C. Department of Admin, the State Inspector General, the Government Accountability Office, and citizens. Records will be maintained in accordance with Section 602(c) of the Social Security Act, the US Treasury's Final Rule, SCOR ASIP policies and procedures, and other requirements of ARPA and the Uniform Guidance found at 2 CFR 200.

SCOR will monitor Subrecipient grantees to ensure compliance with the requirements of the ASIP grant awards. Each Subrecipient must make all project records available digitally through a protected or secured platform to ensure protection of Personal Identification Information (PII) and maintain a complete set of files at the local office level.

1.14.1 Record Retention

All local records relating to an ASIP award must be maintained for five (5) years after the date of the submission of the final expenditure report. All physical and electronic records, following closeout of this grant, will be maintained by the South Carolina Office of Resilience.

SCOR must ensure compliance with applicable regulations, which include but are not limited to regulations regarding recordkeeping, administrative and financial management, environmental compliance, conflict of interest, procurement, Davis-Bacon Labor Standards, diversity and civil rights regulations, property acquisition and management, displacement, relocation, and replacement. Monitoring will be carried out by SCOR program staff and auditors as well as subrecipient administrators. All projects will be monitored quarterly will be scheduled well in advance with the appropriate administrators.

Grant files should include the following project documentation, at a minimum:

- Project Application
- Executed grant Award Letter and Resolution
- Executed Subrecipient Agreement, if applicable

- Commitment of Funds Letter and Payment Schedule, if applicable
- Documentation of approved grant amendments, if applicable
- Project Correspondence
- Project Budget
- Invoices, payments, and requests for reimbursement (Subrecipients)
- Supporting documentation and approval of grant expenditures
- Monitoring and compliance documentation and results
- Documentation of approval for pre-award expenses, if applicable
- Documentation of procurement of all project-related contracts
- Environmental review report
- Real estate/easement acquisition documentation
- Project Change Log
- MSCP decision memos
- Documentation of all labor and wage compliance
- Monthly and quarterly progress reports, if applicable
- Project permits
- Project schedule

Additional record requirements for Subrecipient grantees may be found in the SCOR Subrecipient Manual.

Project schedule and budget changes shall be documented in a Project Change Log and include the following:

- Description of the change made
- Reason for the change
- Any ramifications resulting from the change, i.e., additional funding must be sought, change to project expenditure projects etc.

Project expenditures will be tracked through the monthly consultant/contractor payment approval process and through the quarterly update. Rejected payment requests shall be saved in the project files and include on the rejected payment application, or within attached correspondence, the date and nature of the rejection. Digital files shall be clearly named to differentiate the rejected applications from those approved for payment.

1.14.2 Monitoring

Subrecipient-run ASIP projects shall be monitored by SCOR through progress reports, schedules, and project expenditures. At the initiation of a project, a detailed project schedule will be developed covering the design and construction of the project. This schedule will be maintained through the life of the project and shall be updated no less than quarterly.

Monitoring review activities are conducted to ensure compliance with the following objectives:

- Review Subrecipient Agreement compliance. A Subrecipient or contracted vendor will be monitored to ensure all funded activities are eligible; beneficiaries served are accountable; and funds have been expended in accordance with SCOR, state and federal requirements, as outlined in the Subrecipient Agreement. Compliance area reviewed by C&M include financial management, advance payment, acquisition, infrastructure change orders, equipment, procurement, environmental approvals, and labor standards

- Procedures to detect fraud, waste and abuse. SCOR, a Subrecipient, or contracted vendor's processes or systems and other policies and procedures used to administer SCOR ASIP funds will be monitored for adequate protections against fraud, waste, and abuse
- Identify any necessary corrective actions. A review could result in prescribed corrective measures to be carried out by SCOR, the Subrecipient or contracted vendors up to and including repayment
- Identify technical assistance needs. A review may reveal a need for additional technical assistance

1.14.3 Monitor Review Types

The Mitigation Team performs two types of reviews: desk or on-site monitoring.

- **Desk Review:** A desk review requires the Mitigation Team to sufficiently review selected project(s) or activities and the related compliance area(s) via electronic means. A desk review is generally conducted in the following situations:
 - The size, scope, or complexity of the review allows a desk review
 - An interim review or a complaint is received and warrants a desk review
 - The Subrecipient or contracted vendor requests a desk review, and this request is approved by SCOR
- **On-site Review:** An on-site review requires the Mitigation Team to sufficiently review selected project(s) or activities and the related compliance area(s) during a scheduled visit at the Subrecipient or contracted vendor project location. An on-site review is generally conducted in the following situations:
 - The size, scope, or complexity of the review would benefit from an on-site review
 - An interim on-site review or a complaint is received that warrants an on-site review
 - The Subrecipient or contracted vendor requests an on-site review, and the request is approved by SCOR

At minimum, one annual desk review, **per each infrastructure project**, must be completed by the Mitigation Team.

1.14.4 Monitoring Professional Services

SCOR will monitor all procured professional services and those procured by subrecipients. SCOR may have to procure professional expertise from another entity to monitor procured professional services. This procurement and compliance monitoring is part of activity or program delivery of the project but is separate from any award to a subrecipient. This compliance monitoring can include but is not limited to:

- Surveying
- Appraisals
- Demolition
- Lead Based Paint Testing/Mitigation
- Asbestos Testing/Mitigation

1.14.5 General Monitoring Methodology

Prior to an on-site monitoring review, a written notification will be provided to the Subrecipient or the contracted vendor from SCOR of the type of review that will be conducted. Selected compliance areas,

projects or activities, and duration of the visit are examples of information that will be provided in the notification letter. The following steps are integral to conducting a monitoring review:

- Conducting an entrance conference with the appropriate representatives to explain the purpose of review
- Applying the applicable requirements through documented work papers
- Reviewing the applicable files
- Interviewing members of staff, engineers, and/or consultants, as appropriate to discuss project related issues
- Conducting an exit conference with the appropriate representatives to present the preliminary conclusions identified during the review
- Issuing a formal written report summarizing the conclusions of the review
- SCOR retains the right to modify the monitoring procedures and monitoring tools as deemed necessary

1.14.6 Monitoring Decision Categories

One or more conclusions may result from a monitoring review that indicates the following:

- The performance complied with the requirements of the SCOR program
- Findings that require corrective actions by the Subrecipient or contracted vendor
- Concerns about the performance of the projects or activities
- Observations for efficiencies or items of note
- Technical assistance is necessary

The terms above are defined by SCOR as:

- A “finding” is an issue of statutory or regulatory noncompliance that must be addressed immediately
- A “concern” is an issue that is not an instance of statutory or regulatory noncompliance but may result in noncompliance if they are not addressed
- An “observation” is a comment about an area where the funded entity can improve program performance or recognize exceptional success and best practices

1.14.7 Non-Compliance Procedures

The results of the monitoring review may require corrective action by the Subrecipient or contracted vendor. A monitoring report will be issued which outlines the findings, concerns, and/or observations and identifies corrective actions to be carried out to remedy identified deficiencies

If corrective actions are identified, the Subrecipient or contracted vendor must respond to SCOR by the date indicated on the report. Issues identified in the report must be resolved prior to the close-out of the Subrecipient or vendor contract. A clearance monitoring letter will be issued to the Subrecipient or contracted vendor stating that corrective actions address the issues noted within the monitoring report. Depending on the severity of the issues identified in the report, corrective actions may include remedies for non-compliance that include:

- Temporary withholding of cash payments until correction of the deficiency
- Disallowed cost recovery
- Wholly or partly suspend the Subrecipient Agreement
- Initiate suspension or debarment proceedings
- Withhold further Subrecipient Agreements
- Other legal remedies as available

1.15 Website Policy

The SCOR website is located at <https://scor.sc.gov>. Website locations will be printed on all program advertisements and outreach materials. The State of South Carolina will adhere to ADA-compliant standards for website accessibility and readability. Content and website layout will be designed with best practices for adaptive use in mind.

1.15.1 Website Purpose

The South Carolina Office of Resilience (SCOR) will maintain a comprehensive website for the U.S. Department of Treasury SLFRF program. The websites serve as a central source for SCOR program information and is intended to provide transparency into SCOR's activities using these funds. The websites will host Policies and Procedures, Public Hearing Notices; Program eligibility requirements, and steps to apply for funding; procurement policies, solicitations, and awarded contracts (including those procured by subrecipients); procedures for complaints, appeals, and fraud reporting; Quarterly Performance Reports and expenditure projections and outcomes.

1.15.2 Website Content

The information on the SCOR website will include, but may not be limited to, the following:

- SCOR ASIP Policies and Procedures
- SCOR Announcements of Public Hearings
- ASIP Program Information, eligibility requirements, and steps to apply
- Post all open procurement
- SCOR ASIP Quarterly Performance Reports
- ASIP Awarded Projects

1.16 Project Closeout

The closeout process is designed to ensure all ASIP activities are completed, and funds are expended in accordance with either the subrecipient agreement, contracted vendor agreement, program rules, and state and federal requirements. This means any financial, administrative, and performance issues related to the Mitigation Program stipulated as part of the applicable contract have been resolved to the satisfaction of SCOR, SC DOA, and the subrecipient or contracted vendor. The closeout process also certifies that the persons benefiting from the activities are receiving services or a benefit from the use of the new or improved project, facilities and/or activities.

The closeout process must be initiated by SCOR for State-run projects and by subrecipients for subrecipient-run project. Closeout begins when:

- All costs to be paid with ASIP funds have been expended and payment requests, submitted, except for closeout costs (final administrative and audit costs), and other costs approved in writing by SCOR
- The work described in the currently approved Performance Statement has been completed

Prior to the closeout of a completed project, SCOR will conduct a review to ensure that each project:

- Was an eligible activity
- Had no outstanding issues

1.16.1 Closeout Process

The program activity closeout process consists of a thorough review and determination that all costs, with certain exceptions, paid with ASIP funds have been incurred, and the work has been completed in accordance with plans, specifications, and conditions of the project. This process is documented in the Grant Closeout Report (GCR) and

the required supporting documentation identified. Other information may be required and requested by the SCOR. The GCR must be submitted within 90 calendar days after the project is completed.

1.16.2 Grant Closeout Report (GCR)

The following must be included in the GCR:

- A project map showing the location(s) of the project
- Certificate of Expenditures (COE)
- Performance Statement Checklist
- Beneficiary Detail Report
- Any other documentation as required

After the GCR has been reviewed by the necessary departments, it will be signed by the Environmental Certifying Officer and the Mitigation Program Director. The signed GCR will be included in the respective project file.

1.16.2.1 Certificate of Expenditures (COE)

This section of the GCR documents financial status of the applicable completed agreement or contract, including both SIP funds and any other funds used for the project. All budget activity is listed in the following columns:

- SCOR Budget: ASIP funds allotted to each budget activity including all amendments and revisions
- SCOR Funds Expended (Including Final GA Draw): Funds received from SIP through approved Requests for Payment. Pending Requests for Payment are included in this amount
- Final GA Draw: Amount of final GA Draw
- Unutilized Funds: Total grant funds that will NOT be requested including all funds not Drawn to Date or requested for Reserve. All funds included in this column will be de-obligated by SCOR
- Local Contribution: All funds or local contribution other than ASIP funds used to complete the project

1.16.2.2 Actual Accomplishments

The GCR reports all work completed by the activity. The work reported must correspond to the project described in the Performance Statement and be reported in the same quantitative terms as those used in the applicable agreement or contract (if the Performance Statement describes a project without using linear feet, report the item as a linear foot metric). The project KPI's must be documented with final numbers following construction completion.

1.16.2.3 Beneficiary Detail Report

Complete Beneficiary Detail Reports for all activities in the Performance Statement (excluding engineering, administration, and acquisition if incidental to the project). The total number of persons benefiting, and the number of households benefiting if applicable, must equal the total activity beneficiaries or households listed in the Performance Statement.

If multiple projects/activities benefit exactly the same group of persons, the detailed beneficiary information may be reported once for the group of activities in order to minimize the length of the report. Indicate all activities to which the report applies at the top of the report.

CHAPTER 2: FEDERAL COMPLIANCE REQUIREMENTS

2.0 Single Audit Requirement

The Internal Audit Department is independent of SCOR's ASIP program and reports directly to the Chief Resilience Officer. Internal Audit is responsible for ensuring that SCOR's ASIP program follows all required federal and state requirements. Internal Audit ensures that SCOR's programs adhere to what SCOR has promised the citizens and communities of South Carolina in its Policies and Procedures.

2.0.1 Auditing Activities

Internal Audit will utilize risk-based programmatic auditing of the activities and procedures throughout the process of implementing all areas of the ARPA SLFRF funded SCOR programs. Auditing activities involve a direct review of the actions pertaining to the following:

1. Stormwater Infrastructure Program
 - a. Project Application/Eligibility
 - b. Project Selection/Approval
 - c. Environmental Review
 - d. Procurement of Services
 - e. Project Management
 - f. Monitoring of Subrecipients
 - g. Financial Transactions
 - h. Duplication of Benefits, where applicable
 - i. Davis Bacon Compliance, where applicable
 - j. Reporting requirement compliance
2. Transparency and Access
 - a. Citizen Participation
 - b. Citizen Accessibility

3. Mitigation Special Case Panel

Other Activities conducted by Internal Audit include:

- Review of specific program pricing policies to ensure that the decisions that are made are in the best interest of the Program, Applicants, and Taxpayer.
- Review of any items received through the Fraud Hotline

2.0.2 Audit Scope

Internal Audit will specifically monitor the following:

1. Infrastructure
 - a. 25% of all applicant files
 - b. Review files to verify applicant program eligibility
 - c. Review construction files to ensure consistent and appropriate documentation, including evidence of permits
 - d. Cost reasonableness of infrastructure projects as they are approved
 - e. 25% of completed construction projects

2. Mitigation Special Case Panel

- a. 100% of the files will be reviewed that are submitted to the Mitigation Special Case Panel. These reviews will focus on Eligibility, Cost Containment, and appropriate and timely scope of work items.

The Mitigation Program Director, in coordination with the Internal Audit Director, can temporarily increase the percentage of files reviewed in a program as required. On a weekly basis, Internal Audit reports the number of cases reviewed to the Program as a metric of Internal Audit progress. Internal Audit reports any issues identified through daily monitoring activity to the contractor to facilitate expeditious corrections.

2.0.3 Single Audit

As defined in 2 CFR 200 Subpart F – Audit Requirements of the Uniform Guidance, any non-federal entity expending \$750,000 or more in Federal Awards must have a single audit conducted in accordance with 2 CFR 200.514 unless it elects to have a program-specific audit. It is the responsibility of each Subrecipient to ensure that a Single Audit or Program Specific Audit, if required, is uploaded to the Federal Audit Clearinghouse (FAC) database as detailed in 2 CFR 200.512. The FAC is operated on behalf of the Office of Management and Budget and can be accessed through the following website: <https://harvester.census.gov/facweb/>.

The State of South Carolina is in full compliance with Single Audit requirements. The State's annual expenditures are consistently reviewed every year by the Office of the State Auditor to evaluate whether the State's major federal programs follow laws, regulations, contracts, and grant rules as applicable to each program. The State maintains reports and working papers for each annual report for a minimum of three years from the date of submission to the Federal Audit Clearinghouse.

South Carolina will monitor subrecipients for compliance with financial administration requirements in accordance with Single Audit requirements previously stipulated in OMB Circular A-133, now codified in 2 CFR 200, Subpart F. The Department requires all program subrecipients who expend more than \$750,000 in federal funds during the fiscal year to submit their Single Audit review through the State's Federal Audit Clearinghouse or directly to the State for review for material weaknesses and findings or concerns. Subrecipient compliance with audit requirements has been and will continue to be maintained through an internal monitoring tracking system updated on a routine basis.

2.0.4 Auditee Responsibilities

In accordance with 2 CFR § 200.508, SCOR must:

- Procure or otherwise arrange for the audit required by this part in accordance with § 200.509 Auditor selection, and ensure it is properly performed and submitted when due in accordance with § 200.512 Report submission;
- Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements;
- Promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan in accordance with § 200.511; and

- Provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit required by this part.

2.1 Fair Labor & Wage Requirements

SCOR will comply with the laws and regulations associated with federal labor standards administration and enforcement. All contracts in excess of \$100,000 that involve employment of mechanics or laborers must include a provision for compliance with certain provisions of the Contract Work Hours and Safety Standards Act, 40 U.S.C. 3702 and 3704, as supplemented by the Department of Labor regulations (29 CFR Part 5).

SCOR will also comply with applicable requirements for Davis-Bacon labor standards compliance and documentation. The Office of Davis-Bacon and Labor Standards (DBLS) is responsible for overall compliance with the federal prevailing wage requirements where applicable to the ASIP program.

Activities financed by ASIP that are not “construction work” do not trigger Davis-Bacon Requirements, for example:

- Real Property Acquisition
- Architectural and engineering fees
- Other professional services (legal, accounting, testing); and
- Other non-construction items

Even if ASIP funds finance only a portion of a construction contract, when triggered, Davis-Bacon requirements still apply to the entire construction contract.

2.1.1 Contract Work Hours and Safety Standard Act

If a contract is greater than \$100,000 and involves the employment of mechanics or laborers, the following provision of the Contract Work Hours and Safety Standard Act must be followed for ASIP projects:

- Contractors must comply with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5).
 - Under 40 CFR 3702, each Contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week.
 - Under 40 CFR 3704, no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous.

2.1.2 Copeland “Anti-Kickback” Act

In accordance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 31), for projects subject to prevailing wage standards under the Davis-Bacon Act, each contractor or subcontractor must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The Copeland “Anti-Kickback” Act prohibits workers on construction

contracts from giving up wages that they are owed. This requirement applies to all contracts for construction or repair work above \$2,000 in situations where the Davis-Bacon Act also applies.

2.1.3 Application of Davis Bacon

If a project is funded solely with SLFRF, State, Local or private dollars then federal Davis-Bacon requirements are not triggered so long as the total project cost does not exceed \$10 million. If the total project cost is \$10 million or above, but the SLFRF portion of the project cost is below \$10 million, Davis-Bacon/labor reporting may not apply. If federal funding is used to fund any part of a project in excess of \$10 million, Davis Bacon will apply to the whole construction project including the SLFRF-funded portions of the project.

For ASIP projects over \$10 million (based on expected total cost), SCOR and its Subrecipients will conduct then one of three actions must occur;

- (1) A recipient may provide a certification that all laborers and mechanics employed by contractors and subcontractors are paid prevailing wages as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the “Davis-Bacon Act”). Prevailing wages may be found at www.sam.gov.
- (2) A recipient may provide certification by the appropriate State entity that for the relevant project, all laborers and mechanics employed by contractors and subcontractors in the performance of such project are paid wages at rates not less than those pursuant to a corollary State prevailing-wage-in-construction law (commonly known as “baby Davis-Bacon Acts”), or;
- (3) Because certification is NOT required; if **no certification is provided**, a subrecipient and/or contractor must provide a project employment and local impact report detailing:
 - a. The number of employees of contractors and sub-contractors working on the project;
 - b. The number of employees on the project hired directly and hired through a third party;
 - c. The wages and benefits of workers on the project by classification; and
 - d. Whether those wages are at rates less than those prevailing.

SCOR and its Subrecipients will manage and enforce all Davis-Bacon labor standards requirements and have accepted the responsibilities described in this section. Recipients, subrecipients and contractors must maintain sufficient records to substantiate this information upon request.

Where the provisions of Davis-Bacon Act are required, all transactions regarding the approved project shall be done in compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) and the requirements of 29 C.F.R. pt. 5 as may be applicable. The contractor shall comply with 40 U.S.C. 3141-3144, and 3146-3148 and the requirements of 29 C.F.R. pt. 5 as applicable. Contractors are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. Moreover, contractors are required to pay wages not less than once a week.

2.1.4 Objectives for Davis-Bacon Labor Standards Compliance

If Davis-Bacon standards applies to the project, then the following five (5) key labor standard objectives must be accomplished by SCOR and/or the Subrecipient in order to manage and enforce Davis-Bacon requirements and protect workers’ rights.

- (1) Apply Davis-Bacon requirements properly
- (2) Support subrecipient and/or contractor compliance with labor standards through education and advice
- (3) Monitor subrecipient and/or contractor performance to ensure compliance
- (4) Investigate probable violations and complaints of underpayment; and
- (5) Pursue debarment and other available sanctions against repeat labor standards violators, if necessary

2.1.5 Exemptions

With the exemption of the situations listed in this section, all workers employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under the ASIP program shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor (SOL) in accordance with the Davis-Bacon Act, as amended.

The following contracts and activities are exempt from Davis-Bacon labor standards requirements except where indicated:

- Project funded solely with SLFRF, State, Local, or private dollars then federal Davis-Bacon requirements are not triggered unless the total project cost is \$10M or above, with the SLFRF portion \$10M or above, Davis-Bacon/labor reporting do apply.
- Prime Construction contracts of \$2,000 or less.
- Single Family, Owner Occupied Residences.
- Rehabilitation of residential properties designed for fewer than eight (8) families.
- Volunteer labor as long as nominal benefits cannot be tied to productivity, hours worked, or in any way be construed as wages.
- Convict labor is subject to DBRA, there are no exemptions for convict/prison inmate labor on DBRA covered contracts unless another exemption applies.
- Employees of the local Subrecipient (Force Account labor).
- Only private or local funds used for rehab or construction unrelated to the project.
- Holding/maintaining properties (land bank).
- Some Demolition Activities may be exempt. However, demolition, clearance, and debris removal are covered by DBRA when planned as part of the same construction contract or subsequent construction is contemplated as part of a future construction project under another DBRA eligible activity.
- Construction Contracts of \$100,000 or less are exempt from Contract Work Hours and Safety Standards Act (CWHSSA) only.
- Professional service activities such as acquisition, engineering, architectural, and administrative services are exempt and do not require an LSR.
- Labor/installation charges on equipment or materials purchases if that portion of the contract is less than 13% of the total cost of the item(s) purchased.

2.2 Uniform Relocation Assistance & Real Property Acquisition (URA) Requirements

The Uniform Relocation and Real Property Acquisition Act applies to all real property purchases—both before and after award—if the land is used for a federally funded program. This means that all land

acquisitions, whether already acquired with or in anticipation of federal funding, must have complied with the Act. The purpose of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) is:

- To ensure owners of real property acquired for federal and federally assisted projects are treated fairly and consistently, to encourage and expedite acquisition by agreements with such owners, to minimize litigation and relieve congestion in the courts, and to promote public confidence in federal and federally assisted land acquisition programs.
- To ensure persons displaced as a direct result of federal or federally assisted projects are treated fairly, consistently, and equitably and do not suffer disproportionate injuries as a result of projects that benefit the public; and
- To ensure acquiring/condemning authorities implement these regulations in an efficient and cost-effective manner.

URA is triggered when real property acquisition related to an ASIP project is contemplated, and persons are to be displaced as a direct result of acquisition. URA Regulations are found in 49 CFR Part 24.

2.2.1 General Requirements

Acquisition rules apply whenever an acquiring entity:

- Undertakes the purchase of property directly.
- Provides a nonprofit or for-profit entity with funds to purchase the property.
- Hires an agent or consultant to act on its behalf in acquisition.
- Undertakes acquisition on or after an ASIP application submission date unless the acquiring entity demonstrates that the acquisition was unrelated to the proposed activity.

Each property owner must be properly informed of their rights, as required by law, and the acquiring entity must document compliance with the laws and regulations. Each property owner is entitled to the payment of just compensation for their land, even if they are a direct beneficiary of the project.

Before requiring the property owner to surrender possession of the real property, the acquiring entity must pay the agreed purchase price to the owner.

If the acquisition is only a portion of a property but would leave the owner with an uneconomic remnant of the property, the acquiring entity must offer to acquire the uneconomic remnant along with the portion of the property needed for the project.

2.3 Civil Rights Requirements

SCOR and its Subrecipients are required to comply with nondiscriminatory use of the ARPA SLFRF funds. ASIP projects must demonstrate no person is being denied benefit, excluded, or subjected to discrimination under any program funded in whole or in part by federal funds. Program participation must not be based on:

- Race
- National Origin
- Religion
- Color
- Sex
- Age

- Disability (mental and physical); or
- Family Status

ASIP projects shall comply with the following:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.),
- The Treasury’s implementing regulations (31 CFR Part 22),
- The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq),
- Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794),
- The Age Discrimination Act of 1975, as amended (42 U.S.C. 12101 et seq.), and
- Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. 12101 et seq.).

2.3.1 Section 3 Requirements

If projects are funded solely with ARPA SLFRF funds, then only the SLFRF funding labor reporting requirements apply. However, as per P. 43 of Final Rule FAQs, Treasury encourages recipients to ensure that capital expenditure projects and water, sewer, and broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions, not only to promote effective and efficient delivery of high-quality projects, but also to support the economic recovery through strong employment opportunities for workers. Using these practices in projects may help to ensure a reliable supply of skilled labor that would minimize disruptions, such as those associated with labor disputes or workplace injuries.

2.3.2 Equal Opportunity & Non-Discrimination Provision

SCOR and its Subrecipients must take actions to ensure that no person or group is denied benefits such as employment, training, housing, and contracts generated by the ASIP project on the basis of race, color, religion, sex, national origin, age, or disability.

2.3.2.1 Nondiscrimination, Equal Opportunity, and Affirmative Action in Employment

Employment opportunities may not be denied on the basis of race, color, national origin, sex, age, religion, familial status, or disability. Steps that can be taken to prevent discrimination in employment include the following:

- Maintain employment data that indicates staff composition by race, sex, disabled status, and national origin.
- Review existing personnel policies to assure compliance with nondiscrimination and equal opportunity requirements.
- Advertise locally as an equal opportunity employer.
- Publish an annual statement of nondiscrimination or include such statement in any ASIP program communications/publications.
- Develop a network of information points that serve minority, elderly, women, disabled and ethnic groups, in addition to newspapers or public service channels, to advertise employment opportunities.
- Develop and implement a Section 3 compliance plan.
- Display Equal Opportunity posters prominently at all job sites; and

- Take affirmative action to overcome the effect of past discrimination.

2.3.2.2 Nondiscrimination, Equal Opportunity, and Affirmative Action for Construction Contracts

SCOR and its Subrecipients must take all necessary steps to notify minority businesses, women's business enterprises, labor surplus area firms, and Section 3 businesses of bidding opportunities. Contractors may not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. Steps that can be taken to prevent discrimination and monitor for compliance include the following:

- Advertise as an equal opportunity employer in bid solicitations.
- Include minority businesses, women's business enterprises, labor surplus area firms, and Section 3 businesses in bid solicitations whenever possible.
- Document and maintain a list of locally owned businesses that were awarded contracts.
- Include Section 3 and Equal Employment Opportunity clauses as part of bid packets and all applicable contracts.
- Inform contractors of Section 3 and equal opportunity requirements at preconstruction conference or through other means of notification.
- Require contractors to submit monthly utilization reports; and
- Monitor contractor's compliance at work site.

2.4 Environmental

SCOR and its Subrecipients are responsible for conducting a NEPA environmental review in accordance with 40 CFR 1500-1508 regulations and a Section 106 review where applicable in accordance with 36 CFR 800. SCOR and its ASIP Subrecipients, and personnel completing the environmental review should be familiar with the resources and forms found on the Council on Environmental Quality website (<https://ceq.doe.gov>) and should contact their SCOR Project Manager to request technical assistance.

The ASIP Subrecipient is responsible for completing a NEPA/Section 106 environmental review, with or without assistance from a third party, and certifying the results. The Subrecipient must submit the completed environmental review to SCOR for review and approval.

When the SCOR Environmental Representative approves the environmental review documents for state-run and subrecipient-run ASIP projects, she/he certifies that not only has the project been found to have or not have significant impacts on the environment, but also the required process was completed in accordance with federal regulations. Environmental compliance certification must be provided to SCOR prior to a Subrecipient undertaking a choice limiting action or an actual construction activity. Failure to comply with these requirements will jeopardize the project and could lead to disallowed costs, repayment of funds, and debarment from the program for the Subrecipient and administrators involved with the environmental review process.

2.4.1 Basics of Environmental Review

Basics of Environmental Review

- 1) What is there now?
- 2) What will be there when the project is complete?
- 3) How will this be accomplished?

A key factor in performing an environmental review is the process to consider the ultimate effect/end result of a proposed project. For example, if ASIP funds are being used to acquire a site for a new construction project, the ultimate effect/results of the project are not solely the acquisition of the site, but also the construction of the project, including infrastructure. Therefore, the environmental review must address the impacts of both the ASIP-funded land acquisition and any new construction/additions of the project. The environmental review must address the impacts to the actual project site and the surrounding area. A public notice must be completed for each environmental review and the public must be given reasonable opportunity to review and comment on the environmental review.

SCOR and its Subrecipients should complete one environmental review for each project. When a beneficiary has more than one ASIP project that are functionally and geographically related activities (and associated administration and engineering work), the projects can be aggregated under one environmental review report.

2.4.2 Determine Level of Environmental Review

2.4.2.1 Categorical Exclusions (CE)

Activities or actions which meet the definition contained in 40 CFR 1508.4, and based on past experience with similar actions, normally do not involve significant environmental impacts, either individually or cumulatively.

2.4.2.2 Environmental Assessment (EA)

Activities which are neither exempt nor categorically excluded (under each category) will require an environmental assessment (EA) documenting compliance with NEPA, NHPA, and with the environmental requirements of the Department of Treasury Directive 75-02. Accordingly, environmental review activities will be carried out for each funded ASIP activity.

Environmental Site Assessment (ESA) – Phase I and II

Some projects may require an additional environmental review of the current and historical uses of a property when there is potential contamination to the soil or groundwater at the project site. Typically, these assessments are incorporated in the Environmental Review Record (ERR) and may result in specific mitigation actions that must take place prior to the purchase of the property or construction of an improvement. A Phase II ESA may be required depending on the findings of the Phase I report.

2.4.2.3 Environmental Impact Statement (EIS)

An Environmental Impact Statement (EIS) is required when the Environmental Assessment (EA) results in a Finding of Significant Impact, indicating that the proposed project or activity will significantly impact the human environment. It is unlikely that a funded activity will trigger an EIS. In the event that a subrecipient-

run ASIP project requires an EIS, the Subrecipient should contact their SCOR Grant Manager immediately for further instruction.

2.4.3 Timing of the Environmental Review

An important concept under environmental regulations is the timing of the environmental review. An environmental review shall be performed before any funds are expended on physical activity, including acquisition and infrastructure, as well as contracting for any of these actions. No activity or project may be undertaken if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives.

SCOR and its Subrecipients are required to complete the environmental review for an ASIP project **before:**

- Any commitment of ASIP funds for activities; and
- Any commitment of non-ASIP funds that would have an adverse environmental impact or limit the choice of alternative.

A party may begin a project in good faith as a private project and is not precluded from later deciding to apply for federal assistance.

2.4.3.1 Option Contracts for Purchase of Property

A contract to purchase property for an ASIP project before the environmental review is completed must be avoided until after the environmental review process is completed. However, an option contract is one action that may be taken beforehand that might conclude in acquisition of a property or easement once the environmental review process is complete. An option contract is a useful tool for SCOR to obtain site control while allowing time to complete the environmental review.

Option contracts may be used to gain site control of any type of property, including residential for any proposed activity or reuse, including demolition and conversion of use, so long as it specifically is contingent of environmental clearance.

A real estate option contract or agreement is a legal agreement between the potential buyer of real property and the owner of that property. The real estate option agreement gives the potential buyer the exclusive right to buy the property at a specific price within a specific time period. The option agreement does not impose any obligation upon the potential buyer to purchase the property. The option agreement does obligate the seller to sell at the specified price if the potential buyer exercises the option to buy in the manner described in the contract.

2.4.4 Environmental Laws & Regulations

The implementing regulations include the National Environmental Policy Act of 1969, as amended, 42 U.S.C. 4321, et seq., and the National Environmental Policy Act Regulations, Council on Environmental Quality, 40 CFR parts 1500-1508. Additionally, the environmental laws and regulations identified in the US Department of the Treasury Directive 75-02 may apply. This is not an all-inclusive list as projects can cross over into other laws and authorities not listed here. The following guidance provides technical assistance for conducting environmental reviews:

- CEQ NEPA Guidance
- Council on Environmental Quality, Aligning NEPA Processes with Environmental Management Systems – A Guide for NEPA and EMS Practitioners, dated April 2007
- The NEPA Task Force Report to the Council on Environmental Quality: Modernizing NEPA

Implementation, dated September 2003

- Treasury Directive 75-02: Department of the Treasury National Environmental Policy Act (NEPA) Program

2.5 Debarment and Suspension

SCOR, and its Subrecipients, will conduct a debarment check to ensure contractors and/or subcontractors are not on the federal or state debarment list. Federal debarment in accordance with the OMB guidelines at 2 CFR 180 and 2 CF 1200 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension”.

Contractors and/or subcontractors that are found by the Secretary of Labor to be in aggravated or willful violation of the labor standards provisions of the DBLs will be ineligible (debarred) to participate in any DBLs contracts for up to 3 years. Debarment includes the contractor or subcontractor and any firm, corporation, partnership, or association in which the contractor or subcontractor has a substantial interest.

CHAPTER 3: PROCUREMENT

SCOR's ASIP Procurement policy and procedures establishes standards and guidelines for procurement of supplies, equipment, construction, engineering, activity administration, architectural, consulting, and other professional services for ASIP programs. SCOR's procurement policies must comply with the South Carolina Consolidated Procurement Code, S.C. Code Ann. § 11-35-10, et. Seq. The following standards and guidelines are being furnished to ensure Subrecipients of ASIP funds procure materials and services in an efficient and economical manner that is in compliance with the applicable provisions of Federal and State laws and executive orders.

3.0 SCOR Procurement

The following table provides a cross-reference between the federal regulatory requirement and its counterpart under South Carolina's procurement law:

<i>Federal Citation</i>	<i>Short Title</i>	<i>South Carolina Consolidated Procurement Code & South Carolina Budget and Control Board Regulations 19-45-445, et seq.</i>	<i>Short Title</i>
2 CFR 200.318	General Procurement Standards	§11-35-20	Purposes and Policies
2 CFR 200.319	Competition	§11-35-20(a)-(h)	Purposes and Policies
2 CFR 200.320	Methods of Procurement to be followed	§§11-35-1510-1580	Methods of source selection; Methods of Procurement to be followed including, but not limited to, Micro Purchases (§11-35-1550(2)(a)), Small Purchases, Competitive Sealed Bidding, Competitive Proposals and Non-Competitive Proposals/Sole Source
2 CFR 200.321	Contracting with Small, Minority, Women Owned Bus.	§§11-35-5010; 11-35-5210; 11-35-5230; 11-35-5240; 11-35-5260; 11-35-5270	Article 21: Assistance to Minority Businesses; includes: Statement Policy/Implementation, Regulations for negotiations with State Minority Firms; MBE Utilization Plan; Reporting; Division of Small/MBE Certification
2 CFR 200.322	Procurement of Recovered Material	§11-35-3810; 19-445.2150	Surplus Property Management
2 CFR 200.323	Contract Cost and Price	§§11-35-2010(1); 11-35-3510; 11-35-1830; 11-35-1210(2)(C); 11-35-1550(2)(a); 11-35-1830; 11-35-3040; 11-35-3050; 11-35-3410(2)(a); 11-35-5230(a)(5)	Cost and/or Pricing Data; Contract Price Adjustments; Cost Principles; Fair and Reasonable Price Minority Firms
2 CFR 200.324	Federal Awarding or pass-through Entity review	(Compliance with this reg. to be achieved through execution of implementation of grant agreement with HUD)	
2 CFR 200.325	Bonding Requirements	§11-35-3030; 19.445-2145(C)(M)	Bond and Security
2 CFR 200.326	Contract Provision	§11-35-3040	Contract Clauses and their Administration

3.1 Subrecipient Procurement

Subrecipients of SCOR's SLFRF funded ASIP program must comply with the South Carolina Consolidated Procurement Code, S.C Code Ann. § 11-35-10, et. Seq. The SCOR has also adopted 2 CFR 200.317 as it relates to the administration of ASIP, meaning ASIP Subrecipients are required to follow the Federal procurement requirements found in 2 CFR 200.318 through 200.326.

Subrecipients must work with SCOR to determine whether their local procurement policies and procedures are in compliance with all federal requirements contained in 2 CFR 200 as referenced in the applicable federal register. If the policy does not contain all federal requirements (and the Subrecipient intends to use ASIP funds to pay for such services), the policy must be amended accordingly.

Each Subrecipient must receive approval from SCOR to use their local procurement policies and procedures prior to procurement of any services for which ASIP funds are to be used. Additional procurement requirements and guidance is provided in SCOR's Subrecipient Grant Manual.

3.2 Conflicts of Interest

A conflict of interest is, by definition, a conflict between the private interests and the official or professional responsibilities of a person in a position of trust. It is the intent of SCOR to encourage confidence in the integrity of all Program staff.

This includes all members of the SCOR management team, program staff, South Carolina State Employees, Subrecipients, Contractors, Subcontractors, and any additional team members. SCOR has a firm expectation that all staff will be diligent in the avoidance of potential and actual conflicts of interest, as well as perceptions of conflicts of interest. A conflict of interest may occur when the private interests of a person in a position of trust are inconsistent with or impede his/her official responsibilities. This is especially true when applicants are selected to receive assistance and when contracts for goods or services are awarded.

To establish internal controls for identifying potential conflicts of interest, all team members, employees, and other parties participating in the determination of eligibility and/or the distribution of funds, are expected to practice good judgment when presented with a situation, which may involve a potential or actual conflict.

All Program staff are required to make full disclosure to their supervisor of any interests, relationships, and holdings, which could potentially result in a conflict of interest. Potential conflicts of interest may include relationships with neighbors, acquaintances, friends, family members, and other members of the community. As soon as a project team member is aware they have a current or prior relationship or familiarity with a potential applicant they are required to immediately notify their supervisor. The supervisor will ensure that project team members do not process or interact with applications with potential conflicts of interest.

This separation of responsibility will ensure an unbiased approach to the processing of all applications and final eligibility determinations. The goal is for every South Carolina citizen and local government to have confidence their application is being processed with expedient efficiency and integrity. In the event a potential or actual conflict is reported, the Program Manager will review the circumstances in-depth and be responsible for determining the course of action to be taken if a conflict is found to exist. If a team member

has any doubt as to whether a current or prior relationship poses a potential conflict of interest, they should request guidance from their supervisor.

3.2.4 Cost and Price Analysis

For procurement actions in excess of the small purchase threshold, SCOR and its Subrecipients must perform a cost or price analysis. This requirement also applies to contract modifications and change orders.

3.2.4.1 Price Analysis

Price analysis is the process of evaluating and comparing prices for goods or services and should be documented in the procurement file. In conducting a proper price analysis, Subrecipients must request an adequate number of bids, proposals, or quotes for the materials, supplies, or services being procured for comparison. When comparing prices, SCOR and its Subrecipients should review for significant discrepancies to determine if the goods or services are comparable.

3.2.4.2 Cost Analysis

SCOR will utilize this process to help determine if proposed costs are allowable, reasonable, and allocable as described in 2 CFR 200.403-405. Prior to receiving bids or proposals, SOR should establish an independent estimate for the goods or services to be procured. When conducting a cost analysis, SCOR must review and evaluate the separate elements of cost and negotiate profit in a received proposal. A cost analysis is required when price competition does not exist. The following are examples of when cost analysis is used:

- The competitive proposal method is used
- The sole source procurement method is used
- Only one bid is received during a sealed bid procurement and
- A contract modification is requested that changes the price or total estimated cost (either upwards or downwards)

3.2.4.3 Conducting a Price and Cost Analysis

SCOR and its Subrecipients should include the following in their analysis:

- Check the accuracy of the prices submitted
- Evaluate the necessity of the proposed cost items
- Evaluate the separate elements of cost
- Review proposal for potential cost overruns, taking into consideration the vendor's past performance
- Compare proposed prices to Subrecipient's independent cost estimate; and
- Compare proposed prices to previous cost estimates or actual costs incurred for similar work

3.2.4.4 Profit Negotiation

SCOR and its Subrecipients must negotiate profit as a separate element of the price for each contract in which there is no price competition and, in all cases, where cost analysis is performed. All of the following criteria must be considered when negotiating profit:

- Complexity of the work to be performed
- Amount of risk the contractor may be exposed to (performance and/or cost)
- Contractor's investment and resources dedicated to performing the contract (labor, oversight, etc.)
- Use of subcontractors by the prime contractor and the nature of the work to be performed

- Quality of the contractor’s past performance for similar work and
- Industry profit rates in the surrounding area for similar work

Subrecipients are responsible for maintaining records and any documentation used to support the profit negotiation. These records must be provided to SCOR upon request.

3.2.5 Suspension and Debarment

SCOR will follow the procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities³.

SCOR and its Subrecipients must ensure, prior to award, that all contractors receiving ASIP funds have met all the eligibility requirements outlined in state and Federal law. At a minimum, the following steps must be taken to ensure contractor eligibility for all services procured:

- Contractors: All contractors, including professional consulting and engineering firms, must be cleared via a search of the Federal System of Award Management (‘SAM’) to ensure the contractor is in good standing and has not been debarred. The SAM portal can be found here: <https://sam.gov/content/home>. A copy of the Sam search result must be kept in the project file on that contractor.
- Subcontractors: SCOR and its Subrecipients must notify the selected prime contractors that it is the sole responsibility of the prime contractor to verify subcontractor eligibility based on factors such as past performance, proof of liability insurance, possession of a federal tax number, debarment, and state licensing requirements

After a contractor has been verified in the Federal System for Award Management (SAM) and the State’s Debarment List, a memorandum noting the checks and their findings will be prepared and placed into the project file (See Annex 2). It should be noted that if any of the above listed parties are deemed ineligible to receive ASIP funds after award of contract, the contract will be immediately terminated. The matter must be reported to SCOR for further action.

3.3 Methods of Procurement

The methods of procurement should follow the more stringent of local, state, or federal requirement. SCOR will follow the South Carolina state procurement regulations in accordance with the Office of State Engineers (OSE) procurement manual. If it appears requirements contradict federal procurement standards, Subrecipients may request Technical Assistance to determine the best method of procurement. Below are the minimum requirements that SCOR and its Subrecipients must utilize:

3.3.1 Small Professional Services

The small professional services procurement method is used for the procurement of professional services such as engineering design or environmental review. Small professional services procurement is relatively simple and does not require a formal solicitation for securing services, supplies, or other property. In accordance with the S.C. Office of State Engineers (OSE), small professional services contracts can not

³ 2 CFR 200.318(h) and 2 CFR 200.213

exceed \$50,000. If small professional services procurement is used, SCOR may only solicit a proposal from one firm at a time. Procurement will comply with all requirements of the SC OSE Procurement regulations including Chapter 4 of the OSE Procurement manual.

3.3.2 Sealed Bids (Formal Advertisement)

Sealed bids, bids that are publicly solicited and a firm fixed price contract (lump sum or unit price) are awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest price. Procurements for materials, equipment, and construction services with a total cost over the small purchase threshold must formally advertise for sealed bids. Procurement by sealed bids is the preferred method for procuring materials, equipment, and construction services if the following conditions apply:

- A complete, adequate, and realistic specification or purchase description is available
- Two or more responsible bidders are willing and able to compete effectively for the business; and
- The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price

Step 1: Creation of Sealed Bid Packages

SCOR and its contractors must create a bid package, including prepared plans and project manual, that provides a clear and accurate description of technical requirements for materials and products and/or services to be provided on the project. This package must be in accordance with SC OSE requirements:

- Be sealed by an architect or engineer registered in The State of South Carolina and, if the project falls under the jurisdiction of another state agency, approval is required prior to construction
- Contain all properly obtained lands, rights-of-way, and easements necessary for carrying out the project
- Contain processes and procedures in accordance with the provisions of the Uniform Relocation Act for the acquisition of land occurring during the project; and
- Contain all forms and contract provisions applicable to the project and required by federal and state laws and regulations

The base bid should include all components of the approved project and should not include any items which were not included in the approved applications or which have not received subsequent approval. SCOR and OSE approval should be received prior to awarding a bid that includes items not listed in an approved performance statement. Note: For fixed price contracts with unit cost pricing, the bid specifications should delineate some type of item, estimated quality, unit price, and total cost.

Step 2: Comply with Davis-Bacon Act Requirements

SCOR must obtain prevailing wage rates as required by the Davis-Bacon and Related Acts and incorporate those wage rates into the procurement for construction (see Davis-Bacon section).

Step 3: Advertise for Bids

The invitation for bids must be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids. The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond.

Step 4: Public Opening of Sealed Bid Packages

All bids will be publicly opened at the time and place prescribed in the invitation for bids. All sealed bid packages must be opened in accordance with the following standards in addition to any requirements imposed by local, state, and federal law:

- All bids shall be opened and read aloud during the bid opening and the apparent low bidder should be determined during this time
- Bids shall undergo a review for both technical and legal responsiveness
- Bidders must be evaluated as having the capacity to furnish the products and/or services required; and
- Minutes of bid opening along with tabulation of bids shall be placed in the contract file

SCOR and its Subrecipients should take action within 45 days of the bid opening, or as otherwise specified in the bid documents, to either award a contract to the lowest responsible bidder or reject any and all bids for just cause. Any or all bids may be rejected if there is a sound documented reason.

If accepted, SCOR or its Subrecipient and the lowest responsible bidder may, by mutual written consent, agree to extend the deadline for award by one or more extensions of 30 calendar days. Any final contracts awarded must be done so in compliance with the most recent federal wage decision. Subrecipients must maintain documentation of the date, time, and location of the public bid opening.

Step 5: Award the Contract

A firm, fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually opportune.

SCOR and its Subrecipients must verify that the vendor is not debarred under the System for Award Management prior to awarding a contract. If only one bid is received, SCOR must receive approval from SC OSE before awarding the applicable contract. Subrecipients must receive approval from SCOR before awarding the applicable contract.

Procedures for Bids that Exceed Cost Estimates:

In some instances, the lowest bid received will exceed the amount of funds estimated for a particular project. If this occurs, the SCOR will consider the best option for the circumstance. Options include:

- Reject all bids received and re-advertise the project
- Revise or reduce specifications and re-advertise the project, if approved by SCOR
- Reallocate funds to cover the overage
- Seek other funding sources such as local funds to cover the overage; and

Step 6: Execute the Contract

SCOR will execute the contract using the applicable SC OSE contract document forms. Subrecipients must submit the Financial Interest Report to SCOR within 30 days of executing a prime contract. For subcontractors, the Financial Interest Report is due before the final draw.

3.3.3 Competitive Proposals

The procurement by competitive proposals technique is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. A Request for Proposal (RFP) is used when qualifications and price are used in evaluating proposals and is the preferred method for

administrative services. A Request for Qualification (RFQ) is used to procure architectural or engineering professional services where qualifications are used in evaluating proposals and price is not used as a selection factor.

Request for Proposals (RFPs)

RFPs are used to procure professional services such as grant administrative services. This does not include architectural and engineering (“A/E”) professional services where the competitive negotiation method is utilized.

Request for Qualifications (RFQs)

RFQs are used to procure professional services such as engineering or architectural firms (A/E). RFQs use a competitive negotiation method. The selection is made based upon the competitor’s qualifications, subject to negotiation of fair and reasonable compensation.

This method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort. RFQs cannot be used to procure project management or construction management services.

All A/E contracting fees, even those provided for under either a fixed price contract or a cost reimbursement contract must be deemed reasonable and justifiable. If, after a project has been funded, there is a substantial change in the scope of the project, then SCOR must review and approve these changes and determine whether any additional funds are allowable.

The provision of funds for A/E services is entirely contingent upon the amount of funds deemed allowable by SCOR. Firms will not be compensated from the applicable ASIP program in the event of a project not receiving funding.

3.3.3.1 Conducting an RFP/RFQ

Step 1: Develop the Request for Proposals (RFP)/Request for Qualifications (RFQ) package

The RFP/RFQ should include a clear and accurate description of the technical requirements for the material, product, or service to be procured. At a minimum, the RFP/RFQ package should include the following:

- Description of program/project requirements and the scope of services. Subrecipients must utilize Scopes of Work provided by SCOR in their contracts for grant administrators, engineers, and environmental service providers
- Factors and significant sub-factors that will be used to evaluate the proposal and their relative importance
- Detailed instructions on proposal requirements
- Deadline for submission; and
- Anticipated terms and conditions that will apply to a contract awarded under the solicitation
 - A solicitation may authorize offerors to propose alternative terms and conditions. When alternative terms and conditions are permitted, the evaluation approach should consider the potential impact on other terms and conditions or the requirement

Step 2: Advertise the RFP/RFQ

Requests for proposals/requests for qualifications must be publicized and identify all evaluation factors and their relative importance. SCOR and its Subrecipients should allow sufficient time between the solicitation date and proposal deadline. Any response to publicized requests for proposals must be considered to the maximum extent practical.

Step 3: Evaluate and rate the proposals

SCOR will follow OSE requirements for conducting technical evaluations of the proposals and selecting respondents. Subrecipients must have a written method for conducting technical evaluations of the proposals received and for selecting respondents. Materials received in response to RFPs and/or RFQs are typically reviewed in accordance with one of the following processes:

- **Competitive Point Range.** In using this review process, SCOR shall establish a predetermined range of points for proposals that would be considered adequate for qualifying a responder for a particular solicitation. All responders whose proposals or qualification statements score within that range would be invited to an oral interview and asked to submit a best and final offer. The proposals would then be re-evaluated, and the highest scoring firm would be selected
- **Highest Point Earner.** In using this review process, SCOR shall evaluate all proposals or qualification statements in accordance with predetermined selection criteria and award the contract to the overall highest scoring firm.

For counties, municipalities, and other public entities the local governing body has the final authority to award contracts and may select another respondent if the minutes of the local governing body meeting include justification for the selection. Subrecipients must maintain documentation of the date, time, and location of the public bid opening.

Step 4: Award the contract

Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered. SCOR must verify the vendor is not debarred at the federal or state level.

Subrecipients must also verify that the vendor is not debarred under the System for Award Management and the state debarment record prior to awarding the contract. If only one bid or proposal is received, the Subrecipient must receive approval from the SCOR before awarding the applicable contract.

Step 5: Execute the Contract

SCOR will execute the contract using applicable OSE contract document forms. Subrecipients must submit the Financial Interest Report to SCOR within 30 days of executing the contract.

3.3.5 Noncompetitive Proposals (Sole Source)

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may only be used when one or more of the following circumstances apply:

- The item is available only from a single source
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation
- The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity
- After solicitation of several sources, competition is determined inadequate

The following table outlines the four procurement methods used to procure materials, supplies, construction, and services.

Procurement Type	Cost Reasonableness	Contract Type	Solicitation Method	Applications
Small Purchase	<ul style="list-style-type: none"> Price Analysis 	<ul style="list-style-type: none"> Purchase Order Fixed Price 	<ul style="list-style-type: none"> Quotations Submitted Bids 	<ul style="list-style-type: none"> Supplies Produced items Single-task service
Sealed Bid (formal advertising)	<ul style="list-style-type: none"> Price Analysis Cost Analysis 	<ul style="list-style-type: none"> Fixed Price 	<ul style="list-style-type: none"> Submitted Bids 	<ul style="list-style-type: none"> Construction items Produced or designed items
Competitive Proposals	<ul style="list-style-type: none"> Price Analysis Cost Analysis 	<ul style="list-style-type: none"> Cost Reimbursement Fixed Price Time & Materials 	<ul style="list-style-type: none"> Submitted proposals 	<ul style="list-style-type: none"> Professional services Multi-task services Designed items
Noncompetitive proposals	<ul style="list-style-type: none"> Cost Analysis 	<ul style="list-style-type: none"> Cost Reimbursement Fixed Price Time & Materials 	<ul style="list-style-type: none"> Submitted proposals 	<ul style="list-style-type: none"> Produced items Single task service Professional services Multi-task services Designed item

3.4 Contracting

3.4.1 Purchase Orders

Purchase orders are a form of contract utilized for the purchase of supplies, single task services, and produced items procured through the small purchase method. A Purchase Order should contain, at a minimum, the following:

- Agency name and address
- Agency contract or Purchase Order number
- Date of the order
- Term of contract (delivery period after receipt of order or beginning and end dates)
- Contractor’s name, payee/vendor identification number, address, and zip code
- NIGP class/item for each item
- Purchase Code Category
- List of contract documents and their order of precedence
- List of awarded items with quantity, unit of measure, unit price with extended totals, and
- Signature of authorized/certified purchasing representative

3.4.2 Fixed Price Contract

A fixed price contract is suitable for the acquisition of commercial items, including construction, or for the acquisition of other supplies or services on the basis of reasonably definite functional or detailed

specifications and when the contracting officer can establish fair and reasonable prices at the outset. This contract type:

- Places maximum risk and full responsibility for costs and resulting profit loss on the contractor
- Provides maximum incentive for the contractor to control costs and perform effectively and
- Imposes and minimum administrative burden upon the contracting parties.

3.4.3 Cost Reimbursement Contract

A cost reimbursement contract is suitable for situations in which uncertainties are involved in contract performance that do not permit costs to be estimated with sufficient accuracy to establish a fixed contract price. These types of contracts establish an estimated total cost for the purpose of obligating funds and establishing a ceiling that the contractor may not exceed (except at their own risk).

3.4.4 Required Contract Provisions

ASIP Program Requirements. All contracts executed between the SCOR and a contractor, or SCOR's Subrecipient and a contractor, must include the following ASIP Program requirements:

- Performance requirements and penalties
 - Project schedule including the performance period and completion date
 - Subrecipients must ensure contracts do not contain any cost plus or incentive savings provisions. No contracts must refer to compensation adjustments for cost plus or incentive savings provisions
 - All cross-cutting requirements including Davis-Bacon compliance, where applicable. The contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards.
1. Remedies. Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
 2. Termination for cause and for convenience²². All contracts in excess of \$10,000 must address termination for cause and for convenience by the Subrecipient including the manner by which it will be affected and the basis for settlement.
 3. Rights to Inventions Made Under a Contract or Agreement²³. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the Subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the Subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.
 4. Debarment and Suspension (Executive Orders 12549 and 12689)²⁴. A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive

Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

5. Records of non-Federal entities. The U.S. Department of Treasury, South Carolina Department of Administration, the Comptroller General of the United States, the South Carolina Office of resilience (SCOR), and the pass-through entity, or any of their authorized representatives, must have the right of access to any documents, papers, or other records of the non-Federal entity which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents.
6. Record Retention. Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a Subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. The only exceptions are the following:
 - a. If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken
 - b. When the non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
 - c. Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition
 - d. When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the non-Federal entity
 - e. Records for program income transactions after the period of performance. In some cases, Subrecipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned
 - f. Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates)
 - g. If submitted for negotiation. If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission
 - h. If not submitted for negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its

supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation

7. Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60–1.3 must include the equal opportunity clause provided under 41 CFR 60–1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964–1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
8. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148)²⁸. Davis-Bacon applies to contractors and subcontractors if any other federal dollars from sources other than SLFRF are used that require Davis-Bacon certification (including matching funds) or if greater than \$10 million of SLFRF is used towards the total cost. When required by Federal program legislation, all prime construction contracts in excess of \$10,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or Subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.
9. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708)²⁹. Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
10. Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended. Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that

requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

11. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)31. *Contractors* that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.
12. Solid Waste Disposal Act32. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

3.4.5 Bonding Requirements

Subrecipients are encouraged to accept the bonding policy and requirements of the SCOR for construction and facility improvement contracts and subcontracts exceeding the simplified acquisition threshold. For contracts over \$150,000, Subrecipients should require a bid guarantee from each bidder equivalent to five percent of the bid price consisting of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified:

- For contracts over \$100,000, Subrecipients should require a performance bond on the part of the contractor for one hundred percent of the contract price as executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract
- Subrecipients should require a payment bond on the part of the contractor for one hundred percent of the contract price as executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract:
 - Municipalities: A payment bond is required if the contract exceeds \$50,000
 - Counties: A payment bond is required if the contract exceeds \$25,000

3.4.6 Workers' Compensation Requirements

SCOR, or its Subrecipients, that enter into a building or construction contract shall require the contractor to certify in writing that the contractor provides workers' compensation insurance coverage for each employee of the contractor employed on the public project. Each subcontractor on the public project shall provide

such a certificate relating to coverage of the subcontractor's employees to the general contractor, who shall provide the subcontractor's certificate to the Subrecipient. Additionally, Subrecipients must include in bid specifications and contracts the specific language and provisions found in 28 TAC §110.110(c)(7). Subrecipients are responsible for compliance with all applicable statutory policies.

3.4.7 Changes to an Executed Contract

When changes to an executed contract are necessary which would result in a change to the grant award agreement or the Subrecipient Agreement, SCOR or the Subrecipient should request an adjustment to the grant agreement or Subrecipient agreement contract documents through the MSCP. The SCOR MSCP must review all change orders to ensure costs are eligible and procured according to federal regulations as described in Sections 5.10-5.11. The Change Order must meet the following requirements:

- Sufficient grant or local funds are available to meet any increased costs
- The original contract price has not been increased by more than 25% or decreased (without the consent of the contractor) by more than 25% without written justification
- All items listed on the Change Order were competitively procured through the original bid or the SCOR has approved an exception and
- All items listed on the Change Order are eligible and comply with the Subrecipient Agreement, including the Performance Statement, Implementation Schedule, Budget, and environmental review requirements

3.4.8 Disposition Requirements

Prior to disposing of any equipment purchased with ASIP funds, Subrecipients must request disposition instructions from the SCOR. Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold, or otherwise disposed of with no further obligation to the SCOR. Items of equipment with a current per unit fair market value above \$5,000 must be sold and the funds must be reimbursed to the SCOR as a Cost Reduction Change Order.

3.4.9 Procurement Recordkeeping

For each different type of service, a separate file must be created for documenting records including, but not limited to:

- Policies and procedures for procurement
- Copies of all Invitation for Bids (“IFB”) and RFP/Qs published and mailed
 - Proof of advertisement, if applicable
 - Proof that an adequate number of firms/individuals were directly contacted for proposals (e.g., copies of sent emails, certified mail receipts, and/or fax confirmations)
- Copies of bidding and/or proposal packages
- Bid and proposal responses
- Records of bid and proposal evaluation evidencing method of selection used
- Evidence of cost and price analysis, if applicable
- Verification that the vendor is not on the SAM.gov debarred list
- Other procurement correspondence
- Minutes of award or hiring resolution
- Executed contract including all required contract provisions
- Record of equipment purchases, if applicable; and
- Disposition/sales procedures for equipment purchased with ASIP funds

CHAPTER 4: FINANCE MANAGEMENT

4.0 Financial Procedures

4.0.1 SCEIS Vendor Forms

Subrecipients, consultants and contractors (vendors) for all ASIP programs must register for a SCEIS Vendor ID. SCOR project managers will provide a SCEIS vendor form to each vendor following contract or grant award execution. The SCEIS vendor form must be completed and returned to SCOR before the vendor may submit an invoice for payment or request for reimbursement. Information on how to obtain a SCEIS Vendor ID is provided on the SCEIS Vendor Form. Vendors with more than one SCEIS Vendor ID must ensure they provide the correct number and payment address to SCOR to ensure payments are received correctly.

4.0.2 Authorized Signatures

The SCOR project manager will provide an Authorized Signature form to all subrecipients, consultants and contractors (vendors). The form requires designation of at least two authorized representatives for requests for payment and disbursement of grant funds. The form must be completed and returned to SCOR before the vendor may submit an invoice for payment or request for reimbursement. SCOR will retain the completed form in the project file and in the system of record.

If there is a change in personnel, a new Authorized Signatures form may be submitted to SCOR before another request for payment is submitted. To request a new Authorized Signature form, email the Project Manager.

4.1 Requests for Payment

SCOR project managers will provide each subrecipient, consultant, and contractor (vendors) with an Invoice Cover Sheet. The invoice cover sheet will be pre-filled with project information including the project name, vendor name, project number, internal order number, and purchase order. The vendor must fill in the fields for invoice number, invoice amount, and invoice date and submit the completed invoice cover sheet with each request for payment.

Invoice cover sheets are unique to the vendor, project, and contract. If the vendor has more than one project or contract with SCOR, they must ensure they are using the correct invoice cover sheet for the payment request they are submitting.

For Subrecipients, requests for reimbursement must include the following:

- Completed invoice cover sheet
- Cover letter stating the project(s), invoices paid, and total request for reimbursement, signed by an authorized signatory
- Copies of payments made for all paid invoices included in the reimbursement request
- Copies of all invoices that were received and paid by the Subrecipient for the reimbursement request

For SCOR consultants and vendors, invoice submittal packages must include the following:

- Completed invoice cover sheet
- Detailed invoice showing:
 - Invoice date of submission
 - Invoice period of time
 - Project/contract tasks, percentage complete for each task during the invoice period, and total

- dollar amount charged for each task
- Invoice total for period of time
- Total amount charged over life of the contract and total amount remaining on the contract

If a consultant/vendor is submitting invoices for more than one project, the charges must be clearly delineated by project, and a separate invoice submittal package must be submitted for each project. For assistance with invoice submittal requirements, please contact the SCOR project manager assigned to the project.

Requests for reimbursement or payment of an invoice must be submitted via email to APSCOR@scor.sc.gov, the project manager and project coordinator. Following receipt of the request, SCOR will review the submittal package to determine if the required documents are included, the charges align with the terms of the contract/project progress, and the signature on the request for payment is an authorized signatory as designated on the Authorized Signature Form (See Section 4.0.2).

Approved invoices will be paid via ACH payment to the account associated with the SCEIS vendor number provided to SCOR on the SCEIS vendor form. If check is the preferred payment method, the vendor must notify the SCOR project manager at the start of the contract/grant.

4.2 Grant Expenditures

Grant funds must be expended by December 31, 2026. Payments made with ASIP funds should only be made for eligible work that has been completed in accordance with the contract and any approved change orders or contract amendments.

All financial documentation related to disbursement of ASIP funds to Subrecipients, Consultants, Contractors and other vendors will be kept in the project files, including:

- Executed Contracts and all associated procurement documents
- Debarment Check
- Purchase Orders
- SCEIS Vendor Form
- Authorized Signature Form
- All approved invoices submittal packages
- Change Orders, if applicable
- Mitigation Special Case Panel submissions related to the contract, if applicable
- Denied invoice submittal packages and reasons for denial, if applicable

4.3 Program Income

The State does not intend to implement any programs that generate income. If program income is generated, the State of South Carolina will utilize program income as follows: Income received will be utilized as additional ASIP funds for the approved ASIP projects to cover project cost increases.

If program income is generated, SCOR will report the amount of income generated on a quarterly basis and updated the Project Budgets and Activity Budgets. After the adjustments have been made to account for program income, SCOR will publish changes to program and/or project award amounts to the SCOR website.

4.4 Finance Audit

If an ASIP project expends \$750,000 or more in federal awards during the state's fiscal year, SCOR will conduct

an audit of funds for the project in accordance with 2 CFR Part 200, Subpart F Audit Requirements. The audit results will be kept in the project files and available for review by SCOR, the state, and/or federal regulatory agencies.

If an ASIP project expends less than \$750,000 during the state fiscal year, the audit of ASIP funds expended will adhere to the following audit requirements, whichever is applicable:

- Generally accepted auditing standards established by the American Institute of Certified Public Accountants (AICPA); or
- The General Accounting Office (GAO) Standards for Audits of Governmental Organizations, Programs, Activities, and Functions, latest revised edition (Yellow Book).

Subrecipients shall make available, and cause any contractor to make available, for audit and inspection by SCOR and its representatives all the books, records, files and other documents relating to the project, including all documentation from subconsultants and contractors.

If any audit findings related to the ASIP funds results in a determination of unauthorized and unwarranted expenditures, SCOR may direct the Subrecipient to reimburse SCOR for the misappropriated ASIP funds. Failure to comply with any state audit requirements may result in a withdraw of the ASIP project approval and all associated grant funds.