



Brevard County Board of County Commissioners

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Legislation Text

File #: 1564, **Version:** 1

Subject:

Approval, Re: Terminating Subrecipient Agreement HM001 with the Florida Department of Economic Opportunity

Fiscal Impact:

None

Dept/Office:

Housing and Human Services

Requested Action:

It is requested that the Board of County Commissioners authorize the County Manager to complete all necessary actions to terminate the Subrecipient Agreement HM001 with the Florida Department of Economic Opportunity.

Summary Explanation and Background:

The Housing and Human Services Department (HHS) has been attempting to partner with the Melbourne Housing Authority (MHA) on a Community Development Block Grant - Disaster Recovery (CDBG-DR) project utilizing funds associated with Hurricane Matthew. The funds were allocated to the State Department of Economic Opportunity (DEO) by the US Department of Housing and Urban Development (HUD) and awarded to Brevard after a Request for Proposal process. The project was approved by the Board on May 21, 2019 and the County executed a Sub-Recipient Agreement with DEO on October 31, 2019. The project (Palms at University) was expected to be collaboratively funded utilizing \$2,850,000 in CDBG-DR funds, a Federal Housing Administration (FHA) insured loan to the MHA, and funds from the MHA.

After a December 10, 2019 site visit by DEO, concerns arose regarding the MHA's 2015 procurement of their General Contractor, which resulted in DEO raising the County's risk assessment. On December 10, 2019, the MHA was initially notified (by HHS) that based upon DEO's concerns, the General Contractor would need to be re-procured. MHA's failure to do so could result in the repayment of funds (initially from the County's General Fund) and have a negative impact on the County's ability to secure future disaster funding from DEO.

Subsequently, the MHA argued that a re-procurement was not necessary and tried to convince the County to accept the risk. HHS then conducted an in-depth review of procurement documents provided by MHA. These documents revealed multiple instances where the procurement did not meet local, State, Federal, and/or the MHA's own procurement guidelines and the MHA was notified of the deficiencies on January 24, 2020. MHA continued to try to convince the County it should accept the flawed procurement, but on February 13, 2020,

notified the County that they would issue an Invitation for Bid (IFB).

Another meeting was held on February 18, 2020 in the County Attorney's Office, which included the County Manager, Assistant County Manager for the Community Services Group, the County Attorney, Assistant County Attorney, Central Services Director, Housing and Human Services Director, the Chief Executive Officer for MHA, MHA's Developer, and three of MHA's Attorneys. At this meeting, the County reiterated that it was unwilling to accept MHA's risk. The MHA and their representatives indicated agreement, stated their intention to continue to move forward with the IFB, and the County agreed to expedite the Interlocal Agreement between the County and MHA. Then on February 25, 2020, the Chief Executive Officer of the MHA notified the County that they were canceling the IFB and there were subsequent attempts to go around the County directly to DEO, HUD, and State Legislators.

Over the course of this project, the County has made every attempt (in consultation with DEO) to resolve these issues utilizing methods that would meet procurement laws and regulations (for example, the County offered to bid the State funds as materials/commodities thereby separating the original and flawed procurement from DEO review). Each and every option has been rejected or deemed not viable by the MHA.

The County Attorney's Office, Central Services, and HHS have had numerous meetings, conference calls, and conducted exhaustive document reviews in an effort to move this project forward in a manner that does not jeopardize the County's General Fund, reputation, working relationships with DEO, and future funding.

Clerk to the Board Instructions:

None