



Memorandum

To: Daniel J. Lewis, CPFO
Chief Financial Officer
Frederick County, Maryland

From: CLA (CliftonLarsonAllen) LLP

Subject: Prospect Center Grants

Dear Mr. Dan Lewis and Frederick County Officials,

After a thorough analysis of grant award documents and inquiries of responsible program managers, CLA, along with the Internal Audit Division, recommend proceeding with all federal and state grants related to the Prospect Center as provided to us for review as of March 31, 2025. Our analysis indicates that the benefits of these grants significantly outweigh any additional effort or costs that may be incurred by the county.

This analysis involved conducting interviews with County employees across four divisions: Public Works, Interagency Information Technologies, Emergency Management, and Energy and Environment. The primary objective was to gather comprehensive insights and data related to state and federal funding sources. To achieve this, all available staff reports and grant documents were thoroughly collected and reviewed.

For grants with Davis-Bacon or state wage-rate requirements, we advise that the county utilize federal funds to purchase equipment, as planned, rather than for construction purposes. This approach will allow the county to avoid the complexities and additional requirements associated with those wage rate compliance factors as well as avoid overhead and administrative tracking costs.

We recommend that the county review and adhere to the Build America, Buy America requirements for those federal grants that include these stipulations. Ensuring compliance with these requirements will be crucial for the successful execution of the grants.

Upon reviewing the required cost share requirements for each of these grants, we found nothing out of the ordinary. The cost shares are reasonable and align with typical expectations for such grants.

It is essential to stay on top of federal and state reporting requirements and timelines to ensure all obligations are met and goals are achieved. Given the current administration's stance, federal and state entities may not be as lenient with noncompliance as they have been in the past. For these reasons we highly recommend that the County ensure adherence to reporting requirements and deadlines for each grant.

Daniel J. Lewis, CPFO
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We recommend that the County ensure they have reviewed the period of performance for each grant in detail, to ensure they have properly planned for and expending grant funds appropriately and timely in accordance with the relevant period end dates.

Finally, we recommend that the county continue to consult with the Internal Audit Department and CLA for any questions or concerns regarding these grants. Our team is here to support you in navigating the complexities of grant management and compliance.

Kindly refer to the attached excel spreadsheet as a central depository that shows a more detailed summary of our observations for each grant. It is recommended that the county identify an individual to follow up with all divisions on a monthly basis for status and updates, especially where it pertains to timeliness and adhering to periods of performance as well as provide the finance team and upcoming grants management team with the results of the update on a monthly basis.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Baltimore, Maryland
May 29, 2025

Grant #	Amount	Period of Performance	Assistance Listing #	County Cost Share	Funding Agency	Applies To	Procurement/Special Considerations	Additional Notes
1	\$ 2,000,000.00	Grant funds shall be expended or encumbered by 2031	State via SB0361	N/A	MD - Board of Public Works	General Project - TBD	To be applied to general project construction on \$70-80m portion of project. Requires wage rates and SATF Funds. FCG Procurement	Grant agreement: for the acquisition, planning, design, construction, repair, renovation, reconstruction, site improvement, and capital equipping of the Prospect Center redevelopment project (Frederick County). Project must be underway by 2031. Reporting requirements apply.
2	\$ 1,275,000.00	36 months from the date of the award unless otherwise approved by FEMA. Awards must be made no later than 9/30/24. (expected date 09/30/2027)	97.143, Passed through Md Clean Energy	25% match (approximately \$425k from the County)	FEMA - BRIC	Microgrid	To be used for generators and generator electrical. This portion must meet federal procurement requirements. Buy American, certified payroll, Davis Bacon. - MCEC Procurement	Period of Performance is 36 months (possibly 8/30/2027), quarterly FFR reporting required, quarterly PPR reporting required, BABA required (waiver requests are allowed). Trying to confine this to the generators.
3	\$ 1,000,000.00	No costs prior to date of grant agreement (8/2/2024); Project completion 12/31/2027	State (MEA - MD Energy Administration)	\$1,000,000 or 50% of project total cost (whichever is lesser) - requires a 1:1 match	MD Energy Admin	Microgrid	To be applied to Microgrid - MCEC Procurement	Has Section #22 "American Manufactured Goods - comply with State Finance & Procurement Article 14-416 & 17-303 Annotated Code of MD. Need quarterly progress reports (Attachment C), Scope of work in Attachment B, Project completion 12/31/2027, final report 1/31/2028. NO costs prior to date of grant agreement which appears to be 8/2/2024 or 9/23/2024. Within 30 days of the grant agreement effective date - they needed a completed copy of the "Resilient MD Preliminary Information Report". MD Clean Energy (MCEC) is running
4	\$ 3,000,000.00	Must be spent or encumbered by 6/1/2030	State House Bill 201-EY	N/A	State Bond Bill	Cybersecurity Measures	Must be used on assets with useful life of 15 years. Can be used on data center enclosure, HVAC, Fiber, etc. To be applied to datacenter building. Requires wage rates and SATF Funds. FCG Procurement.	Someone in the CE office will go to the State each year to go and ask for capital projects. The ask was for \$7million. Then ask support from local legislature and the bills were approved and one was approved for \$3mil and the other for \$1mil. The capital grants here have to go through a process. Awarded the grants and then had to fill out a # of documents and given to department of central services and given back to State Legislature. Currently awaiting for that. Will need to draw the funds down and will be approved as you go. There is a document that says what these can be used for. Usually cannot use for computer etc. Will be reimbursable where we request and say what it is for and they then reimburse.
5	\$ 1,000,000.00	Must be spent or encumbered by 6/1/2030	State House Bill 201-EZ	N/A	State Bond Bill	Public Safety Infrastructure	To be applied to datacenter building - Requires wage rates and SATF Funds. FCG Procurement.	See #4
6	\$ 1,100,000.00	Expected construction end of March 2026	State	N/A	State Bond Bill	Public Safety Comms (Hut)	To be applied to datacenter building - PAYGO - FCG Procurement.	This is a PayGo grant. Same process through legislature. Fill out paperwork and then they send the money. They have asked for last signature of CE December 2024 and then they should send the funds. Money needs to be used for what the grant was approved for which was construction of communications Hut. https://dgs.maryland.gov/Pages/Capital%20Grants/index.aspx
7	\$ 2,500,000.00	Unknown	State	N/A	MDEM 911 Board	911 Specific Items	Reimbursable - must confirm with 911 Board prior to purchasing equipment. DEM manages	This is a placeholder for a Maryland State 911-Board project. This is not truly a grant, but only processed like one for County purposes (therefore listed as a "grant"). This dollar figure was an estimate from several months ago based on what we believe is eligible equipment that will be reimbursed from the State 911 Board. The only requirement is that it cannot be equipment related to 1) radio, 2) CAD, 3) anything construction related, 4) government employee salaries, or 5) 9-8-8. Typically, we just need to go to the Board in advance, before anything is under contract, and ask for permission to buy and be reimbursed.
8	\$ 2,500,000.00	Unknown	State	N/A	MDEM 911 Board	911 Specific Items	Reimbursable - must confirm with 911 Board prior to purchasing equipment. DEM manages	Same as #7
9	\$ 869,968.00	Start date no later than 6/1/2023 and end date no later than 5/31/2026.	97.052 Fiscal Year 2023 Emergency Operations Center (EOC) Grant Program. Sub Award : passed through from FEMA/DHS to Maryland Department of Emergency Mgmt.	25% match (approximately \$290k from the County)	FEMA - CDS	EOC	To be applied to EOC computers, workstations, and video displays. DEM manages. Per Janet's 9/12 email, NO Davis-Bacon wage rates, certified payroll, or Buy American required.	This is a Congressional Directed Spending grant from FY22. We were allowed to use an old grant vehicle (EOC), to ask and receive funding to support the building of a new Emergency Operations Center. We have not received the award letter officially on this, but expect to see it shortly. Anthony sent documents related to this grant. Through review, this is a Homeland Security Grant for Emergency Operations Centers. Performance Metrics: 1) Percentage of funded projects that result in fully operational emergency operations centers. 2) Percentage of funded projects that provide an enhanced level of EOC services and capabilities. FEMA will analyze through review of recipient Performance Progress Reports and award monitoring. 36 month period of performance. Extensions allowed. Start date - no later than 6/1/2023. End date: no later than 5/31/2026. We have an email in our documentation directly from FEMA that Davis Bacon does not apply here. There is a required piece with the State from the pass through, hence the larger dollar value in earmark/match. Split off main project and onto the Emergency/911 Center.
10	\$ 3,000,000.00	Potential future fundings.	State	N/A	State Bond Bill	Emergency Management Infr.	Could be available January 2026, if awarded. CE's group requested \$3m, revised from \$4m. To be applied to radio equipment through Tower RFP - DEM Procurement	These are placeholders for FY26 State Capitol Budget requests, which the County Executive submitted to the Secretary Grady, Secretary of Budget and Management with the State of Maryland back in August. However, there is no guarantee that any of this money will be available (especially considering the fiscal situation the State is in). We were successful in the past which is great, and above in Item #4.6 (State Bond Bills and PayGo)
11	\$ 3,000,000.00	Potential future fundings.	State	N/A	State Bond Bill	Microgrid	Could be available January 2026, if awarded. CE's group requested \$3m, revised from \$4m. Federal requirements Buy American, certified payroll, Davis Bacon. - will need to be broken out to only Microgrid portion - MCEC Procurement	Generally speaking this is the same as above. Shannon Moore with DEE has more of the background on this grant, with IIT and DEM supporting. These were FY26 State of Maryland requests, not grants (either to be included in the Governor's Budget, State Bond Bills, or via PayGo). Shannon believes it is PayGo, wasn't in the Governor's budget, so PayGo and written in Karen Lewis Vsound - Overall budget for the project