



Council Agenda Report

From: Ryan Cornell, Administrative Services Director

Subject: Approval of Professional Services Agreement for Federal Emergency Management Agency Public Assistance Consulting

CEQA Determination: The City finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

Date: January 16, 2024

Facts

1. The Federal Emergency Management Agency (FEMA) is the federal agency responsible for leading the Nation's effort to prepare for, protect and mitigate against, respond to, and recover from the impacts of natural disasters and man-made incidents or terrorist events.
2. FEMA's Public Assistance Program provides supplemental grants to state, tribal, territorial, and local governments, and certain types of private non-profits for debris removal, emergency protective measures, and the restoration of disaster-damage. The program also encourages protection of these damaged facilities from future incidents by providing assistance for hazard mitigation measures.
3. The Disaster Mitigation Act of 2000 amended the Robert T. Stafford Disaster Relief and Emergency Assistance Act and created the framework for local governments to engage in hazard mitigation planning and to receive certain types of non-emergency disaster assistance. Requirements and procedures to implement hazard mitigation planning provisions may be found in the Code of Federal Regulations, Stafford Act Title 44. Any entity receiving public assistance must comply with all applicable Federal Regulations and the Public Assistance Program and Policy Guide. Needless to say, the FEMA Public Assistance process can be complex and overwhelming.
4. In January 2023, the City experienced two 100-year storms and as a result, on January 12, 2023, City Council declared a local state of emergency due to severe storm event that resulted in sustained damage to public and private infrastructure.
5. Over the past year, city staff have worked and coordinated with FEMA and the California Office of Emergency Services (Cal OES) staff in order to seek reimbursement for the damage caused by the January storms as well as for COVID related response efforts. To date, the City has not received any reimbursement related to the storms, and minimal reimbursement for the COVID pandemic. This is not to state the City will not get reimbursed for the storm damages, but rather the public assistance reimbursement process is long and tedious, resulting in a significant amount of staff time devoted towards these efforts.
6. Without a dedicated team well-versed in the interplay between insurance, FEMA, and Cal OES, recovery efforts may encounter significant disparities in scope, pricing, and expectation; this can also lead to delays in reimbursement or a shortfall of funds.
7. The City can receive grant funding under the FEMA Public Assistance Program for indirect and direct administrative costs, meaning the costs related to management of the public assistance program.

8. FEMA Public Assistance consultants like Berquist Recovery Consulting, LLC, possess extensive expertise in navigating the FEMA grant process. They also have experience helping entities in over 20 states and territories obtain reimbursement for response, recovery, and mitigation. They have in-depth knowledge of the FEMA guidelines, regulations, and documentation requirements. With their guidance, the City can optimize our applications and appeals, while increasing our chances of securing and keeping the funding that the City needs.

Options

1. Take no action;
2. Approve professional services agreement with Berquist Recovery Consulting, LLC in an amount not-to-exceed \$150,000; or
3. Provide alternative direction to staff.

Analysis and Conclusions

This year is anticipated to be an El Nino year, the first time in four years. From December through February, the National Oceanic and Atmospheric Administration (NOAA) predicts wetter-than-average conditions for portions of the West, including the Central Coast. As a result, the City's Emergency Services Division is preparing for an Emergency Operation Center (EOC) activation at some point during this winter, similar to what occurred in Winter 2023.

In anticipation of this—and based on the lessons learned this past year—staff is recommending proactively contracting with a FEMA Public Assistance Consultant ahead of time to assist City staff in navigating FEMA's guidelines, regulations, and documentation requirements, should the City incur substantial damage. This service will bring clarity to the requirements, help gather the necessary documentation, ensure accuracy, and eliminate potential errors in the event the City is seeking reimbursement from FEMA. Furthermore, the cost of this service can be fully recovered by FEMA's Public Assistance program, resulting in no net fiscal impact to the City. The contract is being established as an "on-call" basis, so the City will not be incurring costs for these professional services unless there is a FEMA-approved event and costs for the services are eligible for reimbursement.

The City's Purchasing Policy requires informal quotations from consultants for services not-to-exceed \$150,000. Two consultants responded to the City's Request for Qualifications, Ernst and Young and Berquist Recovery, LLC. Both firms are qualified, however, Berquist Recovery Consulting, LLC, having worked with the City of Grover Beach this past year, appears to be the most suitable for the City. The pricing between the two firms was the same, with Ernst and Young not interested in lower cost events.

Fiscal Impact

The total costs of Berquist Recovery Consulting, LLC for public assistance is 10% of the funds FEMA obligates for a natural disaster, or \$300/hour, whichever is greater, but shall not exceed \$150,000. However, it is anticipated that all costs associated with this consultant will be reimbursed by FEMA Public Assistance Program and have no net impact to the City. Furthermore, the contract is being established as an "on-call" basis, so the City will not be incurring costs for the services unless there is a FEMA-approved event.

CEQA

The City finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

Recommendation (Option x)

Approved Resolution 24-XXX, authorizing the City Manager to enter into a professional services agreement with Berquist Recovery Consulting LLC, for FEMA public assistance consulting for an amount not-to-exceed \$150,000, and to authorize the City Attorney to make minor modifications to the agreement, as needed, fully consistent with overall Council direction.

Attachments

1. Resolution 24-XXX – FEMA Consultant
 - a. Exhibit A - Draft Professional Services Agreement