



New Challenges in Disaster Procurement

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Deputy Director of Emergency Management
City of Sanford, Maine**

Special Thanks



- This is a duplicate of the presentation made at the 2015 IAEM conference by Ernest Abbott, Matt Jadacki, Mike Herman and Mike Martinet.
- Thanks also to the IAEM Disaster Cost Recovery Committee.

About the Presenter



- Involved in Emergency Management since 2000, but really became active in 2009.
- Appointed Sanford Deputy Director in January 2014; served as interim for 2 years prior.
- CEM-ME certification December 2014, CEM Certification (International) pending.
- More than 500 contact hours of EM Training
- FEMA Level 1 Professional Continuity Planner

About the Presenter



- Position Specific: COML(T), FACL(T), PSC(T)
- MALEM President, IAEM M&M Committee, IAEM Uniformed Services Caucus, IAEM Disaster Cost Recovery Committee, Maine Preparedness Conference Committee
- EMAP Assessor
- Extra Class Amateur Radio Licensee
- CERT trainer
- STILL NOT AN EXPERT!

Disaster Financial Survival



Getting FEMA
Public Assistance...
And Keeping It

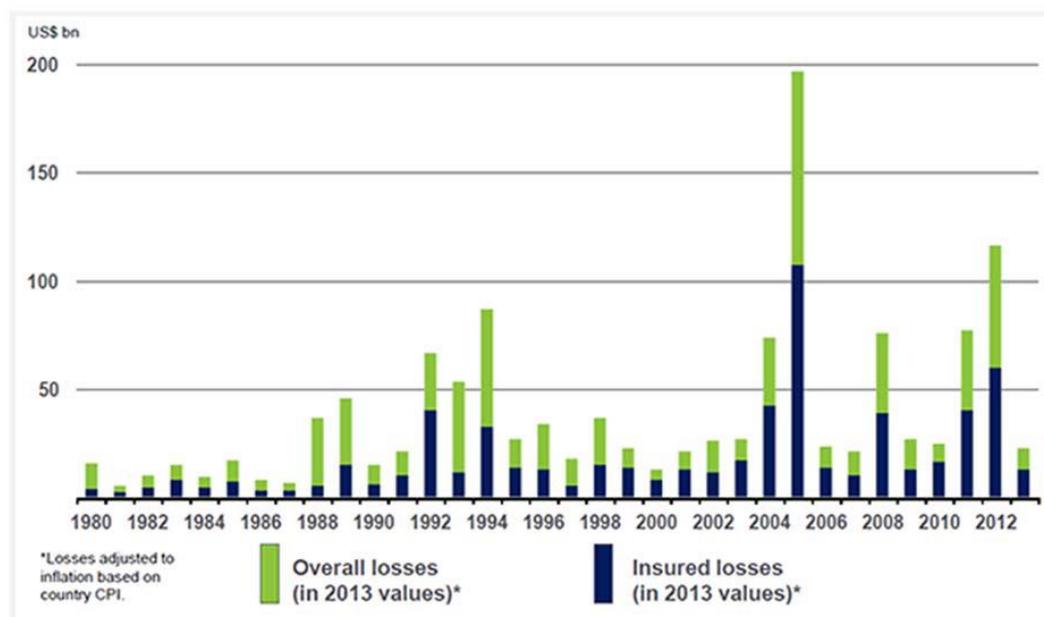


What You Will Learn... And Why It's So Important





U.S. Catastrophic Loss Escalation (Inflation Adjusted Dollars)



Source: © 2014 Munich Re, NatCatSERVICE; Property Claim Services (PCS), a division of Verisk Analytics. As of January 2014



FEMA's Disaster Grant Programs

FEMA Grants Are Different

Ad Hoc Program
Ambiguous by design
Much less guidance
Reliance on “oral history”
Forgiveness vs. permission
Temporary workforce





Accountability of Grant Funds





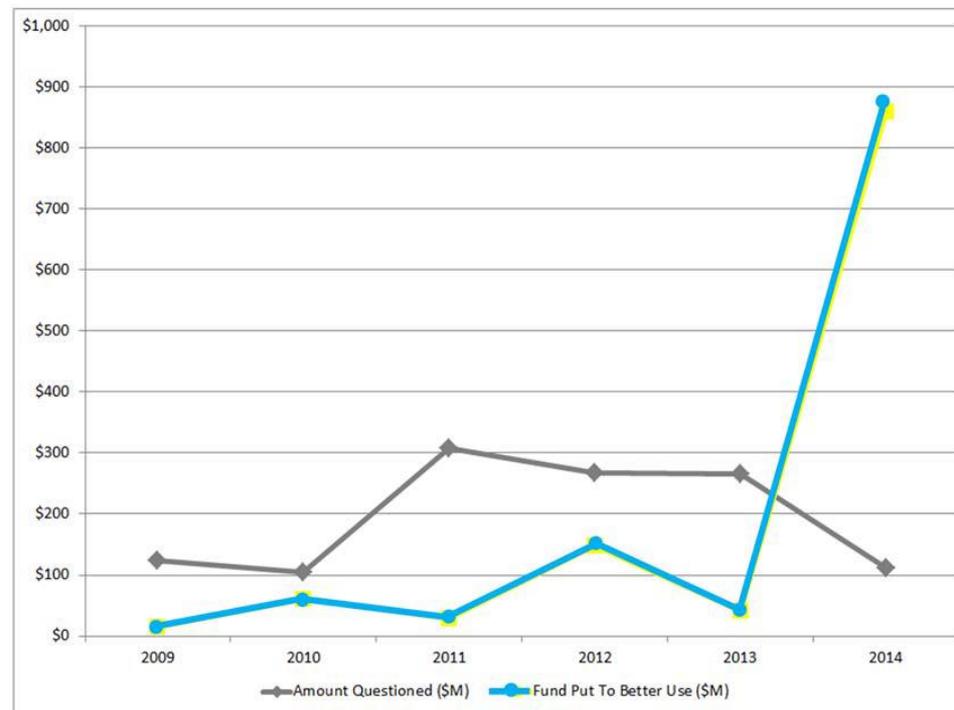
OIG Audit Results – FEMA Grant & Subgrant Audits 2009 - 2014

Fiscal year	Awarded amount (\$B)	Amount Audited (\$B)	% Audited	Questioned amount (\$M)	Funds put to better use (\$M)
2014	\$ 4.04	\$ 3.44	85%	\$ 111.62	\$ 860.14
2013	1.70	1.28	75%	266.22	41.60
2012	1.52	1.25	82%	267.89	147.70
2011	1.72	1.22	71%	307.80	29.09
2010	2.29	1.23	54%	104.48	60.77
2009	1.30	0.93	72%	123.38	15.06
Total	\$ 12.57	\$ 9.35	74%	\$ 1,181.39	\$ 1,154.36

Source: 2014 DHS-OIG Capping Report

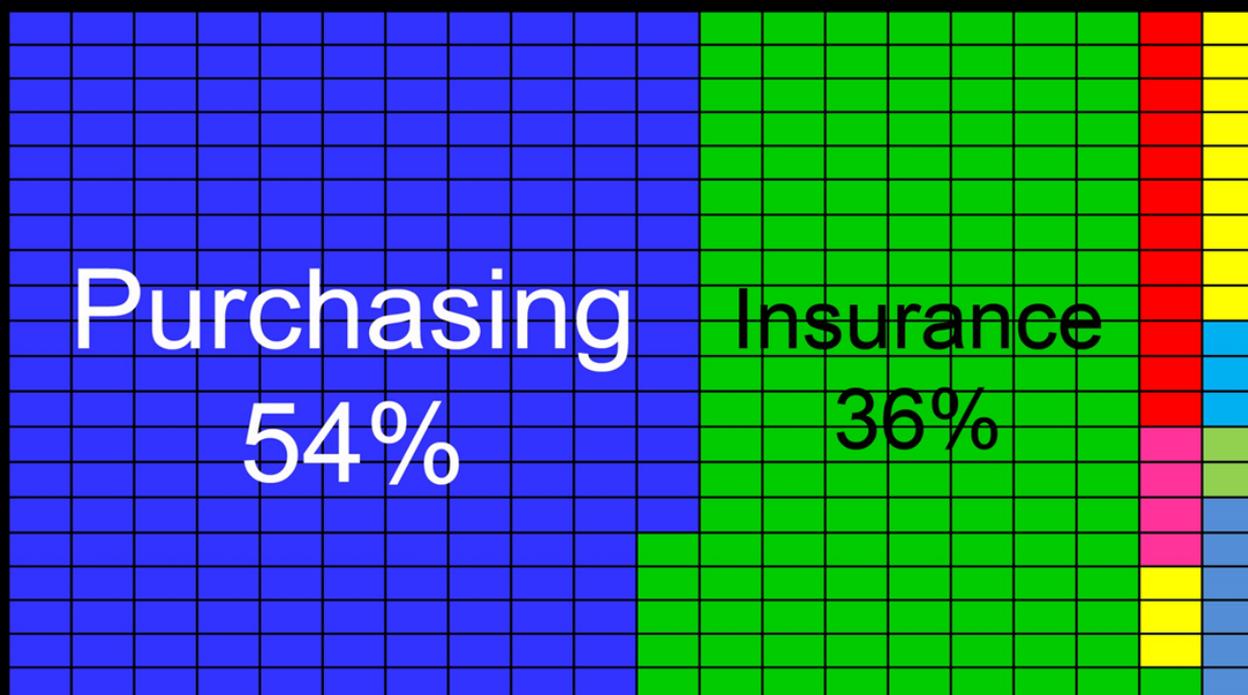


OIG Audit Results – FEMA Grant & Subgrant Audits 2009 - 2014





2013 Audit Findings



Source: 2014 DHS-OIG Capping Report:



Record Keeping

It's a long focused process





What's new?



What's New

Section 428 "SRIA" – "Alternative Procedures"

Authorized
by Sandy
Recovery
Improvement
Act of 2013
(SRIA)

Public
Assistance
on Basis of
Fixed
Capped
Grants

Debris
Removal
Pilot

Will not
decrease IG
Review –
Likely to
Increase



SRIA Pilot Projects:

Stafford Act § 428

- Agree on cost before award
- Reimbursement capped
- Cost Savings
- Issues:
 - Scope of Audit
 - OIG Review





SRIA “428 Program” Permanent Work: Pros





SRIA “428 Program” Permanent Work: Cons



What's New: Debris Removal Pilot



Debris Removal Pilot – Pros





Debris Removal Pilot - Cons





Debris Removal Pilot: Things To Consider Now



What's New: Inspector General is Coming Sooner



The Inspector General Is Coming Sooner



Capacity Audit
Early Warning Audit
Traditional Audit

Benefits

Challenges



What's New: Integrity Monitoring





What's New: "Pre-Closeout"

State
Program

State is
sending out
teams to
review
grants prior
to FEMA
closeout or
IG review

Grant
monitoring
and
compliance
review of
FEMA grants
from various
disaster
declarations

Goal is to
identify
issues that
can be
fixed or
mitigated.



Federal Disaster Assistance: Not Just a FEMA Show





“The Super Circular”

**New Uniform Rules For Procurement
(2 CFR Part 200)**





Contracting



**Differences In New
Procurement Standards I**



Differences In New Procurement Standards II





Differences In New Procurement Standards III



What Happens When Things Go Wrong?





Disputes In Public Assistance Program





In thinking about 'rights' for relief when disputes arise....





Public Assistance Program Appeals





First Appeals... & the “Request for Information”





Administrative Appeals: What Can Be Appealed





Administrative Appeals: When to Appeal



Administrative Appeals: How to Appeal (I)





Administrative Appeals: How to Appeal (II)

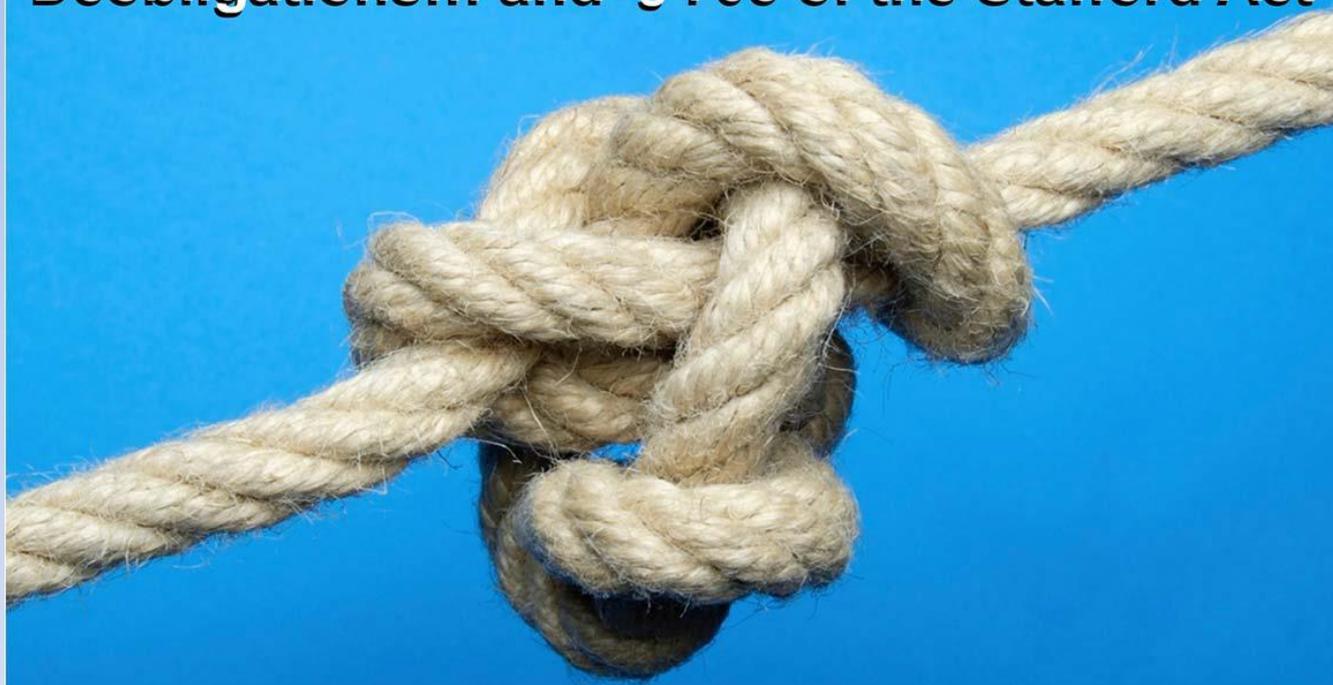




**Public
Assistance
Program
Arbitration**



Deobligations... and § 705 of the Stafford Act



Deobligations... and § 705 of the Stafford Act





South Florida Water Management District v. FEMA





FEMA Proposed Policy on Section 705(c)





Preparedness & Prevention

(What You Can Do About It)





Pre-disaster Preparedness

Steps to take before a
disaster strikes





Pre-disaster Preparedness

Steps to take before a disaster strikes



The Most Serious & Common Problems Emergency Managers Should Know About

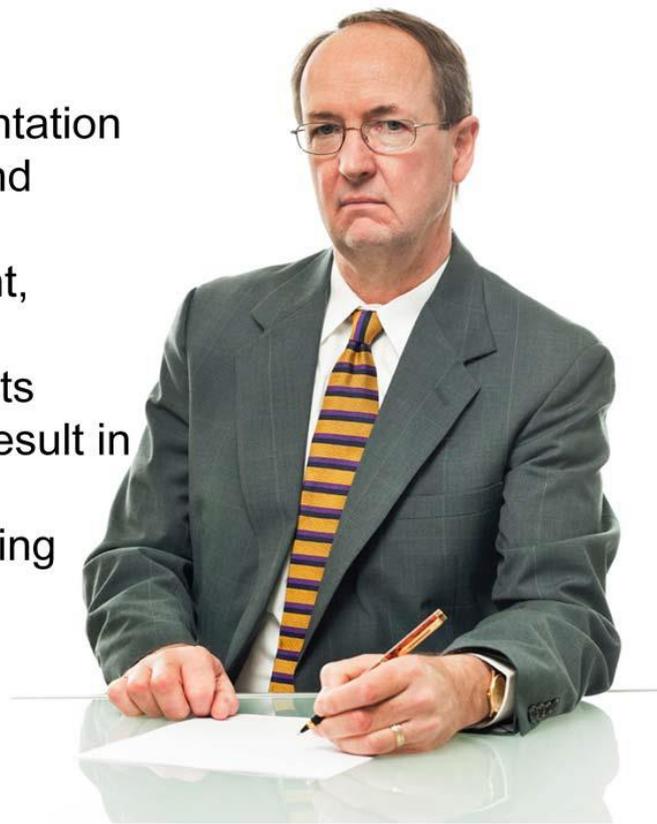




Single Audit Act

Common Audit Findings of Subgrantees

1. Inadequate source documentation
2. Ineligible work performed and claimed
3. Incorrect rates for equipment, labor, and benefits
4. Claims with duplicate benefits
5. Poor contracting practices result in excessive costs
6. Improper contractor monitoring



Top Contractual Audit Findings/Issues

1. Extended use of T & M contracts
2. No basis for contract award
3. No clearly defined scope of work or performance standards
4. No cost/price analysis performed
5. Did not follow procurement procedures
6. Ineligible contract method used
7. Ineligible expenses
8. Questionable costs
9. No reconciliation of billings
10. Duplication of billings



Examples: OIG Audit Findings







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