

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

FROM: NEIL BREGMAN, EMERGENCY PREPAREDNESS  
COORDINATOR, FIRE DEPARTMENT

SUBJECT: APPROVAL OF FIRST AMENDMENT TO PROFESSIONAL  
SERVICES AGREEMENT NO. F001625 WITH ERNST & YOUNG

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the City Manager's Office that the Council, by resolution, approve the First Amendment to Professional Services Agreement number F001625 with Ernst & Young, LLP increasing compensation by \$1 million, for a total amount not to exceed \$1.5 million.

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EXECUTIVE SUMMARY

Recovery from the October 2017 wildfires will take years. The City has contracted with Ernst & Young to help manage the recovery process. Staff is requesting approval of an amendment to the City's Professional Services Agreement with Ernst & Young to increase compensation by \$1 million, for a total amount not to exceed \$1.5 million.

BACKGROUND

In the early morning hours of October 9, 2017, a firestorm swept through Santa Rosa and the surrounding communities. The fires were unprecedented in the destruction left in its wake. Ernst & Young was selected through an RFP process to help the City with disaster recovery management services.

PRIOR CITY COUNCIL REVIEW

December 12, 2017, Council approved the Professional Services Agreement in the amount of \$500,000 for disaster recovery management services.

## ANALYSIS

Ernst & Young have been able to start the process of recovery management however there is much more work to be done on behalf of the City.

The work has been divided into three phases (Attachment 1), as follows:

### Phase I: Project Kickoff

This phase includes kickoff meetings, damage assessments and key meeting support intended to understand and document the City's loss areas, establish tracking mechanisms, and identify and summarize relevant information and documentation. The project began with an all-hands kickoff meeting and management of key milestones.

### Phase II: Project Formulation, Project, Worksheet Submission, and Review

The primary goal of this phase is to prepare and document claims for submission to FEMA, Cal OES and insurance carriers, review and to provide guidance on all available insurance adjustments, provide assistance and guidance as needed related to mitigation proposals and efforts, and any other funding sources. Depending on the number of Project Worksheets, responsiveness of FEMA and Cal OES, and the availability and readiness of documentation, these steps in this phase may overlap.

### Phase III: Project Closeout

As FEMA and Cal OES review the electronic workbook and associated documentation for each PW, they will typically issue additional information requests. These requests are an opportunity for FEMA and Cal OES to clarify and understand the information and documentation associated with each PW. The closeout process may involve appeals, special requests for information, audit assistance, mitigation, and a variety of other related activities.

## FISCAL IMPACT

Funding for the initial agreement came from the decommissioned HUB project funding. The expenses under this agreement are expected to be mostly reimbursed through FEMA and the State of California disaster recovery grants. The City will need to provide the local match. Part of the monies (\$500,000) have already been appropriated; the additional \$500,000 will need to be appropriated from the general fund unassigned balance.

FEMA pays 75% of the cost. The State typically pays 75% of the remaining amount. The State grant formula has not been determined yet. Currently the local match is 12.5% of the total cost. If the State passes legislation that matches past practice, the local match for the City would be 6.25%.

## ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it

is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution/Exhibit A

CONTACT

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