



APPROVAL OF AMENDMENT NO. 2 TO ERNST & YOUNG PROFESSIONAL SERVICES AGREEMENT

City Council Meeting
December 18, 2018

Jason Nutt
Director of Transportation and Public Works

OVERALL ANALYSIS

Ernst & Young (EY) have continued to assist in the City's financial recovery efforts. As part of these efforts, additional tasks have arisen related to hazard mitigation grant funding opportunities, as well as assistance based on FEMA's determination notices. The work continues to be divided into three main phases as follows:

- Phase 1 – Project Kickoff
- Phase 2 – Project Formulation, Project Worksheet Submission & Review
- Phase 3 – Project Closeout

EY is entering the project closeout phase of their engagement with the City. It is estimated this will be complete by May, 2019.

ENGAGEMENT UPDATE

As of December 4, 2018:

- Public Assistance (PA) Projects:
 - 28 current PA projects with an estimated project cost of \$49M
 - 15 PA projects have been obligated with a total FEMA approved amount of \$16.4M
 - 4 PA projects were deemed ineligible by FEMA and were issued a determination notice, totaling approximately \$4.7M
- Mitigation Projects:
 - 18 project Notices of Interest (NOIs) were submitted to Cal OES under the 404 Hazard Mitigation Grant Program (HMGP), Pre-Disaster Mitigation (PDM), and the Flood Mitigation Assistance (FMA) grant opportunities, totaling approximately \$90M in total estimated project costs.
 - Of these 18 projects, subapplications have been submitted to Cal OES for 9 of these projects under DR-4353 and DR-4344.
 - Once approval has been received from the latest round of NOI submissions, additional subapplications will be prepared for the April 18, 2019 deadline to Cal OES.

ADDITIONAL ITEMS

Additional PA-Related Items:

- **Dashboards:** Assisted the City with creating Excel dashboards to provide a better picture of the City's current PA and Mitigation projects, including current cost estimates from the City, FEMA, and the status of the projects by category of work and eligibility.
- **Appeals:** Assisted with the development and submission of the City's 4 PA project appeal memos. If these appeals are approved by Cal OES and FEMA, these projects may be deemed eligible for FEMA reimbursement.
 - Attended site visit with Cal OES and Caltrans for the City's pavement appeal
 - Assisted in the compilation and response to Cal OES for more documentation/information regarding the City's 4 PA project appeals
- **Fire station #5 memo:** Developed a memo of potential options regarding a possible relocation of fire station #5.
- **Unmet Needs File:** Assisted the City and its CDBG-DR consultant in developing the unmet needs assessment amounts related to the City's PA and Mitigation projects. This will assist in better understanding any gaps that might be eligible under CDBG-DR funding.

ADDITIONAL ITEMS

Additional Mitigation-Related Items:

- **404 Hazard Mitigation Grant Program (HMGP):**
 - NOI development and submissions
 - Created a tracker/checklist of the required documents needed for a subapplication
 - Created a tracker to monitor the NOI and subapplication submissions
 - Subapplication development as well as printing and logistics to deliver the numerous hard copies to Cal OES
 - Quarterly report development for approved projects
 - RFP development for approved projects, including assistance with managing the approved projects
 - Developed an outdoor warning system presentation to potentially be used at a public forum for the City
- **Pre-Disaster Mitigation (PDM) and Flood Mitigation Assistance (FMA):**
 - NOI development and submissions
 - Created a tracker to monitor the NOI and subapplication submissions
 - Subapplication development and electronic submission

If these mitigation projects are approved by Cal OES and FEMA, the City could potentially receive approximately \$63M in Federal funding.

TIMELINE

- It is estimated that the City will receive an award notification by Cal OES by March 2019 related to the City's 404 HMGP subapplications.
 - If the City's 404 HMGP projects are approved, EY estimates that it will take a month (April 2019) to assist the City in setting up the 404 HMGP projects.
 - For the NOIs which have been approved under 404 HMGP, the subapplications are due April 18, 2019, which will allow EY to continue assisting the City with the development and submission process.
- The EY team has been working closely with City staff in order to be better prepared for the upcoming transition. The EY team estimates that the City staff will be prepared for the transition by May, 2019.

RECOMMENDATION

- It is recommended by the City Manager's Office, that the Council, by resolution, approve the Second Amendment to Ernst & Young Professional Services Agreement, dated December 12, 2017 for a total contract amount not to exceed \$2.3 million.

QUESTIONS?