

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: DEBORAH LAUCHNER, CHIEF FINANCIAL OFFICER

SUBJECT: APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH
ERNST & YOUNG, LLP FOR DISASTER RECOVERY
MANAGEMENT SERVICES

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the City Manager's Office and the Finance Department that the Council, by resolution, approve the Professional Services Agreement with Ernst & Young, LLP to provide disaster recovery management services in an amount not to exceed \$500,000.

EXECUTIVE SUMMARY

A request for proposals (RFP) to provide disaster recovery management services was issued on November 15, 2017. Six proposals were received that were considered responsive to the RFP requirements. Ernst & Young was selected after a panel of staff and members of the Recovery Ad Hoc committee reviewed the proposals and heard the presentations.

BACKGROUND

At approximately 9:45 p.m. on Sunday, October 8, 2017, one of the most destructive wildfires in California history started. The Tubbs Fire ultimately burned a total of 36,807 acres, destroyed 6,957 structures and damaged 486 others. In Santa Rosa, 2,800 structures were destroyed, with the Coffey Park neighborhood and Fountaingrove area among the hardest hit.

Staff continues to assess short-term and long-term needs for the organization as we navigate through the myriad of rules and regulations that govern the federal grant programs that will assist with the costs of recovery. Recovery will take years and management of the federal and state grants will extend beyond the recovery period as staff will need to continue to manage documentation that meets the audit standards of the

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Federal Office of Inspector General (OIG). The selection panel determined that Ernst & Young has the experience and knowledge to help guide the City through the process.

PRIOR CITY COUNCIL REVIEW

Not applicable.

ANALYSIS

The City desires to engage a firm with experience in the entire scope of post disaster recovery management, including experience working with agencies in support of their recovery efforts under State and federal aid programs (FEMA and Cal OES specifically). Working in coordination with City staff, some of the duties to be performed will include technical advisory services, development and submission of federal grant applications, procurement assistance, and develop a HUD action plan for recovery.

Six proposals were received in response to the RFP. All six proposals were considered responsive to the solicitation. A tabulation of the responsive vendors, in no specific order, is listed below:

Ernst & Young, LLP San Francisco, CA
Adjusters International Utica, NY
Aptim Environmental & Infrastructure, Inc. Sacramento, CA
Hagerty Consulting Evanston, IL
Witt O'Brien's LLC Washington D.C.
Disaster Program & Operations, Inc. Gerald J Quinn & Associates, Inc. Folsom, CA

The selection panel consisted of City staff and members of the Recovery Ad Hoc Committee. The evaluation criteria used in the initial scoring process consisted of the following:

1. Overall responsiveness to and compliance with the RFP. Proposals must be neat, complete, and fully address the scope of services requested. Willingness to accept City's agreement template "as is."

2. Qualifications and experience of the proposed team members for the requested services. Consider:
 - a. Previous experience, past practice and prior performance providing post-disaster financial recovery services.
 - b. Successful prior operation and administration of FEMA disaster recovery and public assistance programs.
3. Demonstration of prior success with similar services and projects. Includes:
 - a. demonstrated expertise in implementing, maintaining post-disaster financial recovery programs and development
 - b. use of performance measures and benchmarking
 - c. Designing and using data management systems to ensure accurate data collection, analysis, and reporting.
4. Technical approach to project including financial resources and compliance with public policy.
5. References
6. Cost Proposal

On December 4, 2017, the evaluation panel received presentations and asked questions about the proposals. As a result, the evaluation panel recommends that the Ernst & Young proposal be accepted. Ernst & Young has great qualifications and experience in managing disaster recovery for municipalities. They have a clear and concise understanding of the scope of services and can provide the resources and expertise the City will require as we move through the recovery process and rebuild our community. The panel has determined the offer submitted by Ernst & Young is the best overall value to the City.

FISCAL IMPACT

Funds for this expense have not been included in the FY 2017-18 adopted budget. Funding for this agreement will come 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.

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

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At this time, 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 (Agreement)

CONTACT

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