

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: SEAN MCGLYNN, CITY MANAGER'S OFFICE
SUBJECT: APPROVAL OF THE THIRD AMENDMENT TO PROFESSIONAL
SERVICES AGREEMENT NUMBER F001625 WITH ERNST &
YOUNG

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the City Manager's Office that the Council, by resolution, approve the Third Amendment to Professional Services Agreement Number F001625 with Ernst & Young, LLP, of San Francisco, CA, in the amount of \$300,000, for a total amount not to exceed \$2,613,000.

EXECUTIVE SUMMARY

Ernst & Young have been assisting the City with recovery efforts from the October 2017 urban wildfire. The City's agreement with Ernst & Young established three phases of work: initial project kickoff and damage assessment; document collection and project worksheet (PW) submittal to Federal Emergency Management Agency (FEMA); and finally, a project closeout phase.

Ernst & Young is entering the project closeout phase of their engagement with the City. It is estimated this will require additional contract funds totaling \$300,000. If this amendment is approved, the total contract cost will be \$2,613,000; a significant portion of which will be eligible for reimbursement by both FEMA and the State.

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 Number F001625 in the amount of \$500,000

July 17, 2018 – Council approved the First Amendment for an additional amount of \$1 million.

December 18, 2018 – Council approved the Second Amendment for an additional \$813,000.

ANALYSIS

Ernst & Young has been the City's disaster recovery consultant for a year and a half. During that time, they have assisted the City with damage assessment, data and documentation collection; submitted project worksheets to request funding reimbursements for the City's response to the disaster; advised and developed applications for Hazard Mitigation Projects; and represented the City in discussions with FEMA and Cal OES.

As of November 27, 2018, FEMA has obligated approximately \$16.4 million of funding toward 15 projects. The City has received approximately \$2.2 million of this amount, with the rest coming through progress payments from Cal OES. There are still several projects worth millions of dollars awaiting final FEMA approval. It should be noted that for virtually all of these projects, the City pays a local match amount.

FISCAL IMPACT

The additional appropriations of \$300,000 for this contract amendment will come from the General Fund unassigned reserves. The City expects to receive reimbursement from FEMA and Cal OES for most of the cost of this contract.

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 (Agreement)

CONTACT

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