PREPARE. PREVENT. RESPOND. RECOVER. MITIGATE.

Mission
To lead and support Louisiana and its citizens in the preparation for, response to and recovery from all emergencies and disasters.

Vision
For the benefit of Louisiana, its citizens and all other stakeholders, GOHSEP:
- Seeks to be a center of excellence for emergency management and homeland security.
Emergency Management Performance Grant (EMPG)
Homeland Security Grant Programs (HLS)

Public Assistance (PA)
Hazard Mitigation (HM)

the big 3

Today . . .
There’s more!
- Proper procurement
- Monitoring
- Debris management
- Environmental + historic preservation (EHP)

Thank you!

Procurement: AVOIDING DHS-OIG Audit Findings!
PROCUREMENT CHECKLIST

DISCLAIMER:
The information provided in this document is intended as guidance ONLY and does not relieve the Applicant of its responsibility to comply with Federal regulations and policies. Checklist requirements may change over time. For additional information on procurement requirements, xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

PURPOSE:
This Procurement Checklist is a companion job aid to the Procurement Guide: Getting and KEEPING your FEMA grant dollars and the Procurement Desk Reference: DHS-OIG Audit Findings + FEMA Policy + Comments + Tips + MORE!. It is designed to assist the subgrantee by providing a list of documents that are required to assure proper compliance when procuring goods, materials, services or construction projects when using FEMA grants.

OVERVIEW:
This checklist addresses the Uniform Administration Requirements for Grants as stated in 2 CFR Part 215 (applies to institutions of higher education, hospitals and other non-profit organizations) and 44 CFR Part 13 (applies to State and local governments). It is suggested that there are few substantive differences between the 2 and 44 CFR Part 13 contains more detail. Note that 44 CFR Part 13 is considered the “Common Rule”. Therefore, if your entity is governed by 2 CFR Part 215 and find that it is lacking in specific information, refer to 44 CFR 13.36. Whenever in doubt, follow 44 CFR Part 13.

Housekeeping

• Turn off cell phones.
• Avoid sidebars.
• Participate.
• Non-attribution policy.
• Enjoy!
“To Lead and Support Louisiana in preparation for, response to, and recovery from, all emergencies and disasters.”
Louisiana is the “most disaster-prone State in the Nation.”
(TWO YEARS RUNNING)

GOHSEP regions

Louisiana coast
A Vulnerable Area for Storm Surge

All Atlantic Basin Tropical Systems
National Hurricane Center 1850 - 2007
Top U.S. disasters by cost

<table>
<thead>
<tr>
<th>EVENT</th>
<th>YEAR</th>
<th>FEMA FUNDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hurricane Katrina (LA Only)</td>
<td>2005</td>
<td>$43 billion</td>
</tr>
<tr>
<td><strong>SANDY</strong></td>
<td>2012</td>
<td>??????</td>
</tr>
<tr>
<td>Attack on America (NY,PA,VA)</td>
<td>2001</td>
<td>$9 billion</td>
</tr>
<tr>
<td>Northridge Earthquake (CA)</td>
<td>1994</td>
<td>$7 billion</td>
</tr>
<tr>
<td>Hurricane Rita (LA, TX)</td>
<td>2005</td>
<td>$13.8 billion</td>
</tr>
<tr>
<td>Hurricane Ivan (AL, FL, GA, LA, MI, NC, PA, TN, WI)</td>
<td>2004</td>
<td>$2.4 billion</td>
</tr>
<tr>
<td>Hurricane Georges (CA, FL, GA, LA, MI, MN, WI)</td>
<td>1998</td>
<td>$2.25 billion</td>
</tr>
<tr>
<td>Hurricane Wilma (FL)</td>
<td>2005</td>
<td>$2.1 billion</td>
</tr>
<tr>
<td>Hurricane Charley (FL, SC)</td>
<td>2004</td>
<td>$1.89 billion</td>
</tr>
<tr>
<td>Hurricane Andrew (FL, SC)</td>
<td>1992</td>
<td>$1.8 billion</td>
</tr>
<tr>
<td>Hurricane Frances (FL, GA, MI, NC, PA, SC)</td>
<td>2004</td>
<td>$1.77 billion</td>
</tr>
</tbody>
</table>

Strategic petroleum reserve

National ranking: 1st

National Security Interest: High

Gas transmission pipelines

National ranking: 1st

National Security Interest: High
Ports + waterways  
National ranking: 1st  
National Security Interest: High

Petroleum refining + chemical products  
National ranking: 2nd  
National Security Interest: High

Oil/gas exploration + production  
National ranking: 4th  
National Security Interest: High
Coastal restoration + wetland management
National ranking: 1st
National Security Interest: High

Ship fabrication
National ranking: 4th
National Security Interest: Medium

NASA – Space station program
National ranking: 3rd
National Security Interest: High
New Paradigm Shift

PREPARE + PREVENT + RESPOND + RECOVER + MITIGATE

STATE OF LOUISIANA
EMERGENCY OPERATIONS PLAN

www.ohsep.louisiana.gov/plans/eopindex.htm
New Paradigm Shift

**RESPONSE**

Operations

Project Development

Grants Management

Closeout

NOTE: Decisions made during Response can have consequences to Recovery.

GOHSEP management structure during activation

GOHSEP operates under the Unified Command Group (UCG) during activation for all major disasters.

New Paradigm Shift

**RECOVERY**
Recovery responsibilities

- Public Assistance (PA) grant program – $13 billion+
  
- Hazard Mitigation (HM) grant program – $2 billion+
  - Interact with FEMA on program and policy issues.
  - Accountable for funds disbursed to all Applicants.
  - Provide technical advice and support to Applicants.
  - Provide support to Applicants for damage assessments.
  - Maintain compliance with Federal grant management requirements.

**RECOVERY OVERVIEW**

<table>
<thead>
<tr>
<th>Disaster</th>
<th>Period</th>
<th>No. of Applicants</th>
<th>Project Worksheets</th>
<th>Obligated Federal $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severe Flooding</td>
<td>1/13/13 – 1/17/13</td>
<td>34</td>
<td>81</td>
<td>$2,599,216</td>
</tr>
<tr>
<td>Isaac – 4080</td>
<td>8/26/12 – 9/10/12</td>
<td>501</td>
<td>1,121</td>
<td>$272,382,109</td>
</tr>
<tr>
<td>TS Lee – 4041</td>
<td>9/1/11 – 9/5/11</td>
<td>42</td>
<td>18</td>
<td>$5,597,812</td>
</tr>
<tr>
<td>Mia – 4015</td>
<td>8/10/11 – 8/17/11</td>
<td>93</td>
<td>250</td>
<td>$37,050,059</td>
</tr>
<tr>
<td>Ike – 1792</td>
<td>9/10/08 – 9/16/08</td>
<td>337</td>
<td>1,592</td>
<td>$223,676,175</td>
</tr>
<tr>
<td>Gustav – 1706</td>
<td>9/10/08 – 9/16/08</td>
<td>930</td>
<td>6,547</td>
<td>$705,141,205</td>
</tr>
<tr>
<td>2009 Floods – 1668</td>
<td>9/10/08 – 9/16/08</td>
<td>63</td>
<td>413</td>
<td>$10,659,991</td>
</tr>
<tr>
<td>Rita – 1607</td>
<td>8/29/05 – 9/11/05</td>
<td>727</td>
<td>4,517</td>
<td>$65,846,242</td>
</tr>
<tr>
<td>Katrina – 1603</td>
<td>8/29/05 – 9/11/05</td>
<td>1,435</td>
<td>19,697</td>
<td>$11,159,671,530</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>4,208</td>
<td>34,634</td>
<td>$13,081,818,794</td>
</tr>
</tbody>
</table>

**Governor’s Office of Homeland Security**

A. Debris Removal $1,455,492,937
B. Emergency Protective Measures $2,775,895,558
C. Roads and Bridges $828,405,850
D. Water Control Facilities $145,745,150
E. Public Buildings & Equipment $6,598,446,288
F. Public Utilities $879,804,987
G. Parks, Recreational Facilities, and Other Items $216,086,550
H. State Management Costs $315,160,214
Non-Federal cost share

- Standard Cost Share: 25%
- Hurricanes Katrina and Rita: 0%
- Hurricanes Gustav and Ike: 10%
- Hurricane Isaac: 25%
- Non-Federal Share is borne by the Applicant.

What is taking so long?
Major impediments to catastrophe recovery

- **Magnitude of impacts**
- **Applicant resources**
- **Cash flow**
  - Applicant’s cash reserves are depleted.
  - Applicant’s tax base is slashed.
  - PA program is reimbursement based.

Major impediments to catastrophe recovery (Continued…)

- **Funding gaps**
  - Insurance reductions.
  - FEMA ineligible work (e.g. Deferred maintenance).
  - Undervalued grants.
  - Opportunity upgrades.
- **Programmatic complexities**
  - PA program policy – non-catastrophic context.
  - Inconsistent policy interpretation.

Funding gap example

<table>
<thead>
<tr>
<th>Estimated cost to repair:</th>
<th>$15.0 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFIP reduction – structure:</td>
<td>-0.5</td>
</tr>
<tr>
<td>NFIP reduction – contents:</td>
<td>-0.5</td>
</tr>
<tr>
<td>Anticipated property insurance reduction:</td>
<td>-1.0</td>
</tr>
<tr>
<td>FEMA ineligible work (enhancements):</td>
<td>-0.2</td>
</tr>
<tr>
<td>FEMA ineligible work (deferred maintenance):</td>
<td>-1.0</td>
</tr>
<tr>
<td>Non-Federal share (10% match)</td>
<td>-1.5</td>
</tr>
<tr>
<td>Available FEMA funds</td>
<td>$10.3 million</td>
</tr>
<tr>
<td>Funding gap</td>
<td>$4.70 million</td>
</tr>
</tbody>
</table>
New Paradigm Shift

MITIGATION

Hazard mitigation funds allocation

<table>
<thead>
<tr>
<th>Category</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parish (elevation, acquisition, drainage, retrofits, joint reconstruction, flood control)</td>
<td>$814,390,595</td>
</tr>
<tr>
<td>State Agencies</td>
<td>$282,873,499</td>
</tr>
<tr>
<td>Office of Coastal Protection &amp; Restoration</td>
<td>$43,258,175</td>
</tr>
<tr>
<td>State Elevation/Acquisitions (DOTD &amp; OCPR)</td>
<td>$23,000,000</td>
</tr>
<tr>
<td>Office of Community Development</td>
<td>$750,000,000</td>
</tr>
<tr>
<td>Planning Projects (pumps &amp; statewide GIS project)</td>
<td>$23,463,515</td>
</tr>
<tr>
<td>Initiative Projects (generators, community education &amp; outreach, code enforcement)**</td>
<td>$125,490,886</td>
</tr>
<tr>
<td>Competitive</td>
<td>$79,182,523</td>
</tr>
<tr>
<td><strong>Total Allocations</strong></td>
<td>$2,141,842,709</td>
</tr>
</tbody>
</table>

** Program Allowance for Non-Traditional Mitigation Activities

### Hazard Mitigation Assistance

**Unified Guidance**

1. **PREPARE**
2. **PREVENT**
3. **RESPOND**
4. **RECOVER**
5. **MITIGATE**

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**June 1, 2010**

Federal Emergency Management Agency

Department of Homeland Security

500 C Street, S.W.

Washington, DC 20472

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**Procurement authorities**

- **Law:**
  - Robert T. Stafford Disaster Relief and Emergency Assistance Act
  - *Disaster Operations Legal Reference*, Version 2.0

- **Regulations:**
  - 44 CFR 13.36 (Common Rule)
  - 2 CFR 215, 220, 225, 230
Procurement authorities (Continued…)

- Policy
  - Disaster Assistance Policy (DAP) 9500 Series
  - Public Assistance (PA) Guide FEMA 322/June 2007
  - PA Policy Digest FEMA 321/January 2008
  - PA Applicant Handbook FEMA 323/March 2010
  - Debris Management Guide FEMA 325/July 2007

Importance of proper procurement

- FY2011: OIG recommended $131,739,350 be de-obligated for improper procurement.
  - FEMA agreed with OIG: $4,956,690 < 4%

- FY2012: OIG recommended $21,746,755 be de-obligated for improper procurement.
  - FEMA agreed with OIG: $119,055 < 0.5%

SOURCE: Capping report DHS-OIG 13-90 May 2013

Importance of proper procurement (Continued…)

- FEMA’s willingness to exercise its discretion pursuant to 44 CFR 13.43(a) and 2 CFR 215.62(a) and mitigate improper procurement by cost analysis.

BUT . . .
Proper procurement is necessary

• OIG says . . .
  “... Clearly, OMB’s intent was not for Federal agencies to make exceptions to the procurement standards in the administrative requirements for grants a routine practice. Accordingly, we do not believe that it is prudent to waive Federal procurement standards unless lives and property are at stake, because the goals of proper contracting relate to more than just reasonable costs. Once the roads are clear, power is restored, and the danger is over, cities, counties, and other entities should follow regulations or risk losing Federal funding . . .”

SOURCE: Capping report DHS-OIG 13-90 May 2013, page 7

Proper procurement is necessary

• Insight from GOHSEP:
  – FEMA is under increased pressure from DHS, DHS-OIG and OMB to apply procurement standards in accordance with the regulations,

AND . . .

Proper procurement is necessary

• State responsibility:
  – “To assure that subgrantees are aware of requirements imposed upon them by Federal statute and regulation.”

SOURCE: 44 CFR 13.37

– “Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements . . .”

SOURCE: 44 CFR 13.40(a)

AND . . .
Proper procurement is necessary

(Continued…)

• **Subgrantee** responsibility:
  – “To comply with all of the **procurement requirements** as stated in 44 CFR 13.36 and 2 CFR 215.”

  SOURCE: Memorandum of Understanding between GOHSEP + subgrantee

Proper procurement is necessary

(Continued…)

• **Conclusion:**
  – Subgrantees have the responsibility to be **compliant**.
  – GOHSEP has the responsibility to **assure** subgrantee **compliance**.
  – It is uncertain how long FEMA will continue to liberally apply its discretion.

OLD Paradigm
New Paradigm Shift

PREPARE + PREVENT + RESPOND + RECOVER + MITIGATE

NOTE: Decisions made during response can have consequences to recovery.
New paradigm

Response + recovery are **inseparable** . . .

. . . and are **joined** at the hip.

Response + Recovery

You can **win the battle** in saving lives and protecting property and **lose the war** through **improper** procurement.

Lifecycle of a Disaster
Stafford Act Assistance Process

FEMA
Public Assistance (PA)
Individual Assistance (IA)
Hazard Mitigation (HM)

Stafford Act Assistance Process

Applicant Briefing

Applicant Request for Public Assistance (RPA)
(Must be submitted within 30 days of the declaration date)
Ben Plaia
(225) 242-6030

Questions?

For more information + to download materials from today’s seminar:

gohsep.la.gov/outreach.aspx