

- **Partnership**

**How does FEMA get involved in a State disaster?**

Once a disaster has occurred, and the State has declared a state of emergency, the State will evaluate the recovery capabilities of the State and local governments. If it is determined that the damage is beyond their recovery capability, the governor will normally send a request letter to the President, directed through the Regional Director of the appropriate FEMA region. The President then makes the decision whether or not to declare a major disaster or emergency.

After a presidential declaration has been made, FEMA will designate the area eligible for assistance and announce the types of assistance available. FEMA provides supplemental assistance for State and local government recovery expenses, and the Federal share will always be at least 75 percent of the eligible costs.

**What do I (the Subgrantee) need to do to participate in the PDA process?**

- Show the Federal/ state team your damage sites. Be sure to bring to their attention any environmental or historic issues that may be present, along with any known insurance coverage.
- You should also explain what immediate expenditures might be associated with any emergency work you have identified. This information may be used to provide you some expedited funding, if a declaration is obtained for your area.

**Who is a Liaison?**

The Applicant Liaison (Liaison) is the State's customer service representative assigned to work with you and the PAC. The Liaison is responsible for providing you with specific information on State regulations, documentation and reporting requirements. The Liaison is also there to provide technical assistance, when requested, and can help in the identification of Hazard Mitigation opportunities.

**How will I be dealing with my Liaison?**

The first meeting with your Liaison will be at the Kickoff Meeting. The Liaison will provide the State's perspective on the recovery process and will explain any State specific reporting requirements. As a State representative, the Liaison should be familiar with your area and any special conditions that might be present in your area. Do not hesitate to seek the advice and counsel of the Liaison about area specific questions. You should expect to meet with your Liaison in person and talk with him or her by phone as often as you need.

**Who should attend the Applicant's Briefing?**

Although great benefit may be obtained from these briefings if an elected official or a financial management representative attends, maximum benefit is ensured if someone who will actually be using the information also attends the meeting. If you have an INF request, be sure and bring it to the attention of the State representative conducting the briefing.

**Who is a PAC?**

The Public Assistance Coordinator (PAC) is a customer service representative assigned to work with you from declaration to funding approval. The PAC is trained in Public Assistance policies and procedures and will guide you through the steps necessary to receive funding. This individual will maintain and manage a Case Management File containing information on your projects, conversations regarding the damages to your facilities and issues affecting your FEMA assistance.

**What does the PAC do?**

A PAC works in partnership with an applicant from beginning to end, providing comprehensive information, explanation, and technical assistance. As needed, the PAC can help document damage, determine eligible repair work, estimate costs, develop work projects, and identify issues, such as, insurance coverage, environmental hazards, and historic buildings, which require special attention. The earlier these considerations are identified, the sooner they can be resolved and public assistance funding made available.

The PAC will conduct a Kick-off Meeting with the applicant, providing a comprehensive briefing of the Public Assistance program. The PAC will explain in detail all forms and procedures necessary for the applicant to follow.

The PAC facilitates the processing of repair and restoration projects. Equipped with an extensive knowledge of the Public Assistance program, the PAC monitors the progress of assigned applicants through each stage of the PA process ensuring that appropriate resources are assigned to meet the requirements. When technical expertise is needed the PAC will assign a specialist to work with the applicant. When all small projects have been submitted, the PAC will assign a validator to verify project eligibility and reasonableness of costs.

The PAC concept centralizes decision-making at the lowest responsible level of authority and provides an applicant with a quick and uniform response. For example, the PAC can assign resources from a pool of skilled professionals to develop scopes of work and cost estimates, facilitate reviews and provide specialized technical assistance to meet the needs of the applicant. The PAC also has authority to approve project costs up to \$100,000 and to provide recommendations for approval of larger projects. Whenever there is a question about FEMA's processing or funding of a project, an applicant can contact the PAC for prompt responses.

### **How will I be dealing with my PAC?**

- You should expect to meet with your PAC in person and talk with him or her by phone as often as you need.
- You can expect to be contacted by your PAC within one (1) week from the time you submit your Request form. If you have not heard from your PAC by the end of two (2) weeks, please notify your State Public Assistance Officer.
- The first meeting with your PAC is called the Kickoff Meeting, where comprehensive information and assistance tailored to your damage claims will be reviewed.
- If at all possible, attend the Applicants' Briefing for your area, obtain a Disaster Fact Sheet, create a list of all your damages and review this handbook before meeting with your PAC.

### **What is a Kickoff Meeting?**

The first meeting with your PAC and Liaison is called the Kickoff Meeting. It is at this meeting that your damages will be discussed, your needs assessed, and a plan of action put in place. The PAC will go over what will be expected of you, and will provide detailed instructions on what to do and how to do it. The Liaison will provide State specific details on documentation and reporting requirements. Both the PAC and Liaison will help identify any Special Considerations in your area.

The PAC will contact you to set up this meeting. After reviewing your list of damages, the PAC will help you determine what technical assistance, if any, is needed to prepare your Project Worksheets (PW) (subgrant application) (FEMA Form 90-91). This meeting is also the place to bring any questions or concerns you may have about how the Public Assistance process works or what might be expected of you.

Insurance issues are often disaster and site specific and can be complicated. All insurance issues should be discussed with the Public Assistance Coordinator (PAC) at the Kickoff Meeting or as soon as possible, to allow for timely resolution.

### **Who should attend the Kick-off Meeting?**

When your PAC contacts you to schedule a Kickoff Meeting, make sure to discuss who else should attend. It may be helpful to have your risk manager who is familiar with you insurance coverage, record keeper, public works officials, and/or others with working knowledge of the repairs needed, in attendance.

### **What do I need to do to prepare for a Kick-off meeting?**

- You can expect to be contacted by your PAC within one (1) week after submission of your Request. If you have not heard from your PAC within two (2) weeks, contact your State Public Assistance Officer to arrange the first meeting.
- Compile a list of all your damages. Take that list with you to the Kickoff Meeting.
- Pay close attention when your PAC shows you how to prepare detailed descriptions and summaries of your repair projects. By the end of the Kickoff Meeting, you should have received the information you need to proceed with disaster recovery and will understand what to expect.
- Identify circumstances that require special review, such as insurance coverage, environmental resource issues, and historic preservation. The earlier these conditions are known, the faster they can be addressed, and they must be addressed before funding can be approved.
- You are encouraged to participate fully in managing your repair projects, particularly small projects.
- Request clarification of anything you do not understand and bring forward any issues that may concern you. Full discussion and regular interaction with your PAC and Liaison will help to resolve differences as they arise and expedite approval of your projects.
- Contact your PAC whenever you have questions or need assistance.
- You are responsible for maintaining records of completed work and work to be completed. Your PAC will provide a detailed list of required records and can recommend ways of organizing them.

### **Expedited Funding**

#### **Is there a way to get money fast?**

Immediate Needs Funding (INF) is money earmarked for the most urgent work in the initial aftermath of a disaster. The funds may be provided to any eligible applicant for eligible emergency work that must be performed immediately and paid for within the first 60 days following declaration. Eligible work typically includes debris removal, emergency protective measures, and removal of health and safety hazards. Immediate needs funds can be used for expenses resulting from this eligible work, such as temporary labor costs, overtime payroll, equipment, and material fees.

### **How does INF work?**

During the PDA, immediate needs are noted for each area surveyed. If a disaster is declared, and the State thinks damage costs warrant the need for immediate cash flow, the State may INF on your behalf. Up to 50% of the Federal share estimate of emergency monies will then be placed in the State's account. Because this money can be made available in advance of normal procedures once a disaster has been declared, paperwork and processing times are reduced and you can receive emergency funds sooner. Even though your facilities may have been included in the PDA, INF will not be available unless your county/city has been included in the presidential declaration.

### **What do I (the Subgrantee) need to do to receive INF?**

- If your damage sites have been surveyed in the PDA, you may be eligible for INF. If you are, the choice of whether or not to apply for these funds is yours.
- INF is usually based on a percentage of the emergency work identified during the PDA. You can assist the PDA team by alerting them to your emergency work, along with any associated immediate expenditures and helping to estimate damage costs.
- Your State will notify you on how to apply INF. Typically they will have you send a letter of request to a designated State official.
- You must submit a completed Request for Public Assistance (Request) (pre-application) (FEMA Form 90-49) before the State will release any INF.
- You may use INF for any eligible emergency work that requires payment within the first 60 days following declaration.
- No INF will be allocated for work projects identified during the PDA that include environmental or historic considerations, or for hazard mitigation projects. Specialists conducting the PDA will use a list of Special Considerations questions to help determine INF eligibility.
- Any INF you receive will be offset against the costs of your actual emergency work projects as they are received.
- If your actual emergency work project costs are less than the INF received, then INF will be offset against permanent work projects. Eligible permanent work costs will not be obligated until INF is reimbursed.
- If your damages are not identified during the PDA or if no immediate needs are noted, you still will have the opportunity to request expedited handling of your emergency work when you officially file your Request.

### **Project Formulation**

#### **What is a Project Worksheet?**

A Project Worksheet is the form used to document the scope of work and cost estimate for a project. This form supplies FEMA with the information necessary to approve the scope of work and itemized cost estimate prior to funding. Each project must be documented on a separate Project Worksheet. The approved Project Worksheet will then be the basis for funding under the Public Assistance Program.

A project is a logical method of performing work required as a result of the declared event. You may include more than one damage site in a project. This offers flexibility in organizing and managing the work around your needs.

Once you have consolidated similar work items into projects, you will need to fully document your damage and repair plan by completing a Project Worksheet for each project. Although more than one site can be combined to make a project, only one project may be listed on a Project Worksheet.

#### **What are my responsibilities with respect to Project Formulation?**

- Combine your various recovery efforts into projects. A project should be formulated to meet your recovery needs.
- Multiple damaged sites and eligible work may be combined administratively into a single project for a variety of justifiable reasons. You may select any reasonable method to manage your projects.
- After the Specialist has reviewed the Special Considerations Questions with you, it may be necessary for FEMA to conduct an Environmental Assessment. If this occurs, you will need to keep a record of the information pertaining to the alternatives that were considered.

### **What are some examples of project formulation?**

- Specific Site - all work at a specific site may be a project, such as a single road washout site. This method is used often if the site has Special Considerations.
- Specific Facility - all work on a bridge may be a project, or restoration of a building and its contents may be a project. This method is used for large projects.
- Type of Damage - all work under a specific category may be a project such as debris removal (Category A) or all work at certain types of facilities may be a project, such as all gravel roads on one project and all paved roads on another.
- System - all work to a system may be a single project, for example, repairs to the water distribution system including multiple waterline breaks may be one project.
- Jurisdiction - all work within a specific area such as a park, may be a project. Or, all work within an administrative department of an applicant, such as the city police, fire, and public works departments, may be a project.
- Method of Work - a project may be grouped by how the work will be completed. For example, all work completed under a single contract may be a project. Or, all work undertaken by a force account crew may be a project.
- Complex - for extensive damage to several facilities at a complex (for example, a high school) all damage could be combined into one project, or separated into several projects, such as roof repair, or work done by a single contractor, or all repairs done by force account.
- Special Considerations - a project may be grouped by special issues that might take longer to resolve, such as environmental or historic concerns.

### **May more than one category be combined in a single project?**

Yes. More than one category of work may be combined in a single project if the combination is practical. For example, if the project is to repair a park (Category G) it may include work to repair roads within the park (Category C). However, for the most part, emergency work (Categories A & B) should not be combined with permanent work (Categories C through G) unless the emergency work is incidental to the permanent repair. It should be noted that even though categories may be combined, FEMA eligibility criteria will still be applied as is appropriate to the type of work/costs performed.

For example, some debris removal (emergency work) may be required prior to repairing undermining of a bridge abutment (permanent work). Since the debris removal is incidental to completing the bridge repair, the work may be formulated on a single project. Categories are explained in detail under Appendix A of this handbook and also in the Public Assistance Guide, (FEMA 286, to be replaced by FEMA 322).

You will need to complete a Project Worksheet for each of your small projects. When you have completed worksheets for all or a logical subset of your small projects, submit them to your PAC. The PAC can begin the processing of your claims as soon as you submit the Project Worksheets.

If you need money quickly because you have extensive emergency repairs or because you did not receive Immediate Needs Funding, you have the option of submitting emergency work as soon as you can formulate those projects. You can then turn to preparing documentation for permanent repair work. The choice is yours, based on your funding or other needs.

Note: If sites are combined in such a way that the cost estimate exceeds the large project / small project threshold, the project is considered a large project. This is true even if all individual sites within the project are damaged less than the large project threshold amount.

### **What are some common methods of estimating projects?**

Time and materials estimate for the local force account work. This method may be used on projects that will be completed by your employees, using your own (or rented) equipment and material purchased by you (or from your stock on hand). This method breaks costs down into labor, equipment and materials. Costs must be thoroughly documented by payroll information, equipment logs or usage records, and other records, such as materials invoices, receipts, payment vouchers, warrants, or work orders.

FEMA has published a listing of equipment rates based on national data for your use. These rates, or the applicant's established rates, whichever are lower, should be used to compute applicant-owned equipment costs. A listing of FEMA's equipment rates is included with the FEMA cost code listing. Remember however, that FEMA equipment rates do not include operator costs, so these costs will have to be computed separately. FEMA rates do not apply to contracted or rental equipment, unless the equipment is rented from another public entity. If you have your own equipment rates approved under State guidelines, such rates are eligible up to a rate of \$75 per hour.

Labor hours should be carefully matched with equipment use hours to ensure consistency. Remember that equipment not in use is not an eligible expense even if it is on-site.

Competitively bid contracts are used to summarize costs for work that the applicant has obtained from an outside source. In general, contract costs are for work already completed, but in some cases may outline work that is just beginning or still underway. If work has not yet begun on a project, but a contract has been bid or let for the eligible work, then the contract price can be used.

General types of contracts include:

*Unit price*

Contract for work done on an itemized basis with prices broken out per unit.

*Lump sum*

Contract for work within a prescribed boundary with a clearly defined scope and a total price.

*Cost Plus Fixed Fee*

Either a lump sum or unit price contract with a fixed contractor fee added into the price.

Time and materials contracts should be avoided but may be allowed for work that is necessary immediately after the disaster has occurred. If used, you must carefully document contractor expenses. A cost ceiling or "not to exceed" provision also should be included in the contract.

For example, time-and-material contracts for debris should be limited to a maximum of 70 hours of actual debris clearance work and should be used only after all available local, tribal and State government equipment has been committed. These contracts should be terminated once the designated dollar ceiling or not-to exceed number of hours is reached. On occasion, they may be extended for a short period when absolutely necessary, for example, until Unit Price contracts have been prepared and executed.

Cost plus a percentage of cost contracts, percentage of construction cost contracts, and contingency contracts are not eligible.

**Do all contracts have to be competitively bid?**

All contract procurement should be conducted in a manner providing full and open competition in compliance with State and local procurement regulations. Contracts will normally be competitively bid unless one of the following instances apply:

- The item is available only from a single source;
- The awarding agency authorizes noncompetitive proposals;
- After solicitation of a number of sources, competition is determined inadequate; or
- The contract will eliminate or reduce an immediate threat to life, public health or safety.

**What is the difference between a large and small project?**

To facilitate review, approval and funding, repair projects are divided by dollar amount into small and large projects. In most disasters, the majority of work consists of small projects. A small project is any eligible work, either emergency or permanent, costing from \$1,000 to \$57,500 (\$57,500 is the threshold for small projects for Federal fiscal year 2006 and is adjusted annually.) Funding for small projects is based on the Federal share-usually 75%-of the approved estimate of eligible work.

You are responsible for identifying all projects and are encouraged to provide your own scopes of work and cost estimates for small projects. Details on this process are given later in this book. Your PAC will explain the entire process during the Kickoff Meeting and will be available at any time to provide further assistance.

Although you are responsible for identifying large projects, only the basic description of the project and a broad cost estimate is required. Large projects, those with damage costs over \$57,500 (Federal FY 2006) will be formulated as a team effort with FEMA, State and your local representative as partners. Funding for large projects is based on actual costs to complete the eligible scope of work. The funding for each large project will be adjusted after all work is complete.

**Why is cost estimating different for large projects?**

Since large projects are approved on estimated cost, but funded on actual cost, the large project Cost Estimating Format (CEF) permits better budgeting of funds and improved project management. Large project funding is based on the Federal share of eligible costs. You are reimbursed for actual eligible expenses incurred.

Large projects are not only more costly but also typically more complex to manage than small ones. To facilitate

the oversight of large projects, a streamlined formulation process is used that consolidates specialized expertise in the disaster area.

### **What is the Cost Estimating Format?**

The Cost Estimating Format (CEF) is a tool that may be used to estimate the cost of large permanent work projects. The CEF is a forward-pricing methodology developed by FEMA to more accurately estimate total project costs based on construction industry standards. Eligible costs are reimbursed for actual incurred expenses and final costs are reconciled based upon the underrun or overrun realized. By providing better up-front estimates for work that has not been substantially completed, use of the CEF will minimize the possibility of significant variances and allow you to budget project costs with greater confidence. The PO is responsible for application of the CEF.

### **How do I manage my projects?**

Designate a person to coordinate the accumulation of records.

Establish a file for each project where work has been or will be performed. For projects that include more than one physical site, records showing specific costs and scopes of work should be maintained by site to expedite insurance and other Special Considerations reviews.

Maintain accurate disbursement and accounting records to document the work performed and the costs incurred.

### **Are there summary records to help me organize my work?**

Yes. Keeping accurate documentation will make validation quicker and easier by providing you with the information that the State and FEMA will need to see. A set of six optional summary forms has been developed to assist you in organizing your project documentation.

## **Documentation**

### **What type of documentation do I need?**

All of the documentation pertaining to a project should be filed together with the corresponding Project Worksheet and maintained by you as the permanent record of the project. These records become the basis for verifying your final project costs, and, for small projects, will be used as discussed in Chapter 5 to sample and validate your estimated project costs.

Documentation is the process of establishing and maintaining accurate records of events and expenditures related to your disaster recovery work. The information required for your documentation basically describes the "who, what, when, where, why, and how much" for each item of disaster recovery work.

### **How should I maintain my records?**

There are many ways to maintain your records. What is important is that you have the necessary information readily available, and that this information is in a usable format. It is important that you accurately document the events and expenses incurred in disaster response and recovery.

Accurate documentation will help you to:

Recover all of your eligible costs.

Have the information necessary to develop your disaster projects.

Have the information available, which the State and FEMA will need to see, to validate the accuracy of your small projects.

Be ready for any State or Federal audits, or other Federal program reviews.

Provide Federal compliance data by maintaining all information on the alternatives that were considered for projects where an environmental or historic assessment was required.

### **May I use my own records system?**

Absolutely. If you already have a system you want to use, just be sure to compile your documentation according to the Project Number, which your Public Assistance Coordinator will assign to your Project Worksheet. You should keep all documentation for three (3) years following the State's closure of your grant. Under the "Single Audit Act," there is a possibility of an audit by State auditors and/or the FEMA Office of Inspector General.

### **How do I describe the Project Location?**

The exact location of the damaged facility must be described. This information should be specific enough to enable field personnel to easily locate the facility if a site visit is necessary. Providing latitude/longitude coordinates will facilitate locating and mapping of your projects and should be included, whenever possible.

The following are examples of possible location descriptions for different types of facilities:

- Building
- Provide the address including street name and community (e.g., 1235 Ashnut Lane, Reston, VA)
- Street, road or bridge
- Name the intersecting street boundaries, where applicable (i.e., Main Street between Elm and Third Streets)
- Provide other information that documents the exact location of the facility (i.e., Miller Avenue Bridge, 1/3 mile north of City limit, mile marker #24)
- A rural road should be identified by township, range, section and road number (i.e., T7S, R14W, Sec. 28, TR 108)
- Water or sewer line
- Identify the closest street address along with the proximity of the line to that location (i.e., Sewer - 201 N. Cedar Street, on West side of street at alley)

### **How do I complete the Project Description?**

The Project Description describes the facility, location, its pre-disaster function, and the disaster-related damage. From that information, the scope of work is developed describing in detail the work necessary to return the facility to its pre-disaster design. The damage description and scope of work should be listed in the areas provided on the Project Worksheet. For a complete, accurate and itemized damage description and scope of work you will need to:

- Describe the pre-disaster facility, function and location, including Latitude/Longitude for permanent work.
- Describe the disaster-related damage to the facility.
- Describe the repairs necessary to repair the facility to its pre-disaster design (scope of work). Describe any change in the pre-disaster design of the facility that is required.
- Describe any known environmental or historic issues or concerns related to the repair. Environmental and historic issues are concerns included in a grouping referred to as Special Considerations.
- Describe any damage that could be repaired in such a manner as to reduce the risk of the same damage from happening again. This type of preventive repair is known as Hazard Mitigation.

### **How do I describe the damage?**

The specific cause of damage must relate to the incident for which the disaster was declared. It is important to completely describe the cause of damage because it can affect eligibility determinations. For instance, consider the two situations described below:

- Damage from wind-driven rain may be covered by a general insurance policy, but damage from floodwaters may require a flood insurance policy. The difference could affect the insurance coverage reduction applied to the grant.
- Widespread alligator cracking is not normally eligible for repair because it generally indicates a lack of maintenance. However, cracking in specific areas due to settlement from soils saturated by floodwaters may be eligible for repair.

### **How do I complete the Description of Damage? (including dimensions and quantities)**

The damage must be described in terms of the function of the facility and its features, or items requiring repair. Note the differences in the damage descriptions in the examples below:

*Example 1:*

- Incomplete: Two classroom buildings sustained water damage.
- Complete: Floodwater inundated two classroom buildings that serve 250 students, to a depth of two feet, damaging drywall, tile flooring, and books in all 14 rooms.

*Example 2:*

- Incomplete: Floodwaters caused damage to the parking lot.
- Complete: Floodwaters undermined the northwest corner of the parking lot. The parking lot has a total capacity to park 100 vehicles. Floodwaters caused the asphalt surface and gravel sub-base to settle over a 1000 sq. ft. area, affecting 15 parking spaces, resulting in broken asphalt and compromised sub-base requiring complete replacement.

Not only must the function of the facility be described, but all damaged elements of a facility must be clearly defined in quantitative terms with physical dimensions (e.g., 800'L x 16'W x 4"H, aggregate surface). Without appropriate dimensions, proper estimates of material quantities and costs cannot be developed. Note the differences in the dimensions defined in the examples below:

Example 1:

- Incomplete: High winds and hail destroyed a wooden storage shed.
- Complete: High winds and hail destroyed a 20'L x 20'W x 14'H wooden storage shed.

Example 2:

- Incomplete: Floodwaters washed away a 20-foot section of earthen road embankment.
- Complete: Floodwaters washed away a 20'L x 5'W x 10'H section of earthen embankment along a secondary two-lane asphalt paved road, resulting in travel being restricted to one lane.

### **How do I complete the Description of Eligible Work?**

The scope of work necessary to repair the damage must be completely described and correspond directly to the cause of damage. The work should be specified in quantifiable (length, width, height, depth, capacity) and descriptive (brick, wood, asphalt, timber deck bridge) terms. See the following examples for incomplete versus complete scopes of work:

Example 1:

- Incomplete Scope of Work: 100'L x 75'W section of gym floor sustained water damage when facility was inundated with 6' of floodwater. Restore to pre-disaster design.
- Complete Scope of Work: 100'L x 75'W section of gym floor in an elementary school sustained water damage when the facility was inundated with 6' of floodwater. Sand and refinish 100'L x 75'W gym damaged area using 0.25" thick flooring; repaint lines for basketball court (100 sq. ft. of surface area).
- Work completed: Sand and refinish 100'L x 75'W gym floor with 0.25" thick flooring
- Work to be completed: Repaint lines for basketball court (100 sq. ft. of surface area)

Example 2:

- Incomplete Scope of Work: High winds toppled and destroyed six 40'H power poles and one transformer. Connecting wires were knocked down along a 0.25-mile stretch of River Road, but were not broken. Replace the damaged parts in the system.
- Complete Scope of Work: High winds toppled and destroyed six 40'H power poles and one (12 KVa) transformer of a residential power distribution subsystem. Connecting wires were also knocked down along this 0.25-mile stretch of River Road, but were not broken. Remove and dispose destroyed power poles and transformer. Replace six 40'H power poles and one (12 KVa) transformer. Restring all connecting wires.
- Work Completed: Remove and dispose destroyed 6 power poles and 1 transformer, and .25 miles of 12KVA connecting wire.
- Work to be completed: Replace power poles and one 12 KVa transformer. Restring .25 miles of 12 KVa connecting wire.

If part of the work is completed prior to preparation of the Project Worksheet, the actual work that was performed should be distinguished from the work remaining.

Example of a completed Project Description:

Damaged Facility - Township Road 415 is an 18-foot wide gravel road with a uniform surface course consisting of 2 inches of crushed limestone aggregate.

Work Complete as of 02/17/99: 10%

Location - The road was damaged at the crossing of Mill Creek approximately 2.5 miles south of the intersection of Township Road 415 and State Route 5 in Jones Township, Wayne County.

Latitude 26\* 75.21

Longitude 95\* 20.09

Damage Description & Dimensions- Floodwaters from Mill Creek destroyed a 24' section of 48" CMP culvert and rock slope protection around both ends of the culvert. Floodwaters also washed out the road around the culvert for a distance of 20 LF across the entire width of the road for a width of 20 LF. These damages include the 8-foot high road embankment, 6-inches of aggregate base course, and 2 inches of limestone aggregate surface course. Site stabilization, clean up, and closure of the road work activities have been completed at this site.

Scope of Work - Restore washout site by placing 24' of 48" CMP culvert, 197 tons of compacted unclassified fill,

12 tons of aggregate base course and 4 tons of crushed limestone aggregate surface course. Place 7 tons of rock slope protection around the culvert at the upstream and downstream road embankment, for a total of 14 tons.

Proposed hazard mitigation: Replace the destroyed 48" CMP culvert with a 60" CMP culvert to increase the capacity of the culvert.

### **Will progress reports be required for Large Projects?**

The State may require you to submit progress reports for its analysis and evaluation. The State is required to submit periodic information on the status of large projects to FEMA.

### **What should be included in progress reports?**

Generally, the elements of the progress report will describe:

- The status of the project, i.e., "in design," "under construction," etc.;
- A projected completion date; and
- Any problems or circumstances that delay the project, or result in noncompliance with the conditions of the FEMA project approval, such as grant conditions on environmental and historic issues, or other grant conditions specified in an Environmental Assessment or Memorandum of Agreement.

When progress reports are required, the format by which you submit this information will be determined by the State.

### **What records do I need to keep and for how long?**

All of the following records may not be applicable to every project, but everything that does pertain to a project should be filed with the corresponding Project Worksheet. You should retain these records for three (3) years from the date the State closes your grant.

Checklist for Each Project

Completed Project Worksheet

Completed Special Considerations Questions form

Estimated and actual costs

Force account labor

Force account equipment

Rented equipment

Materials and purchases

Photographs of damage, work underway, work completed

Insurance information

Environmental and/or historic alternatives and hazard mitigation opportunities considered for large, improved or alternate projects

Environmental Review Documents

Records of donated goods and services

### **What do I need to do to close out?**

Closeout procedures are different for each State, however, you should notify the State Public Assistance Officer immediately as you complete each large project and when all of your small projects have been completed.

You have 6 months to complete emergency work and 18 months to complete permanent work.

You may obtain extensions from the State based on extenuating circumstances or unusual project requirements beyond your control. Debris and emergency work can be extended an additional 6 months. Permanent restoration work may be extended an additional 30 months.

You may close out your small projects when all small projects have been funded and completed. They will be closed based on the approved cost estimates.

You must certify to the State that all funds were expended and all the work described in the project scope of work is complete.

If you have a significant cost overrun associated with completing all work on all of your small projects, you may submit an appeal for additional funding. This request should be made in writing to the State within 60 days of completing the last small project.

You will closeout large projects individually as each project is completed. There is a cost reconciliation (difference between estimated and actual costs for eligible work) on each individual large project when the project is complete.

You must notify the State immediately when you have completed each large project.

Keep your documentation in order, as it is very important and is required during the closeout process.

It is your responsibility to document all costs associated with your projects. Failure to properly document any project may result in loss of funding for any claimed work.

Make sure all documentation for a project is accurate, complete and up to date for closeout review.

## **Project Review**

### **What is Small Project Validation?**

A distinctive aspect of small project approval is the verification of the accuracy of your claims by FEMA and/or State officials through a process called validation. This process assures FEMA that you understand the documentation and eligibility provisions of the Public Assistance Program and that you are capturing all eligible costs.

Your records are the basis for validation, which will be limited to the minimum amount of review needed to ensure statutory and regulatory compliance.

This will normally be 20%, barring significant discrepancies, of all your small projects, for projects submitted within the first 30 days after the Kickoff Meeting. Normally, projects submitted after 30 days will be subject to 100% validation.

Your PAC will schedule validation at a time convenient for you, and you will be notified in advance which projects have been selected. This will allow you to have the appropriate records ready for review.

Validation can normally be completed within 15 days of submission of all Project Worksheets to the PAC.

### **How does small project validation work?**

The validation process begins when your Project Worksheets are submitted to the PAC. The PAC will review each worksheet to ensure the scope of work is complete and that all Special Considerations have been identified. Once you have determined that all small projects have been submitted, or a large batch of projects has been submitted, you should notify the PAC to proceed with validation. The PAC will request a Specialist from the FEMA / State resource pool to conduct the validation. ThePAC, with input from the State, will select two samples from all the small projects you have submitted. Each sample is made up of 20% of the total small projects. If the first sample does not pass validation, the Specialist will conduct a second validation using the remaining sample. If an applicant has 4 or fewer Project Worksheets, a minimum of 1 Project Worksheet will always be validated.

### **What will the Specialist be looking for?**

A Specialist will be assigned to conduct the validation and will perform the following tasks:

- Visit the sites to confirm all aspects of the project description are accurate, complete and that all Special Considerations have been identified.
- Confirm the damage description is complete, accurate and eligible.
- Confirm the scope of work is complete, accurate and eligible.
- Review all actual cost records to ensure completeness, accuracy and eligibility.
- Review your cost estimate to ensure it is complete, accurate, reasonable and eligible.

These tasks will require the Specialist to review the project file including all cost records, computations, measurements, notes, pictures, blueprints, plans, environmental conditions, Special Considerations, and any other documentation related to the project. You are responsible for documenting all claimed costs. This is a critical responsibility since undocumented costs could be considered a variance and potentially put you over the 20% allowable variance. When this happens, the second 20% sample must be validated.

### **What happens during validation?**

The Specialist will use a Validation Worksheet (FEMA Form 90-118) and a Project Validation Form (FEMA Form 90-119) to record variances on eligibility and costs estimates. A variance is the difference between the information the applicant has included in the project and the information that the Specialist determines to be eligible and reasonable.

Eligibility differences will occur when the applicant includes ineligible work in the scope of work or ineligible items in the components of a project.

Cost estimate variances will occur when the applicant has made an error in estimating a project cost.

Variations are recorded as the difference in dollar cost assigned to the item in question by the applicant and the dollar cost determined by the Specialist.

The Specialist will note and correct all eligibility and cost variances, and these changes will be made on the Project Worksheets. If the total variances on the first sample projects do not exceed 20% of the cost of the sample projects, the results of validation are satisfactory. If the results are satisfactory but minor error patterns are seen the applicant will be encouraged to review all other projects for similar problems.

After you have made any of these corrections, all small projects without Special Considerations will be approved and funded by the PAC.

If the results of validation are unsatisfactory, the Specialist will validate the second sample using the same process. If the total eligibility and cost variance on all projects does not exceed 20% of the total cost for all projects in both samples the validation results are satisfactory. If however, the second sample results are also unsatisfactory, the PAC will assign a Specialist to assist you in reformulating and resubmitting all projects. Projects being reformulated will be obligated as each Project Worksheet is completed and reviewed by the PAC.

Those small projects with Special Considerations will be individually funded as the Special Considerations issues are resolved. All small projects submitted after 30 days from the Kickoff Meeting may be validated on an individual basis and will be obligated as each validation is completed.

**Will more than the two samples ever be validated?**

Yes. All Project Worksheets submitted later than 30 days from the Kickoff Meeting may be validated and all variances corrected. Your PAC can answer any specific questions you may have concerning validation.

**How are Large Projects handled?**

When the PAC reviews your damage list at the Kickoff Meeting, the identification of obvious large projects takes place. A Project Officer (PO) will be assigned to work with you on each of your large projects, helping to identify and evaluate all the work activities associated with the project(s). It will be the responsibility of the PO to prepare a comprehensive Project Worksheet for each large project.

The process for handling large projects takes advantage of FEMA's nationwide network of infrastructure and cost estimating experts. The PO is able to call upon other specialists, as needed, to assist in developing the scope of work, cost estimates and identifying environmental issues. Review of Special Considerations items and project validation processes are built into the formulation process for all large projects and are handled by the PO.

**Insurance**

**What happens if a facility is insured?**

FEMA must reduce all project grants for insured property by the amount of actual insurance proceeds received or by the amount of proceeds that can be reasonably anticipated from a review of the insurance policy. This reduction will be made prior to project approval and noted in the cost estimating section of the Project Worksheet.

You, as the applicant, must report any entitlement to insurance proceeds to your PAC. This means you must submit copies of all insurance documentation including the insurance policy with all data, declarations, endorsements, exclusions, schedules and other attachments or amendments. Also, any settlement documentation including copies of the claim, proof of loss, statement of loss, and any other documentation describing the covered items and insurance proceeds available for those items must be submitted. This documentation will be used to determine your level of project funding.

It is important to begin the claims process with your insurance company as soon as possible and to keep the PAC informed of any problems. The PAC will obtain an insurance Specialist to review the documentation and determine the amount of insurance proceeds available on the project. If the facility is rented, a copy of the lease or rental agreement may be necessary.

**What is an insurable risk?**

Insurance may be purchased for a variety of valuable properties, generally the following are insurable:

- Buildings
- Contents of buildings
- Vehicles
- Equipment

If you have over \$5,000 in damages to any insurable facility, including equipment, vehicles, etc., FEMA will require you to obtain and maintain insurance coverage on that facility as a condition of receiving disaster

assistance. In addition, if any other specific insurance is reasonably available, adequate and necessary to insure any facility, you may be required to obtain and maintain that insurance coverage.

The type (flood, earthquake, wind, comprehensive, etc.) of insurance and the amount of insurance required is directly related to the disaster damage. The required insurance coverage must cover the facility for the type of hazard that caused the damage and in the minimum amount of the damage repair costs. The insurance coverage must be maintained for the useful life of the repairs.

The required insurance coverage must be obtained, or letter of commitment accepted by the State, prior to the release of any Federal funds. You are responsible for obtaining the insurance coverage that best meets your needs. It is recommended you begin shopping for insurance coverage as soon as possible and have the required insurance coverage in place quickly after project approval.

#### **What other documentation is required for insurance issues?**

It is important to describe the hazard (flood, wind, fire, hail, etc) that caused the disaster damage in the project description. Insurance coverage often excludes certain hazards and may only cover certain damaged items within a project. In addition, a single facility may have been damaged by multiple hazards, such as wind and flood damage during a hurricane and there may only be insurance coverage for some of those hazards.

Finally, if the facility has ever received disaster assistance from FEMA this must also be reported. It must be determined if any required insurance coverage on past disasters was obtained and maintained. If the required insurance coverage was not obtained or maintained, FEMA may not provide assistance for the facility. Discuss all past disaster damages and claims for Federal assistance with your PAC.

### **Hazard Mitigation**

#### **How do I identify hazard mitigation on my projects?**

Hazard mitigation measures are identified by preparing a Hazard Mitigation Proposal (HMP). The HMP is not a form, it is simply a written description and cost of what it will take to repair this damage in such a way as to prevent this damage from happening again. FEMA, the State, or the applicant may identify and propose hazard mitigation measures on any project. The HMP is submitted with the Project Worksheet and describes in detail the additional work and cost associated with completing the mitigation measure.

When approved, the additional work is a change in the scope of work, and is described in a separate paragraph within the scope of work. The cost of the proposed mitigation measure should be provided on the Project Worksheet.

Hazard mitigation opportunities usually present themselves at sites where damages are repetitive and a simple repair will solve the problem, such as the previous culvert example. However, some mitigation opportunities are technically complex and must be thoroughly documented for feasibility. If you would like technical assistance in preparing a HMP or in identifying hazard mitigation measures contact your PAC.

#### **How do I know if a hazard mitigation proposal has been approved?**

Your PAC will begin the approval process for projects with mitigation as soon as you identify the issue. The applicant is responsible for submitting the cost-benefit summary for mitigation projects. The PAC may obtain a hazard mitigation Specialist from the resource pool to analyze the HMP for cost effectiveness and feasibility. In addition, hazard mitigation will often change the pre-disaster design of the facility and will require consideration of environmental and historic preservation issues. An important concern is the effect the mitigation will have, for example, downstream, if the mitigation deals with drainage issues. Your PAC will inform you when the HMP is approved. When approved, you are required to complete the hazard mitigation measure while completing the repair documented on the Project Worksheet.

#### **Is mitigation funding available for undamaged facilities?**

Hazard Mitigation, Section 404, is a State managed funding provided for in the Stafford Act. Section 404 mitigation measures do not have to be structural in nature and does not fall under the jurisdiction of the Public Assistance (PA) Program. Applicants who have questions regarding the Section 404 mitigation program should contact the State Hazard Mitigation Officer.

### **Environmental-Historic Preservation**

#### **A disaster has just occurred. Why does FEMA still get involved in environmental or historical issues?**

FEMA's PA Program is a Federal grant program. As a result, the actions that FEMA funds are required by law to demonstrate compliance with applicable Federal laws and regulations including those enacting environmental and historic legislation even after a disaster declaration. We are not addressing the environmental impacts caused by

nature, but those caused by Federal actions responding to the disaster. Some of these laws have exemptions, waivers or expedited consultations for certain types of work. FEMA will apply these to projects where appropriate. FEMA and the State have also established procedures to expedite compliance of those projects that do not fall under the previously mentioned exceptions. In addition, there are trained FEMA and State specialists on staff to address these issues in an expeditious manner.

### **What is the applicant's role in dealing with Special Considerations?**

It is the applicant's responsibility, together with POs or Specialists that may assist the applicant, to note the existence of Special Considerations on the PW for each project. However, the PAC still has responsibility for ensuring that all potential Special Considerations issues are identified. Therefore, a standard set of questions has been developed to assist the PAC with identifying these issues. The questions, which reflect each of the areas of concern, are intended to highlight elements of the applicant's projects that could trigger a Special Considerations review.

### **Are there special issues I need to show on the Project Worksheet?**

Yes. The key to expedited small project review and approval is early identification of factors that affect compliance with environmental resources, disaster assistance, and historic preservation legislation and Executive Orders on floodplain, wetlands, and environmental justice. Using the Special Considerations Questions (FEMA Form 90-120), on the next page as a quick reference, note any Special Considerations associated with each project and include that information on the Project Worksheet.

Things to keep in mind

- You will want to keep a copy of the Special Considerations Questions with the other documentation on the project to show that these regulatory issues were considered. It is not necessary for you to perform extensive research in order to answer these questions. It is more important that any considerations simply be noted on your Project Worksheet, thus alerting the PAC early on in the process.
- You may want to submit projects with identified Special Considerations issues as soon as possible, since these projects will need to be reviewed by specialists prior to project approval and funding.
- Along with Special Consideration documentation, other information that is pertinent to the scope of work, including upgrades due to codes and standards or pre-disaster damage or maintenance problems should be documented.
- When describing any Special Considerations issue, discuss the item with the PAC who will explain how to clearly document the issue and expedite resolution.
- Use a separate paragraph within the scope of work to describe any proposed changes to the pre-disaster design of the facility. Hazard mitigation, an improved project, an alternate project, or applicable codes and standards.

### **What are the federal environmental laws?**

While there are many, the Federal environmental laws that most often relate to FEMA funded projects include: the Clean Water Act, the Clean Air Act, the Coastal Barriers Resources Act, the Coastal Zone Management Act, the Resources Recovery and Conservation Act, the Endangered Species Act, the National Historic Preservation Act and the National Environmental Policy Act (NEPA). In addition to these laws, the President issues Executive Orders to address specific concerns. Four Executive Orders most frequently encountered in FEMA projects include wetland protection, floodplain management, environmental justice, and seismic retrofit. While all projects must conform to each of these laws and Executive Orders, it is, in actuality, the location and nature of the project that determines whether or not a law specifically applies.

### **What is NEPA and how does it relate to the other laws?**

The National Environmental Policy Act (NEPA) requires that we include an environmental prospective in our project planning by evaluating the potential environmental impacts of the proposed project and ensuring an appropriate level of public involvement takes place. A good implementation of the NEPA review process is often the means FEMA uses for identifying and considering the requirements of the other environmental laws that apply to the project. A fundamental requirement of NEPA is that the review must be completed prior to starting the project. Funding may be jeopardized if this does not happen.

### **Can my project be exempt from NEPA?**

Over 75% of Public Assistance actions are either emergency activities or repair-to-predisaster-design projects. These types of actions are usually exempt from the NEPA review and documentation process. Even so, you must be aware that the other environmental laws may still apply and must be addressed. If the damaged unit is to be upgraded or improved or if mitigation is being added, in which case the unit is not being returned to its predisaster design, it is likely to require a more complete NEPA review.

### **How will I know if the other laws apply to my project?**

A "Yes" response to any of the Special Considerations Questions is an indication that requirements of one or more of these laws might be triggered. If your project is near or affects a stream, a wetland or other body of water, requires the destruction of an area of natural vegetation, or is in or near a special resource area, like a wildlife refuge, it is likely that you will need input from someone familiar with these laws. The PAC or an environmental or historic Specialist can give you guidance here.

### **If my project gets its environmental clearance from FEMA and is subsequently funded, do I still need to get a local, state or federal permit to complete my project?**

Generally, yes, unless the local, State or Federal regulations have permit exemptions to the work proposed. Remember that FEMA's environmental clearance applies to the construction of the project because of the Federal funding action. FEMA and the State will require as a condition of funding that all applicable permits are obtained. Prior to a disaster occurring or initiating construction, it is recommended that the regulatory agencies be contacted about any exemptions and expedited permit processes that may be applicable. Work completion in violation of the law runs the risk of losing its Federal grant funding from FEMA.

### **Project Funding**

#### **Does the time period in which work is performed affect the reimbursement of that work?**

The initial deadlines are established according to the type of work performed.

Debris removal - 6 months

Emergency protective measures - 6 months

Permanent repair work - 18 months

Time extensions may be granted for extenuating circumstances.

For debris removal and emergency work, an additional 6 months may be granted by the State. For permanent restoration work, an additional 30 months may be granted by the State. Requests for extensions beyond the deadlines listed above may be submitted by the State to the DRM. The DRM has authority to grant extensions appropriate to the situation. The DRM may impose requirements upon the State to ensure that the project will be completed within the approved time limit.

You will only be reimbursed for those costs incurred up to the latest approved completion date for a particular project. The project must be completed for you to retain any money already funded.

What costs are covered by the statutory administrative allowance?

The Statutory Administrative Allowance is provided to lessen the financial impact of administering the disaster recovery effort, including preparation of the Project Worksheet, related field inspections, project applications, final inspection reports and final audits. Necessary costs of requesting, obtaining and administering Federal disaster assistance are covered by this allowance. No other administrative costs are eligible. Good fiscal management and record keeping are essential to controlling the indirect costs associated with FEMA-reimbursed projects.

After the disaster, USDA established an emergency food stamp program. However, USDA only reimbursed 50% of the total operational cost. May we submit the other 50% to FEMA for reimbursement?

No. One Federal agency may not reimburse another Federal agency's non-Federal cost share.

### **How are Large Projects funded?**

Large Projects are funded using a final accounting of actual costs. The steps for processing a large project are described below:

- The Federal, State and local team develops an eligible scope of work and an initial estimate is prepared. After an environmental review, FEMA approves funding using the estimate and obligates the Federal share of the funds to the State.
- Funding of any Federally funded project is contingent on the resolution of any Special Considerations issues.
- Funds are transferred to the State account and the State initiates payment to you.
- As the project proceeds, you may periodically request funds from the State to meet expenses that have been incurred or that are expected to occur in the near future. In anticipating the need for payments to contractors, be sure to take into account the time that the State process requires for approval of requests and disbursement. Each State handles disbursements differently, and exact details for your State will be explained at the Applicants' Briefing.
- If the project's scope of work changes, even if it does not affect the total project cost, your PAC and

- Liaison should both be notified so that FEMA can screen the changes for potential environmental impacts.
- When the project is complete, the State reviews the final eligible cost of completing the work and performs such inspections and audits as it deems necessary and submits a report on the completed project to FEMA, certifying that the applicant's costs were incurred in the completion of eligible work.
- After reviewing the State's report and conducting such inspections or audits as are necessary to verify eligible costs, FEMA may adjust (obligate/de-obligate) the amount of the grant to reflect the actual cost of the eligible work.

### **How do I ensure funding of my large projects?**

While proceeding with the project, you must ensure that grant funds are used only for eligible work. FEMA will not provide funds for costs that are outside the approved scope of work.

You should contact the State if the scope of work changes during construction, or if actual construction costs change significantly from the original estimate.

You can expedite the handling of your large projects by early initiation of environmental review procedures, identification of any conditions that require special consideration, and include any mitigation in the project design.

Provide a design/construction timeline for each of your large projects, and include (as appropriate) start and finish dates for both the design and/or construction phases. The timeline must be referenced to the eligible scope-of-work only. This criteria also applies to improved and alternate projects.

You are responsible for maintaining all source documentation needed to support your large projects. Examples of source documents are invoices, payment vouchers, warrants, employee timesheets, purchase orders, item slips, weight slips, plans and specifications, design and/or construction contracts, insurance policies, environmental clearance letters and permits, etc. Your PAC and PO can assist you in determining what records are needed.

As a rule, you are not required to submit all source documentation to FEMA, but sufficient documentation must be submitted at the time of the large project closeout to document actual costs.

You should retain all documentation for three (3) years from the date the State closes your grant.

You are not responsible for completing Project Worksheets or applying the CEF to your large projects. These responsibilities remain with the PO, who will consult with you on the scope of work, unit prices and supporting documentation.

You are responsible for submitting supporting backup documentation to the PO for review during large project formulation. Examples of supporting backup documentation are:

- site maps (or location plans)
- photographs
- sketches
- calculations
- measurements
- copy of insurance documentation including anticipated insurance settlement or actual insurance settlement
- hazard mitigation proposal(s)
- force account summary sheets
- appropriate codes and standards
- permits and clearances
- schematic drawings and a set of plans (preferably reduced to 11" x 17") containing basic information such as elevations, floor plans, site plan, structural plans and sections, etc. for construction activities such as water control facilities and large buildings
- environmental and historic clearance letters and permits

### **What costs are covered by the statutory administrative allowance?**

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