



Agenda Date: 8/28/2007
Agenda Placement: 6M

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Martha Burdick for Robert Peterson - Director
Public Works
REPORT BY: Kimberly Payne, Staff Services Analyst I , 259-8603
SUBJECT: Approval of Amendment No. 2 to Agreement No. 6711 with Maximus, Inc.

RECOMMENDATION

Director of Public Works requests approval of and authorization for the Chair to sign Amendment No. 2 to Agreement No. 6711 with Maximus, Inc., increasing the amount by \$60,000 for a new maximum of \$140,000 and extending the term through June 30, 2008 with rollover provisions for subsequent years as necessary for services related to the filing of additional claims and appeals related to the 2005 New Year's Eve and April 2006, flood events.

EXECUTIVE SUMMARY

The Department of Public Works continues in its reimbursement, recovery efforts from the Office of Emergency Services (OES) and the Federal Emergency Management Agency (FEMA) for expenses incurred by the Roads division in the aftermath of the New Year's Eve 2005 and April 2006, flood events.

Maximus, Inc. (Maximus) has been assisting Public Works in the claims and appeal process. Maximus has over 30 years of extensive experience assisting public agencies in the United States, Canada and Australia with disaster expense recovery. The existing and long term relationship between the County and Maximus has resulted in the development of an understanding of the unique challenges that the County is experiencing with ongoing claims and appeals. The proposed action will allow the fund recovery efforts to continue.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Roads Department
Is it Mandatory or Discretionary?	Discretionary

Discretionary Justification:	The continued services of Maximus are necessary in order to have expert assistance in the appeal of denied Project Worksheet costs of approximately \$1.9 million by FEMA/OES.
Is the general fund affected?	No
Future fiscal impact:	Until appeals process is resolved, future fiscal year impacts are unknown at this time.
Consequences if not approved:	Roads will not maximize reimbursement from FEMA and OES for expense outlay for work stemming from the 2005 New Year's Eve and April 2006 flood events.
Additional Information:	Engineer estimates for several projects have come in higher than what OES/FEMA were willing to obligate. Maximus is working with Public Works staff to have these projects approved at the current estimates.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

As a result of the flood events in December/January 2005/06 and again in April 2006, your Board approved Agreement No. 6711 for \$50,000 in October 2006, with Maximus Inc. (Maximus). In February 2007, the Board extended the Agreement by approving Amendment No. 1 for an additional \$30,000. Approval of this current amendment request in the amount of \$60,000, brings the maximum total to \$140,000. Maximus is providing assistance to Public Works staff in the identification and recovery of actual and anticipated expenditures related to repairs to flood damaged property and structures. Maximus was not brought into the claiming process until ten (10) months after the initial event and six (6) months after the second event, when it became apparent that the services of an expert were needed to assist staff in navigating the complex Federal Emergency Management Association (FEMA) and State of California Office of Emergency Services (OES) maze. This assistance and guidance in maximizing the potential recovery of expenditures and gaining approval to fund potential additional repair projects has been central in the fund recovery efforts to date.

The outcome of the outstanding flood claims and appeals will have a direct impact on the County's financial condition and the condition of its infrastructure. The process of filing claims and appeals is complicated, time-consuming and requires seasoned experience and the ability to determine the proper chain of command, and to develop and maintain essential contacts within the OES and FEMA agencies. While having acquired much knowledge in the repair process and procedures required in requesting reimbursement from the two agencies, Public Works staff does not yet have the expertise nor the dedicated time available, that it has taken and will continue to take, to keep this process moving forward successfully.

To date FEMA and OES have approved and obligated approximately \$5 million dollars of an estimated total \$10.8 million dollars in claims. This \$5 million represents the original obligated amount of \$3.6 million, plus the successful first appeal approval of an additional \$1.4 million. Maximus was instrumental in the approval of the initial round of claims submitted for payment and again in the first round of appeals, and their guidance will be crucial in the second round of appeals valued at an additional \$1.9 million.

Further, an additional \$3.9 million in engineering cost estimates have been identified over and above the \$1.3 million that FEMA/OES estimated for repair projects at Diamond Mountain Road, Redwood Road, Spring Mountain Road, Steele Canyon Road and the Westgate Bridge. Further geotechnical, environmental, design and construction administration services agreements were approved on May 15, 2007 and it is anticipated that plans and specifications and approval to advertise for bids for these projects will be returned to your Board for approval in the near future. This bid process will provide the level of funding benchmark for FEMA/OES. Once these projects are in progress, staff will be requesting additional funding from FEMA/OES.

The following is a simple, visual representation of the aforementioned project and claiming data:

<u>Estimated Emergency Repair Costs</u>	<u>Obligated</u>	<u>Rejected Pending 2nd Appeal</u>	<u>Unresolved</u>
\$10.8	\$5.0 (\$3.6 originally approved) (\$1.4 approved 1st appeals)	\$1.9	\$3.9

Approval of this Amendment will allow Maximus to continue assisting staff with the second appeal phase, the request for additional funding related to the cost estimate differentials, and in preparing and traversing FEMA environmental clearance requirements. Maximus is well suited to the task of assisting in the assembling of necessary/required documentation, the preparing of applicable correspondence, and the creation and organization of individual claim files to ensure that the County both recovers costs for storm damage repair and prepares for any future audit of storm related expenditures.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi