



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 9/23/2014

Agenda Placement: 7P

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors

**FROM:** Nancy Watt - County Executive Officer  
County Executive Office

**REPORT BY:** Helene Franchi, PRINCIPAL MANAGEMENT ANALYST - 253-4820

**SUBJECT:** Approval of contract with Tetra Tech

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### **RECOMMENDATION**

County Executive Officer and Risk & Emergency Services Manager request approval of and authorization for the Chairman to sign an agreement with Tetra Tech, Inc. for a maximum of \$973,778 for the term August 27, 2014 through June 30, 2016 for consulting services related to maximizing Federal Emergency Management Agency (FEMA) reimbursements related to the South Napa Earthquake.

### **EXECUTIVE SUMMARY**

On August 24, 2014, the County experienced a severe earthquake which has been designated the South Napa Earthquake. County staff required on site support to review and provide recommendations regarding the following which are required by FEMA prior to receiving any reimbursements:

1. Preliminary Damage Assessment data;
2. Response and recovery activities;
3. Mutual aid and other interagency agreements and;
4. Contracts and labor documentation for disaster-related activities.

Tetra Tech has the expertise and was able to provide assistance to County staff regarding those tasks. As recovery efforts have continued, it is also necessary to continue to collect information and develop reports to support reimbursement efforts. Staff recommends continuing the relationship with Tetra Tech, Inc. to take advantage of their expertise. The firm went through a comprehensive competitive process to become a member of the H-GAC Cooperative Purchasing Program. The Program's process has been approved by FEMA. Costs associated with this contract are expected to be reimbursed.

Tetra Tech, Inc. is not a local vendor.

**FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Majority of the costs associated with the contract will be reimbursable under FEMA. Remainder of the costs may be reimbursed by the State's administrative allowance. Contract costs will be appropriated in the 2014 Earthquake subdivision.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The contractor will assist with reimbursements based on FEMA Public Assistance claims which are estimated to be between \$14 million and \$60 million. They will also assist working with State and Federal partners to address (1) the emergence of latent damages and (2) repair costs on insured structures not covered by insurance - for example: the Historic Courthouse is insured at \$15 million with a \$600,000 deductible, and FEMA has estimated damages to the building to be approximately \$45 million.
Is the general fund affected?	Yes
Future fiscal impact:	Staff will budget as appropriate in future fiscal years based on repair costs and eligible reimbursements as they become known.
Consequences if not approved:	The County will not be able to maximize its reimbursements without this level of expertise.
Additional Information:	Because the City of Napa has also agreed to contract with Tetra Tech, Inc., the contractor anticipates an overall cost savings due to efficiencies achieved with project management, staff support, and travel expenses.

**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**

On August 24, 2014, the County experienced a severe earthquake which has been designated the South Napa Earthquake. County staff initially required on site support to review and provide recommendations regarding the following which are required by FEMA prior to receiving any reimbursements:

1. Preliminary Damage Assessment data;
2. Response and recovery activities;
3. Mutual aid and other interagency agreements and;
4. Contracts and force-account labor documentation for disaster-related activities.

As recovery efforts continue, Tetra Tech, Inc. staff will continue to provide support and recommendations that will assist the County in achieving maximum reimbursement from FEMA. The initial damage assessment for the County is approximately \$60 million prior to insurance proceed deductions. If insurance covers 100% of the damages incurred on insured facilities, it is estimated that the total value of damages submitted to FEMA for reimbursement via the Public Assistance (PA) program would be approximately \$14 million. The industry standard for budgeting contracted FEMA PA consulting services is approximately 3% of the total damages. Tetra Tech will charge time and materials with a not-to-exceed maximum threshold. The majority of costs associated with Tetra Tech's work will be reimbursable under FEMA's Disaster Assistance Policy.

The contract with Tetra Tech, Inc. is recommended for approval based on the firms' level of expertise and that they are a member of the H-GAC Cooperative Purchasing Program which is a nationally recognized cooperative purchasing program with 191 end users in California alone: of that number, 18 are counties, including Solano, Sacramento, Placer, and Contra Costa. In December 2010, the Department of Homeland Security Office of Inspector General reviewed H-GAC purchasing vehicle as part of a sub-grantee County audit and found "A local government contracting cooperative provided the County this contract and the cooperative complied with federal contracting procedures and FEMA guidelines." As part of the events that occurred on August 24, 2014, the County Executive Officer signed an agreement with H-GAC providing membership in the organization.

As the County moves through the FEMA reimbursement process, funding eligibility differences will likely arise and Tetra Tech staff will assist County staff in successfully resolving those differences. They will work with FEMA and the County to proactively resolve funding challenges if resolution cannot be reached. Most recently, Tetra Tech has successfully assisted with the State of Vermont, the City of New Orleans, and the Port of Galveston worth over \$100 million in eligible funding.

Tetra Tech is prepared to work with FEMA's Dispute Resolution Pilot Program under the Sandy Recovery Improvement Act (SRIA) if necessary. That particular program allows applicants an added option of arbitration by an independent review panel to resolve disagreements related to PA projects for disaster-related emergency protective measures, infrastructure repair and replacement work, or debris removal.

### **SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Karen Collins