



White Paper

August 2008

Emergency Preparedness

for

State Procurement Officials

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Emergency Preparedness for State Procurement Officials

Emergencies may come in many forms (*e.g.* hurricanes, tornadoes, earthquakes, ice storms, floods, epidemics, terrorist attacks, chemical spills, etc.). The impact may be restricted to just a small area or it may cover an entire region. Damages from an emergency could be minimal and easily handled by local emergency response agencies or could be so severe that assistance would be required from both state and federal resources.

This whitepaper will cover the essential elements in State Procurement Office emergency preparedness: planning and exercising, response, and recovery.

Purpose/Intended Audience

This paper is intended for internal use of State Procurement Officials and staff for use in evaluating procurement office preparedness to support an emergency situation, known as “incidents”¹ in federal disaster planning. This paper identifies issues to consider before, during and after a catastrophic event, highlights potential problem areas of which to be aware, and offers suggested best practices. A great deal of literature exists on emergency preparedness, and there are many stakeholders. This paper, however, focuses on the procurement-related activities.

States have different emergency preparedness structures, so this paper is organized around the general approach used by the Federal Emergency Management Agency (FEMA),² the National Response Framework (NRF) and the National Incident Management System (NIMS).³ Further, various jurisdictions use different terminology to describe the planning and operational phases of disaster planning and response. For the most part, this paper uses FEMA NRF terminology.

One of the avowed purposes of NIMS is to establish a common glossary nationwide. This paper adopts the same approach in order to more effectively integrate procurement planning and operations with expected emergency preparedness structures. Procurement Officials, however, should align their planning, training, and response/recovery operations with their State’s emergency preparedness structures.

Introduction

There are many different types of emergencies for which to prepare—hurricanes, tornadoes, earthquakes, ice storms, floods, epidemics, terrorist attacks, etc.—which can be local, state or multi-state in scope. The handling of emergency situations requires the input and skills of multiple agencies to ensure help is provided quickly and effectively to the citizens in the impacted area. Procurement Offices play a crucial role in supporting the logistics of disaster recovery efforts.

When an emergency occurs, local response agencies (*e.g.* police, fire, emergency medical services) will respond initially to resolve the situation. An Emergency Operations Plan (EOP) or Incident Action Plan (IAP) typically exists and is used to manage the incident response. A central point for incident management is established: the Emergency Operations Center (EOC). The Emergency Response Team (ERT) – *e.g.* medical personnel and law enforcement – normally responds to the site. An Incident Control Point (ICP) is established in the field where the primary command functions are performed.

Closely related to response is Continuity of State Operations planning (COSO).⁴ In the case of a procurement office, for example, this dimension of planning and response does not treat the actual effects of the incident, but the collateral effects where damage or destruction limits the ability of the purchasing office to perform its essential activities. State COSO planning typically requires identification of: mission critical functions that must be performed continuously; a planned timetable for restoring other procurement services; vital files, records, and databases which are necessary to perform essential functions; and an alternate location that has sufficient space, pre-positioned equipment, and communications interoperability to perform essential functions within 12 hours and for up to 30 days after an incident.⁵

Typically, if the situation could escalate and impact other areas of their community, county or state, local entities will report the incident to their county Emergency Management Agency (EMA). If the event should escalate and require additional resources beyond the means of local entities, the county EMA will contact their state EMA for assistance. When additional resources are required, the state EMA will activate its network of emergency response agencies to assist with response and recovery efforts.

When an incident is such that local agencies will exhaust or have exhausted their resources, they may request assistance from other states and local governments via an Emergency Management Assistance Compact (EMAC)⁶ or a similar type of arrangement. In some states, legislation is known as an Intra-State Mutual Aid Compact (IMAC).⁷

Most incidents are handled locally. Where local and state resources are inadequate, federal assistance can be obtained through FEMA.

The structure for this federal assistance was created under federal legislation known as the Stafford Act. The implementing regulations in Title 44 of the Code of Federal Regulations prescribe the requirements for federal assistance to the states, including the predicate *declaration* of an “emergency” or “major disaster”.⁸ Emergencies and major disasters are incidents that

differ in scope. The characterizations are significant to incident management and reimbursements of costs arising out of the incident.

The NIMS approach is modular, meaning the NIMS organizational structure is intended to apply to incidents of every size and complexity. Some incidents (such as a small or contained chemical spill) may require only on-site response, with skeletal activation of the EOC. At the other extreme, large incidents like hurricanes can involve total activation of the EOC with contemporaneous activation of the national system. Procurement Officials likewise can expect various ranges of activation of their portion of the emergency preparedness plans. As a result, a procurement office plan should also be modular and have the flexibility to accommodate various levels of deployment.

The State Procurement Office must work with their State's EMA to establish a clear line of authority and chain of command during emergency situations. Normally, the Procurement Office does not respond on-site. Instead, the Procurement Office commonly is part of the EOC and may be used to provide sources of supply, transportation capabilities, personnel, technical expertise, and a wide variety of other services during emergencies. The Procurement Office may be tasked to locate any resource needed by any agency or state government operations in support of its emergency mission requirements.

The National Perspective

National Incident Management System

NIMS⁹ represents a core set of doctrine, concepts, principles, terminology, and organizational processes to enable effective, efficient, and collaborative incident management at all levels. It is a nationwide approach to domestic incident management, applicable at all jurisdictional levels and across functional disciplines in an all-hazards context. The NIMS is applicable across all levels of government and emergency disciplines, and nongovernmental and private-sector organizations.

Adoption of NIMS by State and local organizations is a condition of federal preparedness assistance. As a result, NRF terminology and operations concepts tend to be used in state and local emergency preparedness planning.

NIMS was developed so responders from different jurisdictions and disciplines could work together to better respond to natural disasters and emergencies, including acts of terrorism. NIMS benefits include: a unified approach to incident management; standard command and management structures; and an emphasis on preparedness, mutual aid and resource management.

A disaster on a national scale may require Emergency Management Assistance Compact (EMAC) activation by the states. The essential elements of this process are:

1. Governor issues state of emergency.
2. EMAC is activated — operation level determined by the National Coordination Group (NCG).

3. State assesses needs for resources.
4. A-Team (in-house or from another state) helps to find resources and determine costs and availability.
5. States complete negotiation of costs.
6. States complete EMAC REQ-A Form.
7. Resources are sent to Requesting State from Assisting States (mobilized).
8. Resources are sent back to home state (demobilized).
9. Assisting State sends Requesting State Reimbursement Package (after internal audit).
10. Requesting State Reimburses Assisting State.

Each state has its own governance structure for disasters. Resource support, however, is an essential element of national emergency preparedness planning, and Procurement Officials will be central to a state's ability to fulfill its responsibilities.

In some cases, purchase offices may have to support EMAC deployments. Following Hurricane Katrina, the Nevada state procurement staff supplemented the EMAC deployment to assist damage assessment. After the 9/11 terrorist attack, the New York Procurement Office supported recovery efforts in New York City. Other procurement personnel may be asked to deploy as part of military reserve or National Guard commitments, or as volunteers with the Red Cross or nonprofit association affiliations, and the functions performed often will not be procurement-related.¹⁰

The special requirements in planning those deployments are outside the scope of this paper. Procurement Offices, however, should incorporate these contingencies – and the possibility that some personnel may not be available to support procurement operations – into their planning.

The Stafford Disaster Relief and Emergency Assistance Act

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) (Public Law 100-707) is a United States federal law designed to bring an orderly and systemic means of federal natural disaster assistance for state and local governments in carrying out their responsibilities to aid citizens.

The Stafford Act is a 1998 amended version of the Disaster Relief Act of 1974 (Public Law 93-288). The Disaster Relief Act created the current system by which a Presidential Disaster Declaration of an emergency triggers financial and physical assistance through the Federal Emergency Management Agency (FEMA). The Act gives FEMA the responsibility for coordinating government-wide relief efforts and implements the Federal Response Plan, which

includes the contributions of 28 federal agencies and non-governmental organizations, such as the American Red Cross.

Congress amended the law by passing the Disaster Mitigation Act of 2000 (Public Law 106-308), and again in 2006 with the Pets Evacuation and Transportation Standards Act (Public Law 109-308).

The Procurement Office's Role in Emergency Resource Management

Incident response invokes a concept of operations that is different from day-to-day procurement activities. Procurement Offices normally deal with issues of centralization and decentralization, balancing controls against efficiency, and application of statutory/regulatory procurement rules to specific requirements. Incident management invokes concepts like command and control, centralized command, and operations that look much more like military operations.

Moreover, many – not all – of the procurement process issues evaporate in the early response phases after the emergency is declared. Sourcing rules largely change as available procurement authority is exercised to permit procurements based on urgency, frequently with authority delegated to those closest to the emergency site.

Add the fact that the procurement function is bundled into logistics/resource management or finance functions in emergency preparedness planning documents, and the environment quickly can become unfamiliar to procurement staff. Exercising these concepts, and broad involvement of the procurement staff in the planning phases, is critical in order to get everyone comfortable with the way in which the role changes.

The role of the Procurement Office is not less important, just different. Procurement professionals who are accomplished at using negotiated procurement in complex acquisitions suddenly find themselves performing logistics functions, *e.g.* finding creative ways to enlist major discount department stores in the “supply chain” – even delivering radios and clothes to various locations. Or they find themselves facing practical challenges from unavailability of such critical items as tents and portable toilets.

In a disaster, *resource management* quickly becomes a key concern. In addition to traditional procurement and acquisition, resource management includes describing, inventorying, requesting, and deploying resources, as well as the post-incident functions of recalling and accounting for the resources.

Some of those resources will be procured by the Procurement Office. But many resources will come from other governments and organizations, including donations from non-profit organizations and individuals.

The NIMS describes a process for acquiring resources where a functional area requests “items” using “standardized resource-ordering procedures.” Specifically, the NIMS states: “If the servicing EOC is unable to fill the order locally, the order is forwarded to the next level—generally an adjacent local, State, regional EOC, or multiagency coordination entity.”¹¹

The “standardized resource-ordering procedures” require precise and thorough definition, and procurement professionals are best suited to help develop them. Procurement Officials must help to determine how Procurement Office resources are integrated into this resource ordering and management system. Further, Procurement Officials should remain alert for other opportunities to contribute to managing all disaster resources. This may easily involve new and different roles for procurement professionals.

In short, a procurement office faces a change management challenge quickly in emergencies. Up-front planning, close coordination with the State’s emergency management authority, and exercising is a key to adapting to the change in the role.

Preparedness: Planning

The NIMS includes planning, training, and exercising under the broad category of preparedness. This section will cover key considerations in planning. Although this paper separates the planning and later response activities into a separate section, remember that all phases implicate planning. Some of the later discussions of response, resource management, and recovery include considerations not duplicated here. Considerations in those sections may identify more planning issues.

NIMS Emergency Support Functions (ESF)

The National Response Framework (NRF) and National Incident Management System (NIMS) guidelines describe 15 Emergency Support Functions (ESF) for planning and use when responding to an emergency. They include:

- ESF-1 Transportation
- ESF-2 Communications
- ESF-3 Public Works and Engineering
- ESF-4 Firefighting
- ESF-5 Emergency Management
- ESF-6 Mass Care
- ESF-7 Logistics Management and Resource Support
- ESF-8 Public Health
- ESF-9 Search and Rescue
- ESF-10 Oil and Hazardous Materials
- ESF-11 Agriculture
- ESF-12 Energy
- ESF-13 Public Safety and Security
- ESF-14 Long-Term Community Recovery
- ESF-15 External Affairs

The planning documents create some ambiguity regarding the placement of the procurement functions. The NRF Field Operations Guide, however, places procurement in the finance function. The NIMS also refers to a procurement representative’s being part of the Finance Team.

According to the NIMS:

The Procurement Unit administers all financial matters pertaining to vendor contracts. This unit coordinates with local jurisdictions to identify sources for equipment, prepares and signs equipment rental agreements, and processes all administrative requirements associated with equipment rental and supply contracts.¹²

Note that, in some agencies, the Supply Unit in the Logistics Section will be responsible for certain procurement activities. The Procurement Unit will also work closely with local cost authorities.¹³

. . .

The Finance/Administration Section Chief will determine, given current and anticipated future requirements, the need for establishing specific subordinate units. In some of the functional areas (*e.g.*, procurement), an actual unit need not be established if it would consist of only one person. In such a case, a procurement technical specialist would be assigned in the Planning Section instead.¹⁴

ESF-5 may be a reasonably good “fit” for the procurement function. Under the Incident Command System (ICS) and the NIMS, Purchasing is well-suited to work in the Operations Section in an Emergency Support Function (ESF) since Purchasing professionals have knowledge about where to get needed goods and services. Professional buying staffs are very capable of performing this function in an ICS structure, obtaining resources for requestors. Under EOC standard operations procedures, procurement may be listed as a function of the Finance Section under ICS. Under ICS, procurement tends to have an advisory role to the Section Chief, addressing questions about emergency procurement procedures where rules may be temporarily suspended under certain circumstances. In this role it might be appropriate to assign senior managers or administrators to provide the needed support.

Because of the strong affinity to other logistical/resource management functions, procurement also may be appropriately assigned the Logistics Management and Resource Support Annex, ESF-7. In the case of Hurricane Katrina, Finance was part of the state of Louisiana ESF-7 in order to facilitate funds management and issuance of orders against proper appropriations. Moreover, the primary staff of “Unified Logistics” under Louisiana ESF-7 includes Homeland Security and state National Guard. Other members of Unified Logistics were added based on circumstances and included: business and volunteer organizations, the state Division of Administration State Purchasing, FEMA Region 6 representatives, National Volunteer Organizations Active in Disaster (VOAD), and contract vendors.

Unless the state’s central procurement office has experience with all facets of logistics management, including transportation, stores management and donation management (including the management of cash donations), the central procurement office likely will not serve as the

lead agency for ESF-7 with primary responsibility for locating, procuring and distributing resources. The ESF establishes roles and responsibilities of other agencies (e.g. military, volunteer organizations, etc.) that are assisting in response and recovery efforts applicable to resource and logistics. And while the central procurement office will play a key role in logistics coordination,¹⁵ (e.g. with donation management and law enforcement to facilitate deliveries), the central procurement office likely will not lead the ESF-7 function.

In any event, many state EMA's have adopted the ESF concept for use in the state's emergency response plan and for use in the Emergency Operations Center. It is essential that these plans clarify where the procurement function fits organizationally.

Activation of the Plan

If implementing the ESF-7 concept, it is imperative to establish the point in time at which the lead agency is activated and brought into the response and recovery processes. Some state EMAs may not recognize the importance of the procurement function in response and recovery and may not activate ESF-7 until the event escalates to the highest response phase. This can result in difficulty locating resources, especially if the event covers multiple jurisdictions and/or states.

It is recommended that the ESF-7 lead agency be activated at the point when the county EMA contacts the state EMA to alert them of the event. If using the Crisis Activation Schedule (CAS) system, this would be CAS Level 1. Activation at CAS 1 will permit the lead agency to monitor response efforts and, if necessary, begin lining up resources to address needs as they arise during later response efforts.

Procurement Office Procedures

In coordination with the state EOC, the Procurement Office should develop emergency procedures and policies for the acquisition of resources to fulfill requests in support of emergency operations. Procedures will identify responsibilities of the Procurement Office including but not limited to the chain of command, authorized purchase authority, all internal approval requirements, and financial approval of procurements.

While every state may have unique procedures, emergency purchase requests are typically directed to the state EOC, where procurement office staff supports the EOC function. Should the state EOC not be able to fill the request, it may refer the request to FEMA for action or route the request to the State Military Emergency Services Coordinator (SMESC) for processing. The state EOC may also use pre-established contractor support contracts with contractors tasked with finding equipment, supplies and services to support state EOC requirements.

Planning and Identifying the Response Team for Procurements

Prior planning is needed by the Procurement Office to be prepared to react in the event of a declared emergency, including designation of an individual and an alternate to act as the Procurement/Logistics Team Lead in the state EOC. It is important that the Procurement Office

develop a list of personnel in priority order (at least three) that are subject to recall by the emergency management agency in your state.

Those individuals should be instructed to not respond until requested. Depending on the emergency, the EOP may be only partially activated. Often, though, 24-hour availability is required, so the initial deploying individual should assess the need for additional resources away from the normal procurement office. Depending on the extent of the emergency, two or more teams from the Procurement Office may be necessary to adequately cover the emergency.

Procurement Office senior management should be tasked with initiating internal emergency notification/recall procedures. First, the Procurement Office must identify the first emergency responder teams (listing of names) who will respond to the initial state EOC activation. Second emergency responder teams should be identified as they may be needed during a second shift. The procedures should include a plan for contacting all staff during off-hours to transmit critical information about when, where, how, and why to report to work. Maintain a current listing of the pre-identified Procurement Office employees who will respond and their emergency contact telephone information. With respect to recall procedures, consider the following:

- Anticipate the possibility that standard phone numbers and even state websites may not be operable. Consider developing a separately hosted back-up capability for posting emergency instructions to staff where the procurement office is damaged or communications infrastructure like websites and phone systems are damaged.
- “Tree” lists are often used for emergency recalls. However, each person “up the tree” needs to have the phone numbers of all contacts below them in the tree in the event they cannot reach a designated contact below them in the tree. Be sensitive to employee concerns about lists having private phone numbers, and consistently emphasize the importance of confidentiality of personal information. Involving the Procurement Office’s human resources department in emergency communications planning when it involves retention and sharing of personal information is a best practice.
- Plan for the possibility that some procurement activities may be performed from homes.

FEMA Assistance

Coordinate with FEMA and other federal government entities to determine proper methods of requesting federally-owned resources when needed. Develop procedures to coordinate resource requests through your federal agency counterpart when appropriate. The federal government has contingency contracts in place for catastrophic events.

Become familiar with Big 6 items and Push Packs available from FEMA and secure the appropriate Requesting Assistance Forms (OMB number 1660-0047). The “Big 6” are ice, water, generators, tarps, Meals-Ready-to-Eat (MREs), and sheeting (Plywood) and are available

as truck load shipments. FEMA's current stockpile of Push Packs consists of 8 packs, each containing antibiotics and other essential medical supplies, and each transportable within 12 hours to any area of the country requiring assistance. These Push Packs are complemented by large quantities of additional pharmaceuticals stored at manufacturers' warehouses, a system called Vendor Managed Inventory (VMI).

Coordinate with Sister States: Alternate Resource Assistance

Proper disaster planning requires that the State Procurement Office pre-establish and maintain emergency contact information with its counterparts in other states. In the event of an emergency, these counterparts could be vital in providing assistance. Such assistance may enable the identification of additional vendor sources for requested equipment and supplies which may not have been identified within your state. Other resources could include counterparts within professional purchasing organizations (*i.e.* NASPO and NIGP¹⁶). NIGP chapters, for example, may be able to assist states in coordinating planning, including obtaining emergency contract information (e.g. mobile and personal phone numbers) of key procurement managers. The NIGP PREP Program is a way to establish advance procurement partnerships between states. See the NIGP website for more information.

Issuance of Purchase Orders / Contracts

A standardized emergency purchase request form for goods and services must be developed for use by agencies in the state EOC during emergency operations. The requests may be submitted by paper or email.

Procedures to be used for requesting resources, approval of requests, tracking requests, receiving resources, and logging incoming and outgoing assignments should be established as part of the Procurement Office's emergency/disaster plan.

Procurement Officers must take care to meet FEMA procedures in order to ensure FEMA will authorize reimbursement. Appendix B to this document ("FEMA –Debris Removal – Applicant's Contracting Checklist") is a sample of a FEMA contracting checklist containing information that has applicability to other types of procurements, and a FEMA Avoidance Checklist which may be useful as a guide in complying with FEMA requirements. Appendix C ("Guidelines & Lessons Learned from Hurricanes") also contains useful information on FEMA requirements.

Procurement Cards

The Procurement Office should establish a State Credit/Payment/Procurement Card for emergency purchases. This card should be assigned to the Procurement Office and used when issuing every emergency order. When it is not possible to issue an order with the card, a purchase order document needs to be used. Procedures need to be developed and in place for the use of the card.

Having an adequate number of cards for other members of the logistics and response team should also be considered. Vendors often want point-of-sale card authentication, and incidents may require contemporaneous purchasing activities. Some agencies preposition

multiple cards in a secure location and authorize them for use upon activation of the emergency preparedness plan.

The effective use of procurement cards in emergencies requires close coordination with the card issuer. The following issues must be considered, in particular:

- How cards will be assigned and card holders identified.
- Activation of nontraditional merchant categories.
- Card limits sufficient to accommodate occasional large purchases.
- Revisions to card security limits, *e.g.* number of transactions per day, to accommodate high numbers of transactions.

Equipment and Communications

Some procurement offices are equipping buyers and other key staff with laptop computers and docking stations with portable printers instead of desktop computers. This provides staff the flexibility to relocate to other locations not impacted by the emergency or to the EOC.

A few key personnel are also being equipped with Blackberry phones, wireless computer cards, and other communication equipment to increase mobility during an emergency.

Offices are also obtaining a limited number of Government Emergency Telecommunications Service (GETS) cards. GETS is a Federal program that provides emergency access and priority processing in the local and long distance segments of the Public Switched Telephone Network (PSTN).. Users receive an access card, which has both the universal GETS access number and a personal identification number (PIN).¹⁷ To get priority status over cellular communications networks, you must sign up to use the Wireless Priority Service (WPS) program.¹⁸ GETS and WPS can be used in combination. The National Communications System, a part of the U.S. Department of Homeland Security, manages the WPS program. The GETS program is in effect all the time—it is not contingent on a major disaster or attack taking place.

In any case, procurement office personnel need to be prepared in advance to use manual processes as backup if necessary in case all communications and power are lost.

Identifying Vendor Resources

Developing procedures for acquiring resources from outside vendors is an essential step in planning for emergency response. The Procurement Office must maintain a current and centralized listing of registered prospective vendors who can supply specific emergency needs to the State. This list should also include non-business hours emergency contact information for night, weekends, and holidays. It is important to establish Memoranda of Agreements with each vendor in advance of disasters. This will help to ensure that the quality and level of support that

will be required is clear and help to establish pricing agreements in order to prevent price gouging during disasters.

Vendor information should be retained in searchable electronic format on the computer/computer system for statewide agency use. All emergency responder teams should maintain a CD/DVD backup as well as a paper copy, which should be organized by commodity and include the vendor's name, address, and emergency telephone contact information. Duplicate information needs to be kept off-site. The emergency vendor listing should be updated annually in order to keep emergency contact information and telephone numbers current and accurate.

Pre-establish State Term Contracts

The Procurement Office needs to work with the EMA to pre-establish potential sourcing contracts (statewide term contracts) for items typically used in a declared emergency. These term contracts should be for statewide coverage and would include, but are not limited to, the following types of commodities:

- Transportation vehicles (*i.e.* Trucks with drivers - with and without refrigerators units, and Bus rental with drivers).
- Tent rental with climate control option of heat and/or air.
- Generator rental with requirement of on-site refueling.
- Cots, blankets, sheets, pillows, and linens.
- MREs and sourcing for catering food (MREs may need to be two types: high calorie for workers and lower calorie for evacuees not working).
- Food Sourcing – listing of vendors not requiring electricity to provide services.
- Office Supplies.
- Water (bottle and bulk – for drinking and general use).
- Communication Equipment, including portable communication tower, (trailer mounted), satellite phones, radios, pre-established agreements with local communications carriers for priority emergency services during an event, GPS-mobile/handheld units.
- Portable Lighting (indoor and outdoor).
- Housing, feeding, and sanitation capabilities and/or base camp facilities.
- Portable Toilets, including service on a regular basis.
- Sanitary requirements, including – if necessary – the capture and removal of waste water such as water used to shower off chemicals or other hazardous materials.
- Security services, including security escorts for sensitive items transported (private companies as well as Memoranda of Agreement [MOA] with State and local assets).
- Cleaning supplies (bleach, alcohol, hand sanitizer, disinfectants, etc.).
- Safety equipment (safety glasses, hearing protection, work gloves, rubber gloves).
- Chain Saws.
- Fuel tankers with driver with capability of on-site re-fueling – tanker to vehicle and generator (diesel and gasoline).
- Fuel Contracts, including refueling plan and pre-established locations.

- Emergency Rescue Equipment, including fire-fighting, chemical suits, gas masks, helicopters with lifts/movers.
- Body Bags.
- Earth moving equipment.
- Sand bags.

Memoranda of Agreements may be accomplished with selected vendors to supply items that are time-sensitive or otherwise in short supply and would be necessary during the early stages of emergency response activities. Some states have established an emergency services contract where a prime vendor provides many of the services upon request during an emergency.

When securing pricing for equipment purchase/rental, request pricing with daily, weekly, and monthly options. Pricing may need to include a buy-out clause depending on the type and term of the disaster. The temporary nature of emergency response requires some analysis about the relative advantages of lease versus purchase.

When ordering items, procurement officers must know what types of receiving facilities are available. For example, ordering pallets of ice on an 18 wheeler will only be effective if there is either a loading dock or forklift or military resources available to unload.

GSA Schedules and Advantage System

GSA plays a critical role in providing disaster recovery products and services to state and local governments. Section 833 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364) amends 40 U.S.C. 502 to authorize the GSA to provide state and local governments the use of ALL Federal Supply Schedules of the GSA for purchase of products and services to be used to facilitate recovery from a major disaster declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act or to facilitate recovery from terrorism or nuclear, biological, chemical, or radiological attack.

Not all States have the authority to use GSA schedules for routine cooperative purchasing. However, in emergencies, there may be authority to use schedules based on an urgency exception in the State's procurement code. Model urgency determination language that can be the basis for a determination by the Chief Procurement Official that authorizes the use of GSA schedules should be developed in advance. States without requisite statutory authority should consider a change to procurements statutes in order to provide authority for use of GSA schedules for emergencies.

Disaster Recovery Purchasing Program

GSA established the Disaster Recovery Purchasing Program (DRPP) to implement Section 833 of the John Warner National Defense Authorization Act for Fiscal Year 2007 in an interim rule published in the Federal Register on February 1, 2007 (72 FR 4649). The main provisions of the DRPP are codified at 48 CFR 538.7100-538.7104. The GSA DRPP authority is limited to GSA Federal Supply Schedule contracts and does not include any other GSA programs.

Participation in the GSA DRPP is voluntary for State, local, and tribal governments, as well as for Schedule contractors. GSA DRPP is not available to Private Non-Profits (PNPs). Participating State, local, and tribal governments have full discretion to decide if they wish to order products and/or services from the GSA Federal Supply Schedule, subject to any limitations that may be established under State and local laws and procedures. Contractors listed under the GSA DRPP are not eligible to purchase goods or services off of the GSA Federal Supply Schedule.

The GSA Federal Supply Schedule is not available to State, local, and tribal governments for day-to-day operations or localized emergencies. State, local, and tribal governments may use the GSA Federal Supply Schedule to purchase products or services in advance of and after a Federally-declared major disaster to facilitate recovery from a Federally-declared major disaster or act of terrorism. Those services and products purchased in advance of a declaration must still meet Public Assistance eligibility requirements for costs incurred from a Presidentially-declared major disaster. Schedule 56 for building materials and Schedule 73 for cleaning services are among some of the Schedules available under the GSA DRPP. The GSA Schedule website contains a link entitled “Disaster Recovery Purchasing, State and Local.”¹⁹ Participating contractors and the products and/or services available for recovery purchasing are labeled with a Disaster Recovery Purchasing icon.²⁰ The following is taken directly from the FEMA Disaster Assistance Fact Sheet 9580.103, General Services Administration Disaster Recovery Purchasing Program:

Competition Requirements: The GSA Federal Supply Schedule ordering procedures address orders for supplies; orders for services where a Statement of Work (SOW) is not required (e.g., installation, maintenance, and repair); orders for services where an SOW is required ; and blanket purchase agreements (e.g., services priced at hourly rates). Each type of procurement noted above requires the ordering entity, in this case the contracting official of the State, local, and tribal governments, to survey a minimum of three (3) contractors. Minimum documentation requirements required by 48 CFR §8.405-1(e) and §8.405-2(e) must be made available to FEMA upon request. See 44 CFR §13.36(g)(2).

1. Full and Open Competition: A Public Assistance State, local, or tribal government applicant that opts to use the GSA Federal Supply Schedule shall not seek competition outside of the GSA Federal Supply Schedules. However, competition is still required among the pool of GSA contractors. Under the appropriate ordering procedures stated above, participating States, local, and tribal governments must survey at least three (3) Schedule contractors. When restricted competition exists (e.g., only one source is capable of responding due to the unique set of circumstances or nature of the work and/or an urgent and compelling need exists and following the ordering procedures would result in unacceptable delays), participating State, local, and tribal governments are referred to 48 CFR §8.405-6. When competition is not possible because only one Schedule contractor is listed, State and local governments are not relieved from applicable Federal, State

and local procurement and competition laws and regulations. See CFR §13.36(b), 48 CFR §8.404.

2. Fair and Reasonable Prices: Products offered on the GSA Federal Supply Schedule are listed at negotiated ceiling prices. Services offered on the GSA Federal Supply Schedule are priced either at hourly rates, or at a fixed price for performance or a specific task. GSA determines that the prices of products and fixed-price services, and rates for services offered at hourly rates, are fair and reasonable. GSA determines whether prices are fair and reasonable by comparing the prices/discounts that a company offers the government with the prices/discounts that the company offers to commercial customers. Although a spot discount may be sought at any time, State, local, or tribal government applicants placing Schedule orders that exceed the order threshold for a particular Schedule contract shall seek a price reduction pursuant to 48 CFR §8.405.

Public Assistance Program Eligibility: FEMA's Public Assistance program is a reimbursement program. Public Assistance State, local or tribal government applicants that use GSA DRPP to procure goods and/or services must still meet grant eligibility requirements under titles IV and V of the Stafford Act, 44 CFR parts 13 and 206 and related policies and guidance when seeking reimbursement of costs. For example, GSA may list a contract that offers a per stump price for the removal of hazardous stumps less than 24 inches in diameter, which would not be eligible for Public Assistance funding. Therefore, in addition to the GSA requirement that goods purchased under the GSA DRPP must be used to facilitate recovery from a major disaster, such purchases must also be eligible for reimbursement under the Public Assistance Program. A State, local or tribal government applicant may be required to compensate FEMA for the fair market value of the cost of equipment and supplies purchased under a GSA Schedule when the items are no longer needed. See CFR §13.32(e)(2).

FEMA may reimburse Public Assistance State, local, and tribal government applicants for products and/or services purchased under the DRPP if they were procured competitively and are otherwise eligible under the Public Assistance Program. Public Assistance applicants who purchase goods or services under the DRPP should follow the GSA ordering procedures found in 48 CFR §8.405-8, §8.405-2. By using these outlined procedures, Public Assistance State, local, and tribal governments that participate in the GSA DRPP will satisfy the requirements to procure products and/or services through full and open competition. See CFR §13.36(c); 48 CFR §8.404.

Although GSA ordering procedures allow for time and materials contracts, Public Assistance applicants should avoid using these contracts, except under very narrow circumstances. FEMA may reimburse costs for work performed and completed under a time and materials contract for a limited period (generally not more than 70 hours) for work that is necessary and immediately

after the disaster has occurred when a clear scope of work cannot be developed. See CFR §13.36(b)(10). Public Assistance applicants should be aware that costs incurred under time and materials contracts may not be eligible for Public Assistance funding.

Purchasing in Advance of a Disaster

In the aftermath of emergency events, state or local governments' systems may be disrupted. Thus, use of Federal Supply Schedule contracts prior to these events to acquire products or services to be used to facilitate recovery is authorized. State or local governments will be responsible for ensuring that purchased products or services are to be used to facilitate recovery.²¹

GSA Industrial Funding Fee

The price of supplies and services available to State/Local entities will include the GSA industrial funding fee (IFF) to cover the administrative costs incurred to operate the schedules program. DO NOT let the contractor add a fee on top of the GSA pricing as some contractors have attempted to do during emergencies.

State and local E-tool access

The GSA e-Library (www.gsa.gov/elibrary) is a search tool that can link buyers to vendors (large and small) within a state or across the country that are willing to supply products and services to state and local governments to facilitate recovery from major disasters. A Disaster Recovery Purchasing icon will display next to the Schedule contractor's name in Schedules e-Library, if/when the Schedule contractor has agreed to the Schedule terms and conditions of the Disaster Recovery Program.²¹

GSA Advantage® (www.gsa.gov/gsaadvantage)

GSA has opened its Advantage System for use by state and local governments and now permits the use of P-Cards when ordering through the system. The Disaster Recovery icon appears next to the participating Schedule contractor's products and services on GSA Advantage®. State and local governments may use GSA Advantage® as a market research tool to locate products, services, and Schedule contractors, and as a purchasing tool. State and local contracting officials must register as a state and local authorized user and will then be able to shop, compare pricing, and purchase with their purchase card directly from eligible vendors on GSA Advantage®.²¹ Note: Without registering on GSA Advantage® it is possible to go to the Advantage page and can search for an item and do pricing comparisons; but it is not possible to place an order.

Ground and Air Transportation

It is essential that Procurement Offices develop procedures for transportation of resources into affected areas. The Procurement Office should develop Memoranda of Agreement (MOAs) with other State agencies that own transportation resources (*i.e.* Department of Transportation, General Services, and Military Departments). Developing the MOA prior to an event will allow

the Procurement Office to determine available resources not be committed to other emergency operations during disasters.

Procurement Offices should maintain a current listing of all state transportation resources throughout the state. The listing should include vehicles for specialized needs (*i.e.* refrigerated trucks for transporting bodies, refrigerated trucks for transporting frozen and refrigerated goods, livestock-hauling vehicles, etc.). Coordinating transportation with the assigned state EOC (SEOC) is necessary to determine movement priorities for surface transportation of resources within the state during emergencies.

The Procurement Office is responsible for ensuring that resource suppliers move requested items to appropriate staging areas (or directly to the area where the supplies are needed). The Procurement Office should check other orders to ensure items are shipped in a manner so as to not duplicate transportation functions. This is important because often emergencies limit the availability of transportation resources and cleared routes.

In conjunction with the responsible Transportation Emergency Support Function (ESF-1), the Procurement Office is also responsible for coordinating the movement of resources by providing routing information and ensuring appropriate routes are used in an attempt to prevent bottlenecks, unnecessary diversions, etc.

In the event that transportation resources outside the state's own are required, the Procurement Office will identify commercial transportation carriers from the private sector with emergency contact numbers. Dependent on the cargo and time of year, appropriate climate controlled transportation may be required.

Drivers must have communication capability (cell phone/two-way radio). Procurement Offices must also coordinate with the SEOC for the necessary security of any transportation vehicles and refueling requirements.

When possible and where available, transportation should use state refueling stations.²² Provide drivers with a state fuel card and/or a State Credit/Payment/ Procurement Card for refueling authorized vehicles and purchasing other necessities. Procedures need to be in place for the use of the card(s).

Tracking Shipments

During an emergency response, the State Procurement Office must develop procedures for tracking state and private vendor-supplied transportation resources. These procedures should include maintaining a list of all shipments for tracking purposes and establishing a policy for the issuance of hand receipts for items shipped and received. In addition to maintaining tracking information, the Procurement Office may be required to provide logistical support to confirm accurate shipments and to ensure proper routing and use.

Tracking Property

Emergency situations require Procurement Offices to distribute large amounts of property, and it is essential that the property be tracked. The Procurement Office must establish

a policy for maintaining the issuance, tagging, and tracking of equipment and supplies. It is important to maintain a log of model numbers and serial numbers of all equipment. A chain of custody for the equipment assigned to individuals and organizations must be maintained.

The federal government has the authority to use, lend, or donate (to state and local governments) federal equipment, supplies, facilities, personnel, and other resources for use or distribution by such governments for emergencies and major disasters.²³ The Procurement Office, and/or the state's office of property management, is a likely office of primary responsibility for managing that property, even though many state procurement offices normally do not manage inventories or stores. Procurement Offices should consider coordinating with federal procurement and logistics offices in its locality, as well as state agencies or local governments that have significant inventory capability, with respect to this possibility and approaches to storage and management of the property.

Warehouse

As part of disaster planning, the Procurement Office should identify a list of potential state- and private-owned warehouses and distribution centers in all areas of the state for use in warehousing and distributing donated goods and resources destined for recovery locations (*i.e.* resource staging areas).

Material Pre-positioning

Pre-positioning various supplies is very useful during an emergency. Warehousing is part of the operational responsibilities of some procurement directors. The first step is to find locations at various points around the state that are available and capable of storing supplies that will be useful in an emergency situation. While some items can be provided using a contract that commits a vendor to supply the needed goods at a time of emergency, having the supplies pre-positioned removes the risks of vendor non-performance or transportation issues. The downside of pre-positioning is that most products will have to be managed to ensure they are useful when needed.

Many items are already available from other organizations such as FEMA, and some emergency preparation organizations provide grants to be used for this purpose. Working with other state agencies such as the Emergency Management Agency and the Health Department is extremely useful in facilitating a network of resources for locating materials, storing supplies, and receiving grant funding.

Some items that may be useful to pre-position are:

1. Meals-Ready-to-Eat (MREs)
2. Water
3. Ice
4. Medical supplies
5. Vaccine supplies
6. Cleaning supplies
7. Rubber gloves
8. Shelter supplies

9. Generators
10. Batteries
11. Home repair kits
12. Tarps
13. Sandbags

There are several questions related to the storage of pre-positioned products that must be addressed. These include:

1. Will the product be readily available on a 24/7 basis during an emergency?
2. Are there associated temperature restrictions?
3. Does the product require rotation?
4. Are there expiration dates associated with the products?
5. How much space will the products take and will this interfere with normal operations?
6. Does the facility where materials are stored have appropriate loading docks?
7. Will there be personnel available to operate material handling equipment (MHE)?
8. What quantity of materials should be stored?

Donations

Proper management of donations is critical to effective response and recovery efforts. Developing procedures for coordinating requests with other state agencies will help the Procurement Office to determine if resources are available as donated goods or available on a volunteer basis prior to purchasing from an external vendor. It is best practice to check these resources first and then coordinate resource acquisition as needed.

Donations management should be a responsibility of the ESF-7, Logistics Management and Resource Support. A donations coordination team (DCT) should be established consisting of representatives from the state EMA, lead agency (central procurement office), non-profit organizations (*i.e.* American Red Cross) and National Voluntary Organizations Active in Disaster (NVOAD), if available. NVOAD agencies are generally faith-based organizations that assist in response and recovery efforts. NVOAD organizations are a valuable asset to donations management and should be used whenever possible.

Contingency Plans for Procurement Office Response

Develop contingency plans for off-site emergency response. Many states do this as part of the Continuity in Government Operations (COGO) program.

An alternate emergency facility for the Procurement Office staff needs to be pre-identified and have the provisions necessary to support a disaster in the event the primary facilities are not operational, not accessible, or due to the nature of the disaster a larger facility is required to accommodate additional personnel. Designate a succession of position (State Procurement Official authority) and pre-delegation of authority in the event a state director is not

available. Provide for communication (land phone, cell phone, and radio), computers, and backup electrical power.

Develop a Procurement Response Kit

Ideally, procurement policies, points-of-contact information, forms, and other information would be pre-positioned at the EOC; however, anticipating the need to deploy to alternate locations is essential. Therefore, it is best practice to develop a Procurement Response Kit. A kit prepared for COSO purposes should be stored somewhere off-site other than in the Procurement Office (that conceivably could be damaged by an incident). When planning, determine the number of kits that will be necessary to support deployments to multiple locations. Kits maintained electronically on mobile storage devices and computers should always have some form of hard-copy backup, as power may not be readily available in the early stages of response.

Procurement Response Kits should include as a minimum: emergency-related contracts, procurement office emergency contact information, other state and local government emergency contract information, other agency procurement staff contact information that can be used to supplement emergency procurement staff, commodity group/vendor emergency contact information in commodity/service categories likely to be needed during the response; and materials that can be used to establish and maintain a written log of activities.

Adequate Staffing and Training

It is imperative that the Central Procurement Office provide for adequate staffing based on the scope of any emergency. All procurement personnel identified as emergency responders should be pre-trained.

Training should be in coordination with the state EOC, and the Procurement Office should participate in state EOC graded and un-graded exercises. A clear understanding of both internal and external roles and staff coordination is essential. Additional considerations regarding training and exercising can be found in a later section of this paper.

Response

The remaining sections of this paper identify particular issues that arise during response incident management and recovery. These considerations may prompt other planning requirements. It is also important to remember that military representatives often have uninterrupted access to resources.

Recall

Upon notification, initiate Procurement Office recall procedures. Respond to the EOC. If procurement materials are not pre-positioned, respond with the Procurement Emergency Response Kit. Account for all personnel and maintain a communications link to keep them apprised of developments and resource requirements.

Activate the Purchasing Function at the EOC

Normally, there will be an initial briefing at the EOC that identifies the nature of the incident. The fact that the procurement portion of the plan is activated suggests that resource management issues will arise that could not have been satisfied through normal purchasing procedures.

Purchasing should have assigned space, computers, and a telephone. The following are typical initial steps:

- Deploy one person initially to assess the situation and the need to request additional personnel.
- Provide the names of all procurement personnel authorized for entry to EOC facilities and obtain badges necessary to gain access to secure facilities.
- Assemble and have readily available all emergency contact information for vendors and supplemental agency purchasing personnel.
- Talk through the requirements processing with other members of the Logistics/Resource Management and Finance teams.
- Contact the procurement card-issuing bank to activate emergency cards, if applicable.
- Issue procurement cards, using a signed log showing receipt. New EOC members who have not been previously briefed should be familiarized with procurement card use and internal controls procedures.
- Prepare or have prepared determinations under state procurement statutes/rules to permit use of urgency/emergency procurement authority.
- Establish a log that can be used to record procurement activities, follow-up tasks, phone numbers, and other activity. This log is invaluable where 24-hour shifts are required.
- Start developing a staffing plan, based on the nature of the incident, the hours the unit will be staffed, and the expected nature of logistics activities.
- Start calling emergency contacts for key vendors whose services likely will be required to support the response, *e.g.* portable toilets, tents, food, and clothing vendors.
- Ascertain the availability of vehicles for use in facilitating orders.
- Provide emergency communication information for key managers of procurement offices in neighboring states.

Media Relations

Media relations and rumor control are typically handled by another state agency, the Emergency Services Coordinator (ESC). Do not answer questions from the media unless specifically directed to do so by the person/agency responsible for media relations in the state. Procedures should be established for routing media personnel and inquiries to the proper state agency media relations staff. It is essential that Procurement Officers report any rumors to the proper media relations staff as well.

Resource Management

Once the EOC is mobilized, consider introducing yourself to representatives from other functional units. They can be a useful source for identifying resources. The Medical Unit, for example, has access to an online resource that can identify supplies and equipment available in hospitals.

Donations

The ESF-7 team should set up a toll-free telephone hotline to manage the influx of calls from those interested in donating. There are some volunteer organizations (*i.e.* Telephone Pioneers) comprised of retired telephone operators who are trained in handling calls and who are available to assist with a donations hotline. Many of these organizations are members of NVOAD organizations. Scripts should be written for operators and listings prepared of items that are needed. This will help to limit donations to usable items. Clothing donations should never be accepted; individuals affected by the emergency should instead be directed to local charities that accept clothing donations. Individuals or organizations that wish to donate cash or gift cards should be directed to charities or banks that have accounts established to accept these types of donations.

The media is also a valuable tool and should not be overlooked. The EAC may have discussions with the media to discourage collection campaigns for donations of supplies that may not be needed or useful and instead provide the media with lists of items that will assist in the emergency recovery.

The Donations Coordination Team (DCT) is also responsible for coordinating staging, storage and distribution of useable donated goods to the impacted areas. It may be necessary to establish a warehouse network to receive the items and prepare them for distribution to the site. These warehouses could be initially staffed by state employees, but considerations should be given to using NVOAD staff for this function. Some states may use state military warehouse and distribution functions, but care should be given to other responsibilities being placed upon the military during the event. Any warehouse should be located in flood zone “X” and should have sufficient security measures in place to protect the donations and staff. Depending upon the magnitude of the event a typical warehouse, at a minimum, would contain approximately 35,000 square feet of usable space, have indoor loading docks, off-loading equipment, packaging supplies, tele- and data- communication lines, restroom facilities and functional HVAC systems.

The federal government has the authority to donate equipment and supplies. A donation or loan may include equipment and supplies determined under federal laws and regulations to be surplus to the needs and responsibilities of the federal government. The State is required to certify that the surplus property is usable and necessary for current disaster purposes in order to receive such a donation or loan. The donation or loan is made in accordance with procedures prescribed by the General Services Administration.²⁴

Use State Resources

State government agencies will use internal resources and the resources of other state agencies to the maximum extent possible prior to requesting resources from outside vendors. Identify the procedures to verify that this has been accomplished. The Procurement Office should use state resources where permitted. This may include support from state agencies to provide:

- Printing Division for forms, instructional information (SOP for drivers), and/or signs for identification purposes
- State agency facilities that produce or maintain inventory for resale (warehouse or distribution center)
- State Parks for lodging of state workers
- Areas for staging State and State-requested resources and refueling
- Department of Transportation shops
- Rest Areas and Welcome Centers
- Other facilities (*i.e.*, airfields, warehouses, etc.)
- Motor Vehicle Management.

Receiving

In the confusion of emergency response, getting evidence of receipt of goods and services can be especially challenging. Vendors typically are just as motivated to be responsive, and they often leave control to the State with respect to supplies that are delivered. It can be expected that traditional receiving reports may not be available—therefore, it is important to develop an approach to record evidence of receipt. Use radio or telephone communications to communicate with the site. Record results of “oral receipt” with date, time, and identity of the person providing the information.

Documentation

Documentation is extremely important during and after the emergency. The Procurement Office should maintain detailed logs of all purchases, bidding information (including all bids obtained), vendors contacted when no bids were secured, delivery and acceptance, other procurement activities, messages, approvals (signatures), and any correspondence relating to a purchase request. Term contracts or bidding should be used for purchases whenever possible. If it is not possible to use a term contract or seek bids, document why the process was not used. Documentation should be developed and retained. Request and maintain vendor confirmations of bids received (or no bids) by fax or email. Document any dealings with other entities including but not limited to FEMA, Corp of Engineers, other federal entities, local governments, private sector, and other states.

State Insurance

Report the damage of state owned equipment/property or facilities to your state Insurance Coordinator. There may be special requirements for the repair and/or replacement of the equipment/property.

Recovery

After completion of the response phase, State Procurement Offices will move into the post-disaster recovery phase. Procurement statutes and rules that were waived based on urgency typically again govern.

Applicability of Procurement Statutes/Rules

Procurement statutes and rules usually are effective during the recovery period. While some supplies and services may meet state and local standards for *emergency* or *urgency* during the recovery phase, many do not. Personnel who have been working on the emergency may have grown accustomed to a procurement process that now must be adjusted to accommodate previously existing State requirements for competition and compliance with other procurement policies.

One way to continually remind state and local personnel of the probable application of procurement rules is to relentlessly use the terms “response” and “recovery” to focus conversations. Planning discussions regarding schedules or allocated time for tasks is one way to emphasize the effect of the distinction between response and recovery.

Effect on Schedule

Many plans identify timeframes (using terms like “+30 days”) to identify responsibilities and expected times to complete assigned tasks. When competitive solicitation requirements apply, those times may be driven by state or local law. In the planning phase, explain the distinction between response and recovery, as well as expected changes to anticipated timelines.

Recovery of Resources

After the disaster, the Procurement Office needs to provide complete and timely documentation to support the purchases made during the disaster. Documentation will include electronic spreadsheets showing all detailed information: purchase order numbers by date/time, vendor award, cost information, commodity or service description, agency requester, and buyer assigned.

Furnish the Emergency Management Agency with copies of each authorized purchase and complete bid documentation (*i.e.*, vendors contacted for bids, bid information, pricing/quotes, and invoicing). Information must support and be in compliance with the procedures and bidding requirements of the State and Federal Government.

Monitor and terminate the services for any emergency contracts established during the emergency that are no longer needed (*i.e.* portable toilets).

The NIMS requires full accounting of expendable and nonexpendable resources, including proper treatment of unused supplies that may be excess to needs during the response and recovery.²⁵ Ensure the return of all equipment and unused supplies into the inventory of the state EOC or other originating government entity.

After Action Reports on the Recovery Phase

Use this phase as an opportunity to critique the Procurement Office plan and implementation during recovery. Some questions to ask include: What worked? What did not work as well as it could have? What was the root cause? What changes to the plan are required to improve performance next time?

Training and Exercising

The NIMS emphasizes the importance of multidisciplinary and multi-jurisdictional training and exercising. Further, NIMS contemplates separate training for COSO teams and ERT teams.

Procurement personnel may not be part of the on-site emergency response team (ERT), but they likely will be part of the logistics, resource, or financial units in the EOC. COSO training and exercising is oriented towards deploying procurement personnel to alternate locations when the central purchasing office is damaged. The nature of the exercising may be different.

Depending on the size of the procurement operation, and the nature of decentralization, some COSO plans may contemplate establishment of the alternate purchasing function at or near to the EOC. Some EOC operations, however, are staffed so actual buying activities are not performed at the EOC. The Procurement Official (and a senior deputy) may be required to remain at the EOC and direct purchasing operations being performed at other locations.

In that event, planning must include the possibility of purchasing staff relocation to an alternate location. Procurement Officials may want to consider developing contingency plans with purchasing offices in other departments having large, decentralized purchasing operations and that have resources to support the purchasing functions likely to be required in an incident.

Consequently, it is important to understand the relationship – if any – between the COSO and the EOC functions of purchasing. This will affect the identification of teams, their training, and the resources necessary for their deployment.

Exercises commonly are oriented toward recall and command and control structures. We have learned from experience that more focused procurement training and exercising should supplement the training and exercising conducted by the State's Emergency Preparedness office. You might consider the following.

- **Live v. Table Exercises.** Conduct a live exercise involving physical movement at least once a year. The State Emergency Preparedness Office may have specific requirements. Consider more limited exercise of discrete portions of plans using table exercises with other stakeholder participation through conference calls. With human resources office coordination, consider also conducting an exercise on a weekend in order to add the realistic challenge of unavailability.

- Procurement Response Kit. Exercise the use of a procurement response kit, one for COSO relocation and another for emergency response. Consider also locating a duplicate response kit in an alternative location for COSO deployments to alternate locations.
- Vendors. Involve vendors in the exercise, even if by telephone.
- Other State Agencies. Involve other State agencies in the exercising; often they may be supplementing EOC or COSO relocated office staff.
- Political Subdivisions. Involve them. The State Procurement Office can provide a leadership role here in facilitating vertical and horizon coordination between different agencies and local governments.
- After Action Reports. Conduct a post-exercise debriefing with all stakeholders and make appropriate changes to Procurement Office plans.

Key Financial Concepts

Normally, Procurement Officials need not deal with federal cost allowability principles. Even when funded with federal funds, most state contracts for commercial supplies and services are fixed-price contracts where cost reimbursement cost principles do not apply. Costs allocated to the federal government using standards and procedures governing indirect cost reimbursements usually are managed by the State's central controller function.

In disasters, however, there may be greater scrutiny of individual expenditures. Competition rules are relaxed, and needs may be short-term. Procurement Officials should be aware of the financial standards that govern reimbursement of costs.²⁶

Common Rule: Uniform Requirements for Grants and Cooperative Agreements

The financial rules governing federal disaster assistance are in Title 44, Subchapter D, Part 206, of the Code of Federal Regulations. *The FEMA Public Assistance Guide* (FEMA 332),²⁷ is a useful compilation of the regulations, Stafford Act, and other regulatory and policy guidance. The regulations state, for example:

The regulations entitled "Uniform Requirements for Grants and Cooperative Agreements to State and Local Governments," published at 44 CFR part 13, place requirements on the State in its role as Grantee and gives the Grantee discretion to administer federal programs under their own procedures.²⁸

This regulatory provision implements use of the *Common Rule* that generally is applicable to all federally funded programs.

Procurement Standards

When procuring property and services under a grant, a State must follow the same policies and procedures it uses for procurements from its non-Federal funds. The State must ensure that every purchase order or other contract includes any clauses required by federal statutes and executive orders and their implementing regulations. Grantees and subgrantees that are not states are required to follow *Common Rule* (for example, Procurement Standards that prescribe specific requirements for competition and sourcing. 44 CFR § 13.36.) As a consequence, local governments not having procurement rules compliant with 44 CFR § 13.36 may face issues in seeking reimbursement.

FEMA 332 specifies acceptable procurement practices. “FEMA finds four methods of procurement acceptable . . . [small purchase procedures for supplies and services less than \$100K, sealed bids, competitive proposals, and noncompetitive proposals].”²⁹ States should familiarize themselves with the FEMA standards and incorporate those principles in their emergency operations training and procedures.

Cost Principles

There may be specific requirements for specific cost elements in the FEMA-State Agreement, and FEMA 332 contains policy with respect to specific types of costs. OMB Circular No. A-87, Cost Principles for State, Local, and Indian Tribal Governments, governs reimbursement of costs in responding and recovering from emergencies and major disasters. 13 CFR § 206.200(b)(2); 13 CFR § 13.22.

Basic Guidelines

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
 - a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
 - b. Be allocable to Federal awards under the provisions of this Circular.
 - c. Be authorized or not prohibited under State or local laws or regulations.
 - d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
 - e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.

f. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

g. Except as otherwise provided for in this Circular, be determined in accordance with generally accepted accounting principles.

h. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.

i. Be the net of all applicable credits.

j. Be adequately documented.³⁰

Reasonable Cost

One overarching requirement is that a cost be reasonable. OMB Circular No. A-87 defines “reasonable cost” this way:

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when governmental units or components are predominantly federally-funded. In determining reasonableness of a given cost, consideration shall be given to:

a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the Federal award.

b. The restraints or requirements imposed by such factors as: sound business practices; arms length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the Federal award.

c. Market prices for comparable goods or services.

d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.

e. Significant deviations from the established practices of the governmental unit which may unjustifiably increase the Federal award's cost.³¹

OMB Circular A-87 then has specific requirements defining allowability with respect to selected items of costs. They include in pertinent part:

- Advertising and public relations costs. Normally advertising and public relations costs are unallowable. However, they are recoverable if: solely for the specific purposes necessary to meet the requirements of the federal award; costs of communicating with the public and press pertaining to specific activities or accomplishments which result from performance of federal award; costs of conducting general liaison with news media and government public relations officers to the extent that such activities are limited to communication and liaison necessary keep the public informed on matters of public concern.
- Bonding costs. Costs of bonding required by a governmental unit in the general conduct of its operations are allowable to the extent that such bonding is in accordance with sound business practice and the rates and premiums are reasonable under the circumstances.
- Equipment and other capital expenditures. Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except where approved in advance by the awarding agency. Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5000 or more have the prior approval of the awarding agency. "General purpose equipment" means equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.
- Insurance and indemnification. The federal government will not pay for indemnification; most states cannot agree to indemnify anyway. In a disaster situation, there may be special circumstances that require creative use of insurance to mitigate risk. Involving advising counsel and the State's risk management office in these negotiations is important. OMB Circular No. A-87 states that costs of insurance required or approved and maintained, pursuant to the federal award, are allowable. Costs of other insurance in connection with the general conduct of activities are allowable subject to specific limitations: types and extent and cost of coverage must be in accordance with the governmental unit's policy and sound business practice; costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, federal government property are unallowable except to the extent that the awarding agency has specifically required or approved such costs; and costs of commercial insurance that protects against the costs of the contractor for correction of the contractor's own defects in materials or workmanship are unallowable.

- Maintenance, operations, and repairs. Unless prohibited by law, the cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, necessary maintenance, normal repairs and alterations, and the like are allowable to the extent that they: (1) keep property (including federal property, unless otherwise provided for) in an efficient operating condition, (2) do not add to the permanent value of property or appreciably prolong its intended life, and (3) are not otherwise included in rental or other charges for space. Costs which add to the permanent value of property or appreciably prolong its intended life are treated as capital expenditures (see sections 11 and 15 of Attachment B, OMB Circular No. A-87).
- Materials and supplies costs. Costs incurred for materials, supplies, and fabricated parts necessary to carry out a federal award are allowable. Purchased materials and supplies must be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs.
- Plant and homeland security costs. Necessary and reasonable expenses incurred for routine and homeland security to protect facilities, personnel, and work products are allowable. Such costs include, but are not limited to, wages and uniforms of personnel engaged in security activities; equipment; barriers; contractual security services; consultants; etc. Capital expenditures for homeland and plant security purposes are subject to section 15, Equipment and Other Capital Expenditures, of OMB Circular No. A-87.
- Pre-award costs. Pre-award costs are those incurred prior to the effective date of the award directly pursuant to the negotiation and in anticipation of the award where such costs are necessary to comply with the proposed delivery schedule or period of performance. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the written approval of the awarding agency.
- Rearrangement and alteration costs. Costs incurred for ordinary and normal rearrangement and alteration of facilities are allowable. Special arrangements and alterations costs incurred specifically for a federal award are allowable with the prior approval of the Federal awarding agency.
- Reconversion costs. Costs incurred in the restoration or rehabilitation of the governmental unit's facilities to approximately the same condition existing immediately prior to commencement of federal awards, less costs related to normal wear and tear, are allowable.
- Rental costs of building and equipment. Rental costs are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and, the

type, life expectancy, condition, and value of the property leased. There are special rules governing less-than-arms-length leases, as in leases between divisions of the same governmental unit.

Some of these cost principles require approval or authorization of the awarding or cognizant federal agency. Notably, some capital expenditures (over \$5,000), insurance, and some facilities alteration costs require prior approval.

“Approval or authorization of the awarding or cognizant Federal agency” means documentation evidencing consent prior to incurring a specific cost. If such costs are specifically identified in a Federal award document, approval of the document constitutes approval of the costs. If the costs are covered by a State/local-wide cost allocation plan or an indirect cost proposal, approval of the plan constitutes the approval.³²

It is important that the Procurement Office ensure that it has coordinated with FEMA regarding any special requirement for obtaining approval.

Other Considerations

FEMA’s Public Assistance program (PA Program) is statutorily authorized by the Stafford Act and provides for financial assistance for debris removal, implementation of emergency protective measures, and permanent restoration of infrastructure. The program also encourages protection from future damage by providing assistance for hazard mitigation measures during the recovery process. The Federal share of these expenses cannot be less than 75 percent of eligible costs.³³

FEMA establishes policies that clarify or provide direction for specific situations within the parameters established by the Stafford Act and various regulations that pertain to the PA Program.³⁴ Completion deadlines are specified by FEMA based on categories of work. The completion deadlines are six months for debris clearance, six months for emergency work, and 18 months for permanent work.³⁵ If purchase order performance periods cannot be specified consistent with those restrictions, inform the State Emergency Management Coordinator/Director.

In the case of overruns in work approved by FEMA, State Procurement Officials may be required to assist with obtaining required documentation. Cost overruns normally fall into the three categories: (i) variations in unit prices; (ii) change in the scope of eligible work; or (iii) delays in timely starts or completion of eligible work. The State may be required to evaluate each cost overrun and, when justified, submit a request for additional funding. All requests for approval will have to contain sufficient documentation to support the eligibility of all claimed work and costs. The Grantee must include a written recommendation when forwarding the request.

FEMA funds have limited period for expenditure. For major disaster declarations, the grantee generally may expend management cost funds for allowable costs for a maximum of 8 years from the date of the major disaster declaration. For emergency declarations, the grantee

may expend management cost funds for allowable costs for a maximum of 2 years from the date of the emergency declaration.³⁶

Procurement Officials normally are not responsible for execution of funding applications or execution of the overarching FEMA-State Agreement that follows an emergency or major disaster. However, purchasing activities potentially could adversely affect the ability of the State to get reimbursed for its costs. Ensure close coordination with the office having primary responsibility for federal cost reimbursement.

Resources For Emergency Procurement Planning

FEMA publishes a model planning tool³⁷ for federal agencies and suggests its use for state and local governments as well. Each state EMA likely has its own planning templates. Use those as a planning document for your procurement function planning; they identify the key issues that are relevant to procurement planning and response as well.

Consider also requesting and reviewing other states' emergency plans:

- California
- North Carolina
- Florida
- Emergency Management Assistance Compact (EMAC) national interstate mutual aid agreement. This is a congressionally ratified organization that provides form and structure to interstate mutual aid. It becomes effective after a state emergency declaration and before a federal declaration. It is states helping states. The requesting state pays the costs of the assisting states. It has a two-week deployment maximum and interested staff are identified in advance.

NIGP PREP – Procurement Response and Emergency Preparedness Program

The mission of the NIGP PREP Program is to provide an emergency logistical support network and a partnership database that enables governments and other entities affected by an emergency to obtain needed operational support from pre-identified partners located outside the impacted area and to quickly identify sources of supply and existing inventories.³⁸

PREP is a highly organized national plan facilitated by NIGP to provide a reliable source of goods and services from one entity to another entity in case of an emergency. These entities may include, but are not limited to cities, counties and other public agencies. PREP grew out of the heightened awareness of the need for careful preparation for emergency response to such situations as natural disasters, technological hazards, man-made disasters, civil emergencies, community disorders, insurgency or enemy attacks.³⁸

Participants in PREP partner with another willing participant who identifies suppliers of key items common to emergencies. Both entities sign a Mutual Assistance Agreement outlining the methods of delivering materials and services between themselves when an emergency occurs.

The willing participant must be outside of the impacted area with a similar population and means of transportation.³⁸

For more information or to sign up for the PREP list serve and enroll in the PREP database visit the NIGP website, NIPG PREP Knowledge Community.

Other sources for obtaining information on Emergency Preparedness:

- The Emergency Management Accreditation Program (EMAP)
- National Emergency Management Association
- Department of Homeland Security, FEMA
- U.S. Government General Accountability Office (GAO)
- Governors' Office of Emergency Services
- Council of State Governments
- U.S. Conference of Mayors
- Non-profit organizational reports
- Various periodicals (*i.e.* Homeland Defense Journal)
- National Governors Association: [A Governor's Guide to Homeland Security](http://www.nga.org/Files/pdf/0703GOVGUIDEHS.PDF) (<http://www.nga.org/Files/pdf/0703GOVGUIDEHS.PDF>)
- GSA Schedules – www.gsa.gov/schedules
- GSA Disaster Recovery – www.gsa.gov/disasterrecovery
- GSA State and Local Government - <http://www.gsa.gov/Portal/gsa/ep/home.do?tabId=16>

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APPENDIX A: GLOSSARY OF ACRONYMS

A comprehensive FEMA glossary of terms is available on line (see Note 7 in the endnotes). This glossary is provided for the convenience of the reader and defines terms used in this whitepaper.

CAS	Crisis Activation Schedule
CFR	Code of Federal Regulations
COSO	Continuity of State Operations
DCT	Donations Coordination Team
DRPP	Disaster Recovery Purchasing Program
EMA	Emergency Management Agency
EMAC	Emergency Management Assistance Compact
EMAP	Emergency Management Accreditation Program
EOC	Emergency Operations Center
EOP	Emergency Operations Plan
ERT	Emergency Response Team
ESC	Emergency Services Coordinator
ESF	Emergency Support Functions
ESF-5	Emergency Management ESF
ESF-7	Logistics Management and Resource Support ESF
FAR	Federal Acquisition Regulations
FEMA	Federal Emergency Management Agency
GAO	General Accountability Office
GETS	Government Emergency Telecommunication Services
GSA	General Services Administration
HVAC	Heating, Ventilation, and Air Conditioning
IAP	Incident Action Plan
ICP	Incident Control Point
ICS	Incident Command Structure
IMAC	Intra-State Mutual Aid Compact
MOA	Memorandum of Agreement
MHE	Material Handling Equipment
MRE	Meals Ready to Eat
NASPO	National Association of State Procurement Officials
NCG	National Coordination Group
NGA	National Governors Association
NIGP	National Institute of Governmental Purchasing
NIMS	National Incident Management System
NRF	National Response Framework
NVOAD	National Voluntary Organizations Active in Disaster
OMB	Federal Office of Management and Budget
P-Card	Procurement or Purchasing Card
PA	FEMA Public Assistance program
PIN	Personal Identification Number

REQ	Requisition
SEOC	State Emergency Operations Center
SMESC	State Military Emergency Services Coordinator
SOP	Standard Operating Procedures
VMI	Vendor Managed Inventory
WPS	Wireless Priority Service
VOAD	Volunteer Organizations Active in Disaster

APPENDIX B: FEMA – DEBRIS REMOVAL – APPLICANT’S CONTRACTING CHECKLIST³⁹

From FEMA FACT SHEET 9580.201

Overview

To be eligible for reimbursement under the Public Assistance Program, contracts for debris removal must meet rules for Federal grants, as provided for in 44 CFR Part 13.36 Procurement Public Assistance applicants should comply with their own procurement procedures in accordance with applicable State and local laws and regulations, provided that they conform to applicable Federal laws and standards identified in Part 13. The following guidance is provided to assist Public Assistance applicants in the procurement process.

Contracting Process Checklist

Use competitive bidding procedures. Complete and document a cost analysis to demonstrate price reasonableness on any contract or contract modification where adequate price competition is lacking, as detailed in 44 CFR 13.36(f).

Provide a clear and definitive scope of work and monitoring requirements in the request for proposals/bids. Use acceptable emergency contracting procedures that include an expedited competitive bid process only if time does not allow for more stringent procedures.

Require bidders to provide copies of references, licenses, financial records, and proof of insurance and bonding.

Obtain review from your legal representative of your procurement process and any contract to be awarded to ensure they are in compliance with all Federal, State, and local requirements.

Document procedures used to obtain/award contracts (procurement information, bid requests and tabulations, etc).

Use load ticket requirement to record with specificity (e.g., street address) where debris is picked up and the amount picked up, hauled, reduced and disposed of.

FEMA will, when requested by applicants, assist in the review of debris removal contracts. However, such a review does not constitute approval.

Contract Provisions Checklist

All contracts must contain/reflect the following provisions:

All payment provisions must be based on unit prices.

No payments may be based on time and material costs unless limited to work performed during the first 70 hours of actual work following a disaster event.

That payment will be made only for debris that FEMA determines eligible, referencing FEMA regulations and Public Assistance guides and fact sheets. (This is an optional provision to protect the applicant, and is used only following a major disaster declaration.)

An invoice provision requiring contractors to submit invoices regularly and for no more than 30-day periods.

A “Termination for Convenience” clause allowing contract termination at any time for any reason.

A reasonable limit on the period of performance for the work to be done.

A subcontract plan including a clear description of the percentage of the work the contractor may subcontract out and limiting use of subcontractors to only those you approve.

The preference that the contractor use mechanical equipment to load and reasonably compact debris into the trucks and trailers.

The requirement that the contractor provide a safe working environment, including properly constructed monitoring towers.

Option of a unit price for extracting from ground and removing FEMA-eligible stumps (only for stumps with diameters larger than 24 inches, measured 24 inches above the ground, and with 50% or more of the root ball exposed), or including all stumps in the unit price.

Requirement that all contract amendments and modifications be in writing.

Requirement that contractor obtain adequate payment and performance bonds and insurance coverage.

Pre-Disaster and Stand-By Contracts Checklist

It is recommended that you pre-qualify contractors prior to an event and solicit bid prices from this list of contractors once an event has occurred.

The solicitation for pre-qualifying contractors must adequately define in the proposed scope of work all the potential types of debris, typical haul distances, and size of events for which a contract may be activated.

You may request bids for multiple scenarios for varying sizes of events.

To ensure reasonable debris removal costs, award debris removal contracts based on unit prices (volume or weight).

If the contract is awarded on a time and material basis, it should be limited to no more than 70 hours of actual clearance and removal operations.

After the initial 70-hour period, payment should be on a unit price basis (volume or weight).

Avoidance Checklist

DO NOT: Award a debris removal contract on a sole-source basis.

DO NOT: Sign a contract (including one provided by a contractor) until it has been thoroughly reviewed by your legal representative.

DO NOT: Allow any contractor to make eligibility determinations, since only FEMA has that authority.

DO NOT: Accept any contractor's claim that it is "FEMA certified." FEMA does not certify, credential, or recommend debris contractors.

DO NOT: Award a contract to develop and manage debris processing sites unless you know it is necessary, and have contacted the State for technical assistance concerning the need for such operations. Temporary debris storage and reduction sites are not always necessary.

DO NOT: Allow separate line item payment for stumps 24 inches and smaller in diameter; these should be treated as normal debris.

DO NOT: "Piggyback" or use a contract awarded by another entity. Piggybacking may be legal under applicable state law; however, the use of such a contract may jeopardize FEMA funding.

DO NOT: Award pre-disaster/stand-by contracts with mobilization costs or unit costs that are significantly higher than what they would be if the contract were awarded post-disaster. Such contracts should have variable mobilization costs depending upon the size of the debris work that may be encountered.

APPENDIX C: GUIDELINES/LESSONS LEARNED FROM HURRICANES

From: *The FEMA Public Assistance Guide*⁴⁰

1) What is emergency work?

Emergency work is debris removal and emergency protective measures – Categories A and B of FEMA disaster-related work.

Debris removal (Category A) is clearing disaster-related debris for the best interest of the public (as determined by FEMA). Usually, this means removing debris to get rid of immediate threats to life, health, and safety. Debris removal from private property is the responsibility of the individual property owner.

Eligible debris removal activities include the clearance of the following:

- Trees and woody debris
- Building wreckage
- Sand, mud, silt and gravel
- Vehicles
- Other disaster-related material

Note that *not all debris removal is eligible for reimbursement* by the PA Program, even if it is removed from public property. The debris must be a direct result of the disaster, occur within the designated area, and be your responsibility – if the property is the responsibility of another federal, state, or local agency, only that agency can be reimbursed for debris removal on that property. The removal of the debris must eliminate immediate threat to lives or public health and safety or ensure economic recovery to benefit your community.

You have the option of either contracting out debris removal or letting the Army Corps of Engineers perform this service. If you use the Army Corps of Engineers, there is no paperwork to fill out and you do not make any payments. That way, you do not have to go through the process of getting reimbursed for those services. If you do decide to contract debris removal out to another company/entity, be sure that loads are properly measured and that the process (i.e., load tickets) is monitored.

Someone must monitor the work of any debris removal contractors and verify the estimated amount of debris that is hauled away. See the PA Debris Management Guide for more information. Also, see FEMA 322, pp. 45-47 for more information on debris removal.

Emergency protective measures (Category B) are measures taken before, during, and following a disaster to save lives and protect public health and safety. These measures must be reasonable to be reimbursed.

Eligible emergency protective measures include some of the following activities:

- Search and rescue
- Emergency medical care
- Emergency mass care and shelter whenever it can't be provided by volunteer agencies
- Security in the disaster area
- Food, water, ice, and other needs at central distribution points for local citizens
- Temporary facilities for essential community services
- State or local emergency operations center activities
- Demolishing or removing damaged public or private buildings that pose an immediate threat to the safety of the general public
- Removing health and safety hazards
- Constructing emergency protective measures to protect lives or improve property
- Emergency measures to prevent further damage to the facility such as boarding windows or doors and covering the roof
- Restoring access to areas such as driveways, roads, or bridge(s)

See FEMA 322, pp. 47-53 for more information about emergency protective measures.

2) Are there deadlines for completing work to receive FEMA reimbursement?

Yes, the current time periods are listed in the table below (FEMA 322, p. 114).

Completion Deadlines	
Type of Work	Months
Debris Removal	6
Emergency Protective Measures	6
Permanent Work	18

The state may grant extensions depending on the impact of the disaster. Debris removal and emergency protective measures can be extended by six months. Permanent work can be extended by an additional 30 months. You can find out from your FEMA PAC or Project

Officer or your State PAC if any extensions have been granted.

3) How much will FEMA reimburse me for emergency work?

The federal share of disaster expenses that are reimbursed through the PA program can't be less than 75% of eligible costs (FEMA – 322, pp. 4-5). However, the federal share may be larger depending on the impact of the disaster. For Hurricanes Katrina and Rita, for example, FEMA paid (for approximately 10 months) 100% of the costs for emergency debris removal and protective measures and 90% of permanent work costs.

4) I am a private non-profit (PNP) entity. Can I be reimbursed for emergency work?

All eligible PNP facilities may apply directly to FEMA for emergency work assistance, except for sheltering expenses; those must be sent to the state or local entity that you made an agreement with to be a shelter).

Note that for permanent work, only PNP facilities that supply critical services (such as fire protection, emergency medical care, and communications) may apply directly to FEMA for assistance - others must apply first to the Small Business Administration (SBA). See FEMA Policy 9521.3 for more information about eligibility of PNP facilities for the PA Program.

5) What documents do I need to keep track of emergency work?

The following summary records will help you organize documentation of your projects. You must submit these documents when you request reimbursement. Begin to collect the information you will need to fill out these documents as soon as you start your work.

- **Force Account Labor Summary Record** is used to record personnel costs (in-house; not contracted).
- **Force Account Equipment Summary Record** is used to record equipment use costs (of equipment your agency already possesses).
- **Materials Summary Record** is used to record the supplies and materials that you take out of your own stock or purchase.
- **Rented Equipment Summary Record** is used to record the costs of rented or leased equipment.
- **Contract Work Summary Record** is used to record the costs of work you have contracted.
- **Benefit Rate Sheet** is used to record fringe benefit pay for current employees.

ADDITIONAL RESOURCES:

Public Assistance Policy Digest – FEMA 321

Public Assistance Guide – FEMA 322

Applicant Handbook – FEMA 323

¹ An *incident* is defined in the FEMA glossary as “an occurrence or event, natural or human-caused, that requires an emergency response to protect life or property. Incidents can, for example, include major disasters, emergencies, terrorist attacks, terrorist threats, wildland and urban fires, floods, hazardous materials spills, nuclear accidents, aircraft accidents, earthquakes, hurricanes, tornadoes, tropical storms, war-related disasters, public health and medical emergencies, and other occurrences requiring an emergency response.

² FEMA’s National Incident Management System (NIMS) (<http://www.fema.gov/emergency/nims/>).

³ NIMS works hand-in-hand with the federal National Response Framework (NRF). The National Response Framework defines the principles, roles, and structures that organize how we respond as a nation. The National Response Framework:

- describes how communities, tribes, states, the federal government, private-sectors, and nongovernmental partners work together to coordinate national response;
- describes specific authorities and best practices for managing incidents; and
- builds upon the [National Incident Management System \(NIMS\)](#), which provides a consistent template for managing incidents

The NIMS establishes a uniform system for incident management. The NRF serves as the core operational plan for national incident management, establishing national-level coordinating structures, processes, and protocols that must be incorporated into existing federal interagency incident plans. For more information, visit the NRF Resource Center: <http://www.fema.gov/emergency/nrf/index.htm>.

⁴ Available at <http://www.fema.gov/government/coop/index.shtm>.

⁵ The New York City Procurement Offices were directly affected by damage caused by the 9/11 terrorist attacks. The New York State Procurement Office was able to function from its Albany offices using its information technology systems. Thus, the state procurement office was not engaged in restoring services at the state level, but instead focused on supporting New York City and handling needs on their behalf. Further, the state procurement office acted as the lead procurement office for all recovery related items and contracts.

⁶ The Emergency Management Assistance Compact (EMAC), is a congressionally ratified organization that provides form and structure to interstate mutual aid (<http://www.emacweb.org/index.cfm>).

⁷ The use of different acronyms makes cross-jurisdictional planning difficult. Except where indicated, this whitepaper uses the terms as defined by the National Resource Framework (“NRF”) Resource Center at (<http://www.fema.gov/emergency/nrf/glossary.htm>). Other resources can be found on the Internet. One of the most comprehensive is found at the Web site of The George Washington University Institute for Crisis, Disaster, and Risk Management (<http://www.gwu.edu/~icdrm/>).

⁸ 44 CFR Part 206.

⁹ Available at http://www.fema.gov/pdf/emergency/nims/nims_doc_full.pdf.

¹⁰ This endnote captures state experience with EMAC deployments. If a state requests other states' assistance, the requesting state is responsible for reimbursing the assisting state for costs incurred during the deployment including things such as personnel costs including overtime, per diem, vehicle rentals etc. Deployments typically are restricted in duration, e.g. not more than 14 days (including travel to and from the affected state). Work hours are restricted as well, e.g. 12 hours per day, six days per week. There is some frustration with the extent of federal disaster cost reimbursement. "The new FEMA Disaster Assistance Policy 9525.9 (Section 324 Management Costs and Direct Administrative Costs) went into effect March 12, 2008, and says that management costs reimbursed by FEMA won't exceed 3.34 percent.... It's going to mean that states that are unable to bear the full cost of EMAC response will not be able to use EMAC," Maxwell said. "It will have the effect of damaging mutual aid in this country." Jim McKay, *Midwest Misery*, EMERGENCY MANAGEMENT, p. 23 (Spring 2000).

¹¹ NIMS, p. 47.

¹² During a true emergency, requiring documents to be signed by a procurement representative – who may be hours or hundreds of miles away, may run counter to the need to have an expedited, responsive system. Coordinate in advance with the Controller or other state finance officer regarding the formal requirements for commitment vouchers under emergency conditions.

¹³ NIMS Appendix A, The Incident Command System, Tab 5, p. 88.

¹⁴ NIMS Appendix A, The Incident Command System, Tab 5, p. 87. This description is ambiguous in its use of "procurement technical specialist" and may be referring to an agency finance function, not the statewide central contracting/procurement office. Within individual agencies, the purchasing office or individual tasked with coordinating that agency's purchasing may be assigned organizationally to the agency finance or administration office. The central state contracting or procurement office, on the other hand, often is in a central services agency responsible to a deputy commissioner or department executive director. Coordinate the purchasing support requirements during planning to ensure that the emergency operation center/command and control structure is staffed with the required procurement professional having requisite experience to coordinate acquisition and contracting activities with the purchasing office or offices (often central purchasing) who will be executing operational purchasing functions.

¹⁵ After the 9/11 terrorist attack, New York state procurement coordinated with state police in delivery management as roads were controlled, closed to only those with special identifications.

¹⁶ NIGP's PREP (Procurement Response and Emergency Preparedness) Program provides emergency logistical support network and a partnership database that enables governments and other entities affected by an emergency to obtain needed operational support from pre-identified partners located outside the impacted area as well as quickly identify sources of supply and existing inventories. Participants partner with another willing participant who identifies

suppliers of key items common to emergencies. Both entities sign a Mutual Assistance Agreement outlining the methods of delivering materials and services between themselves when an emergency occurs. The willing participant must be outside of the impacted area with a similar population and means of transportation. Information is available at <https://www.nigp.org/common/restrict/communities/prep.asp> (members only).

¹⁷ <http://gets.ncs.gov/>

¹⁸ <http://wps.ncs.gov/>

¹⁹ <http://www.gsa.gov/Portal/gsa/ep/channelView.do?pageTypeId=8199&channelId=-18810>

²⁰ FEMA Disaster Assistance Fact Sheet 9580.103, General Services Administration Disaster Recovery Purchasing Program

²¹ GSA Fact Sheet, State and Local Disaster Recovery Purchasing Program, Section 833

²² Some states can authorize non-state vehicles to use state fuel sources. Consider taking steps during planning to obtain such authority for emergency situations.

²³ 44 CFR § 206.5(b).

²⁴ 44 CFR § 206.6.

²⁵ NIMS, p. 48.

²⁶ A useful reference is the Louisiana Legislative Auditor's *Guidelines & Lessons Learned from the Hurricanes*, available at http://www.la.state.la.us/prepguide/following_emergency.htm#E3. The *Guidelines* highlight key provisions of FEMA 332, *Public Assistance Guide*.

²⁷ Available at http://www.fema.gov/pdf/government/grant/pa/pagprnt_071905.pdf.

²⁸ 44 CFR § 206.200(b)(2).

²⁹ FEMA *Public Assistance Guide*, n. 22, p. 39.

³⁰ OMB Circular A-87, Attachment A, section C1, p. 8.

³¹ OMB Circular A-87, Attachment A, section C2, p. 9.

³² OMB Circular A-87, section B1, Definitions.

³³ FEMA *Public Assistance Guide*, n. 22, p. 4.

³⁴ FEMA *Public Assistance Guide*, n. 22, p. 8.

³⁵ See Louisiana Legislative Auditor's *Guidelines & Lessons Learned from the Hurricanes*, n. 19.

³⁶ 44 CFR § 207.8.

³⁷ http://www.fema.gov/doc/emergency/nims/nims_implementation_plan_template.doc

³⁸ NIGP website, NIPG PREP Knowledge Community

³⁹ FEMA Fact Sheet 9580.201, http://www.fema.gov/government/grant/pa/9580_201.shtm

⁴⁰ Available at http://www.fema.gov/pdf/government/grant/pa/pagprnt_071905.pdf.