

# **2019 National Public Assistance Readiness Stand-Down**

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## **428 PA Alternative Procedures (PAAP)**

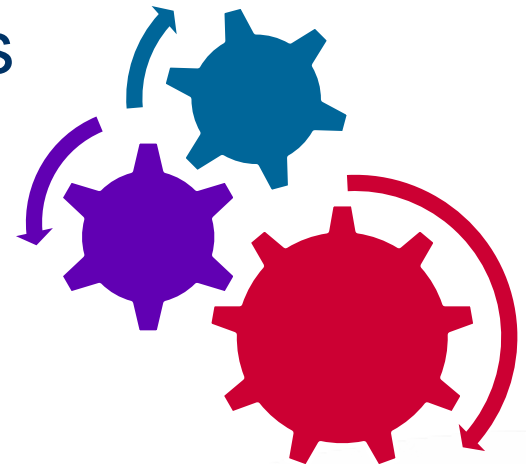


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# Objectives

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- Discuss the latest policy changes:
  - PAAP Debris Removal
  - PAAP Permanent Work
- Provide updates on the Large Project process change Grants Manager



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# Applicability

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- Earlier declared events **must** follow the PAAP 428 policies in effect at the time of that declaration



- Disasters declared on or after issuance of the Readiness Priorities for Delivering Public Assistance memo, **must** use Public Assistance Alternative Procedures PAAP for Permanent Work Pilot (Version 4) policy



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# Principles

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- Increases Applicants' flexibility to use funds to best meet their specific needs for recovery, long-term resiliency and future preparedness
- Simplifies the delivery of assistance and reduce administrative costs associated with PA projects



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# Policy: Goals

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**1. Reduce Costs**



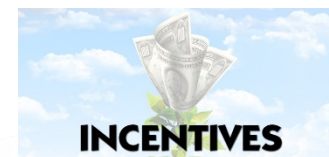
**2. Flexible Administration**



**3. Expedite provision/funds**



**4. Provide financial incentives/disincentives**



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# PAAP for Debris Removal

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- Available to all Applicants upon request for both small and large projects under an **emergency or major disaster declared on or after June 28, 2019**
- Must **opt in** to participate
- Earlier declared events must follow the policy in effect at the time of declaration



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# PAAP for Debris Removal

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PAAP for Debris Removal Pilot Program (as of June 28, 2019) allows for:

✓ Straight Time Force Account Labor

No longer available:

- ✗ Sliding Scale
- ✗ Debris Management Plan
- ✗ Retention of Recycle Revenues



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# PAAP for Permanent Work

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- Applies to Large Permanent Work Projects
- Fixed Cost Estimate
- Independent Expert Panel for Cost Estimate Review
- Flexible Subawards (Grants)
- Use of Excess Funds



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# PAAP for Permanent Work Process

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1. Applicant identifies Damage Inventory line items
2. Site Inspection Completed (DDD Created)
3. Project Formulation/Logical Grouping
4. DDD is agreed upon
5. EEI and RFI Completed
6. SOW and Cost Created (CRC/Applicant)
7. Special Considerations Reviews at CRC
8. Expert Panel Review (if necessary)
9. **Fixed Cost Offer Presented**



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# PAAP for Permanent Work

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Alternative procedures offer an alternate way to implement the Public Assistance program.

They **DO NOT**:

- Change general Public Assistance eligibility requirements, including special considerations
- Change regulatory timeframes for completion of work



# PAAP for Permanent Work

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Applies only to large Permanent Work projects  
Applicant has 30 days from the Fixed Cost offer  
to **Opt In.**



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# PAAP Timeline

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If a Fixed Cost Offer is not accepted within 30 days of Recipient/Applicant receipt (or 18 months from declaration – whichever comes first), the project will be processed using standard PA policies and procedures.



Extension of this deadline can be granted by Assistant Administrator for Recovery



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# Fixed Cost Estimates

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Large permanent work projects are funded using an **agreed** Fixed Cost Estimate rather than actual costs incurred.



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# Developing Cost Estimates

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Work closely with Recipient and Applicant during development to reach an agreement on the Fixed Cost Estimate.



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# Independent Expert Panel

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- Applicants may request a FEMA-funded, independent validation of projects with an estimated Federal share of at least \$5 million
- All projects with an estimated Federal share of \$25 million or greater will be reviewed
- The panel is comprised of design, engineering, construction, and cost-estimating experts



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# Flexible Use of Funds

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Funding MAY be used for:

- Restoration of disaster-damaged facilities and equipment
- Improvements on undamaged facilities in designated area
- Alternate projects



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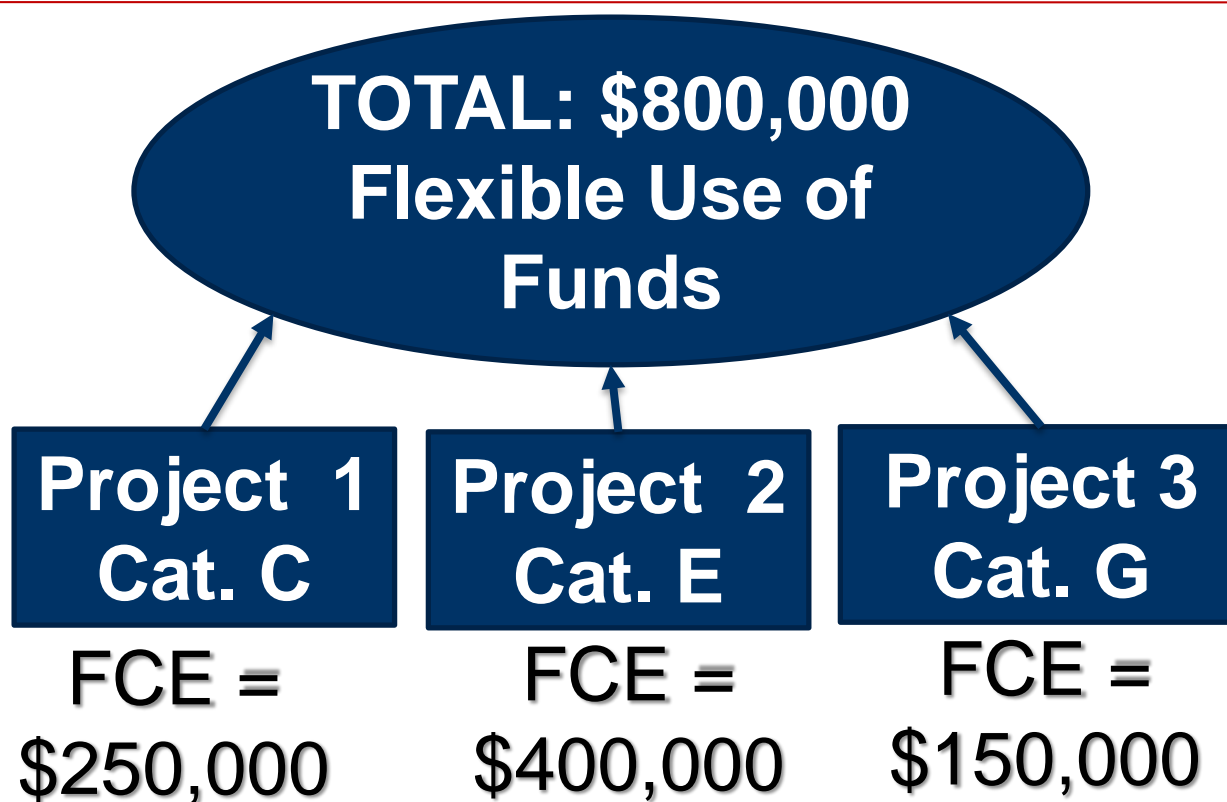
# Flexible Use of Funds

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- Applicants can use approved funding across all eligible 428 PAAP projects.
- **Example:** If an Applicant has accepted multiple 428 Fixed Cost Offers for five buildings on three different projects, they have the flexibility to use the funds across all 15 buildings.



# Flexible Use of Funds



**NEW Policy does not require Consolidation of PWs**



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# Excess Funds

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Any unused funds remaining after the completion of the Applicant's approved 428 PAAP Permanent Work project(s).



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# Flexible Use of Excess Funds

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Funding MAY be used for:

- Restoration of disaster-damaged facilities and equipment
- Construction of new facilities
- Purchase of equipment
- Measures that reduce future risk (Hazard Mitigation)
- Coverage of future insurance premiums including Obtain and Maintain requirements



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# Flexible Use of Excess Funds

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Funding MAY be used for:

- Future planning for disaster response and recovery operations
- Conduct or participate in training that is related to response and recovery activities



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# Flexible Use of Excess Funds

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Funding **MAY NOT** be used for:

- Work on facilities that are ineligible due to failure of meeting Obtain and Maintain Insurance requirements
- Covering non-federal cost share on FFMA projects or other awards
- Paying down debts
- Covering operating expenses
- Covering budget shortfalls



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# Excess Funds: Responsibilities

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***To use excess funds, an Applicant must:***

- Submit a proposed Scope of Work for use of any excess funds along with a project timeline to the Recipient within 90 days of completing its last 428 PAAP project
- Recipient must forward the request to FEMA within 180 days from completion of the Applicant's last 428 PAAP project



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# Excess Funds: Responsibilities

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***To use excess funds, an Applicant must:***

- FEMA evaluates the proposal of all excess funds for reasonableness to ensure prudent use of funds
- FEMA also evaluates the submitted project timeline and approves an appropriate deadline for work completion, not to exceed the overall disaster period of performance



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# Fixed Cost Estimates

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Once an Applicant accepts a Fixed Cost Offer, it may not revert back to a project funded based on actual cost.

FEMA does not adjust the fixed amount even if the Applicant discovers hidden damages while conducting approved work.



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# Fixed Cost Estimates

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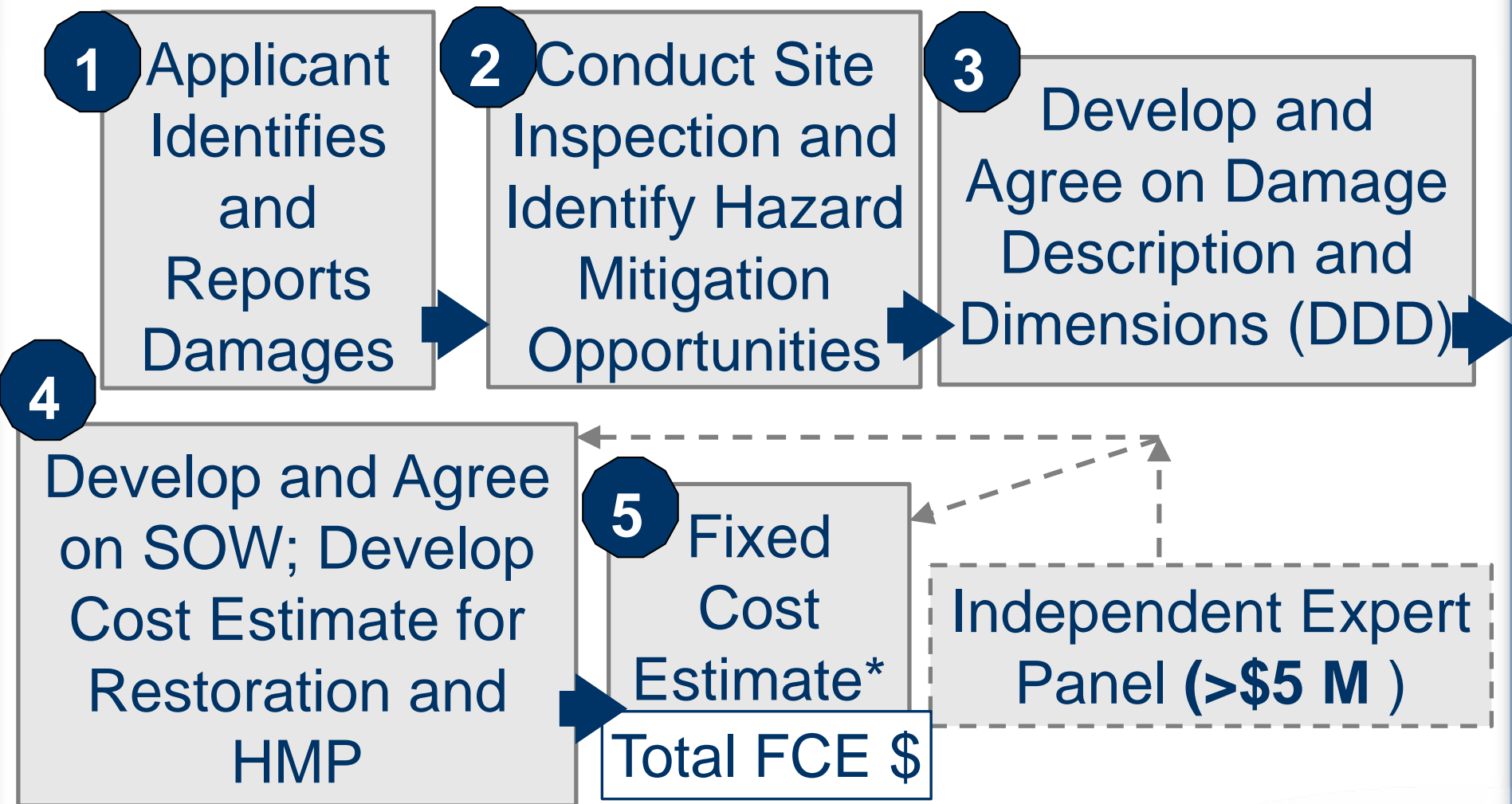
After the Fixed Cost Offer is accepted, the cost estimate is **FIXED** and there will be no further adjustment, except for:

- Actual Insurance proceeds
- Hazard Mitigation SOW change
- Audit findings or fraud



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# Fixed Cost Estimate



\*Fixed Cost Estimates will change if HMP SOW changes



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# PAAP Closeout

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- Do not need to track costs to specific work items
- Provide summary of total actual costs to complete the 428 PAAP projects
- Certify that all claimed costs are related to the overall work deemed eligible for the 428 projects
- Report actual insurance proceeds received



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# PAAP Closeout

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The closeout certification **must** include a final report project costs and documentation to support the following:

- Mitigation measures achieved, if applicable
- Compliance with federal procurement procedures
- Compliance with EHP requirements
- Compliance with the obtain and maintain insurance requirement



# Appeals for 428 Projects

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- Appeals are not considered on 428 PAAP projects unless it is related to a cost adjustment made by FEMA after the Fixed Cost Offer is accepted (i.e., related to insurance, noncompliance, or an audit)
- Any disagreement on damage, SOW, or cost **must** be resolved prior to accepting the Fixed Cost Offer
- Additionally, time extension denials on 428 PAAP projects are not appealable



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# Audits of 428 PAAP Projects

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Recipient's and Applicant's grants may be audited by the Office of Inspector General (OIG) and/or General Accounting Office (GAO).



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**Look at Applicants in a wholistic approach –  
428 PAAP projects provide the flexibility they  
can use to meet their planned recovery  
outcomes.**



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