

# DISASTER DOCUMENTATION



## Procurement & Recordkeeping

Contracts  
Labor  
Equipment  
Materials  
Forms

**Federal Procurement / Contracting Guidance**

# DISASTER DOCUMENTATION

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## **DISASTER DOCUMENTATION**

### **PROCUREMENT & RECORD KEEPING**

#### OVERVIEW

Each municipality is responsible for the procurement of necessary supplies and equipment for its municipal agencies/departments during a disaster event.

The county is responsible for procuring necessary supplies and equipment for county agencies/departments during a disaster event.

For a disaster/emergency for which Declaration is made:

- a. Proper documentation will be needed to justify local expenditures for which reimbursement will be requested.
- b. Work may be completed for disaster recovery by two methods:
  1. Contracting with private businesses to do the work (Contract Work), insuring that contractors have not been "debarred".
  2. Force Account which is utilizing government personnel, equipment and supplies including extra hires (personnel hired to perform recovery work).

The County/Tribal Clerk (or other appropriate personnel) will ensure that the necessary RECORD KEEPING for the county during a disaster situation is maintained. Each agency/department involved in the disaster situation will document its expenditures, as will private contractors involved in Contract Work.

The Municipal Clerk (Clerk/Treasurer/Administrator, General Commissioner, other appropriate personnel) will ensure that the necessary RECORD KEEPING for the municipality during a disaster situation is maintained. Each agency/department involved in the disaster situation will document its expenditures as will private contractors involved in Contract Work.

## **RECORD KEEPING**

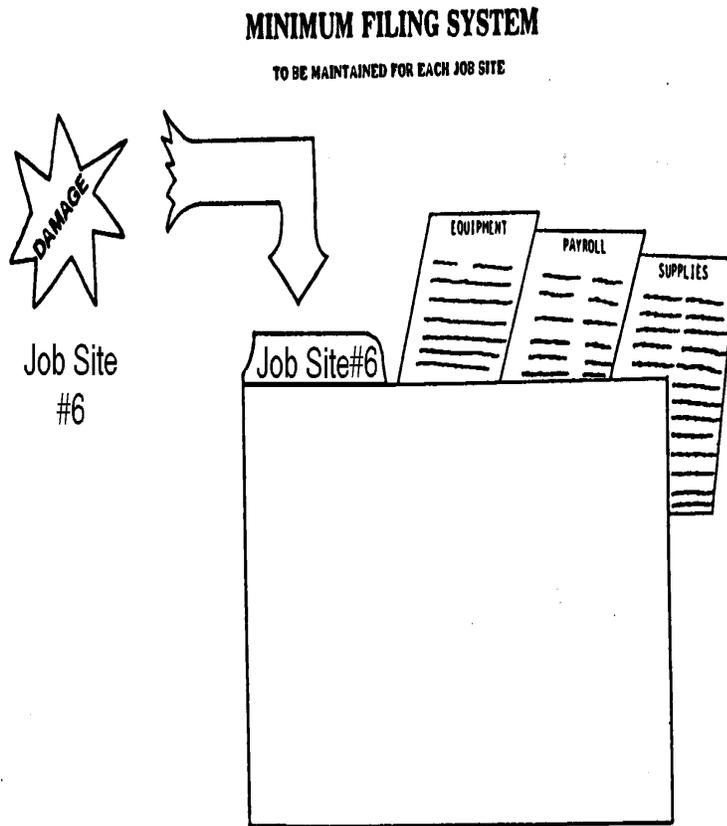
It is virtually impossible to accurately and properly complete the necessary RECORD KEEPING after disaster emergency work has been done and a period of time has elapsed. Therefore, the importance of RECORD KEEPING cannot be over-emphasized. You must plan. Appointed record keepers must know what records to keep, how to keep them, and be familiar enough with the overall process to start keeping these records immediately upon starting any type of work to respond to the threat or recover from a disaster emergency.

If the situation develops into a major disaster declaration, proper documentation will be needed to justify local expenditures for which reimbursement will be requested. Without proper RECORD KEEPING, you stand to lose considerable sums of money because claims for reimbursement cannot be justified. Accurate documentation will also be needed to justify expenditures for which reimbursement will not be requested. These dollars may be eligible to be used as “in-kind” match.

Procedures for proper documentation can be found on the following pages in this section. If questions arise regarding the establishment of proper records, call the Wyoming Office of Homeland Security at 777-4900 (Accounting/Grants Compliance Unit). Copies of Summary Record forms can be obtained as well

**SUGGESTIONS FOR ORGANIZING DISASTER DOCUMENTATION**

When repair work starts, establish a separate folder for each job site. For example, if you have washout damage at five locations that must be repaired right away, establish a separate folder (one for each job site), not one folder for all job sites. (FEMA will write a Project Worksheet (PW) for each job site.)



Basically, there are two ways to complete work at job sites: one is by contract, and the other is by force account, meaning the utilization of your own personnel (including extra hires), equipment, and supplies.

## **CONTRACT WORK**

If the work is completed on a lump sum contract, an invoice and copy of the contract is needed. If a cost-type contract is used, the contractor must furnish, in addition to an invoice and copy of contract, a detailed breakdown of all costs, including equipment used, dates used, location of work, hourly rates and hours used. The requirement to furnish this detailed breakdown should be included in the contract. For either type work, the local government must show on each invoice the date and amount paid and check or warrant number or evidence of cost payment. Evidence of the contract advertisement, bidders, and selection of the low-bid contractor should be retained. If the low bid is not selected, written justification must be provided. If the contract is more than the PW amount, notify the Governor's Authorized Representative. **CAUTION: Cost-plus-percentage of cost contracts are not reimbursable. (See page 9, Federal Procurement and Contracting Guidance.)**

## **FORCE ACCOUNT LABOR, TEMPORARY & VOLUNTEER LABOR**

The documentation for this type of work is quite involved, and immediately after the onset of any disaster or emergency, someone, preferably a county/city/tribal clerk, should start keeping proper records. If a major disaster is declared, he/she should participate in the Public Assistance Program briefing for applicants.

If you use another jurisdiction's resources, the same documentation is required as if the resources were your own. An invoice is required indicating that you have paid the jurisdiction. This invoice must show the date and amount paid, check or warrant number, or other evidence of payment.

If temporary workers are hired to complete items of work, you must put them on your payroll and identify the job, wages, and period of employment (frequently done on emergency work).

Volunteer labor cannot be reimbursed. However, records of volunteer labor must be maintained if claiming equipment hours for equipment used by the volunteer.

## **FORCE ACCOUNT PAYROLL**

As a minimum, your payroll must show the pay period, employee name, job classification, number of hours worked each day, total hours worked for pay period, rate of pay, (regular and overtime), total earnings, and paycheck number.

Records must show which job site (PW) the employee worked on each day and each hour if he/she worked on more than one jobsite (PW) in a single day. **Each job site (PW) must be documented individually.**

Time records must show how much time the employee worked on the job site (PW) and how much time (if any) was spent on his/her regular job. Overtime must be shown on the payroll as being disaster-related. Overtime pay must be in accordance with policies in use before the disaster.

It is important to initiate procedures whereby you will know on a daily basis those (regular employees or extra hires) who worked on what disaster emergency-related job for how long, and what he/she did. Force Account Labor Summary Record sheets are needed for this purpose. These sheets should be used by the supervisor for each work crew and turned into your designated record keeper. Note: Any type of daily work report form may be used as long as it shows the date, hours worked, job classification, and job sites in a single day, he/she should turn in a separate work report for each.

If desired, you could transcribe the information from the daily reports to your payroll system, and then file the daily report in the proper PW folder. Having done this, the Labor Summary Record Form could then be brought up to date every other day, but at least once each week.

## **FORCE ACCOUNT & RENTED EQUIPMENT**

Equipment, both applicant owned and rented, used on each particular job site (PW) must be fully documented. Specifically, the documentation must show the type and description, date used, hours used each day, total hours used, rate per hour (indicate with or without operator), total cost for each and total cost of all equipment used. **Equipment not in actual use is considered standby and is not eligible for reimbursement.**

If the equipment is rented, you must also show the date and amount paid and the check/warrant number or other evidence of payment. The rental agreement must specifically state who must pay for all equipment repairs and a copy of the agreement must be retained in the job site file.

Rates used on applicant-owned equipment must be no more than those approved on FEMA's "Schedule of Equipment Rates". A copy of these rates can be obtained through the Wyoming Office of Homeland Security. When you receive the schedule, make a list of all equipment and note its size. This will help to determine the correct rate to charge. If equipment is used which is not listed on the Rate Schedule, FEMA will determine an applicable rate. You must provide the make, model number, and any other information, which may help in establishing a rate.

It is strongly urged that you use the Force Account Equipment Summary Record form and/or Rented Equipment Summary Record form to document the above information for equipment used on each specific PW. You should place an Equipment Record Form in each PW folder immediately upon starting work, and record daily the use of any equipment on this form. A vendor invoice folder should also be established for vendor invoices and rental agreements if any rental equipment is used.

## **FORCE ACCOUNT MATERIALS/SUPPLIES**

Materials and supplies, purchased or from stock, used on each particular job site (PW) must be fully documented. Specifically, the documentation must show the unit price, quantity, total cost, description, date purchased, date used, job used on, date paid for, and amount and check number or other evidence of payment. Costs for transportation equipment utilized by an operating department and other employees whose duties do not change because of the disaster are ineligible for reimbursement. Costs of hand tools (shovels, handsaws, hammers, etc.) personal equipment and protective clothing used in performing eligible work are ineligible for reimbursement as are charges for insurance, storage, overhead and administrative costs. It is strongly suggested that you use the Materials Summary Record sheet to document daily the above information for materials and supplies used on each specific job site.

Immediately upon starting to work and establishing a folder for a particular PW, place a Materials Summary Record sheet in the folder. Each time any materials are used on the job, record the information on the form.

Claims for materials taken from stock must be supported by either the original purchase invoice or invoice for replacement materials. If invoices are not available, cost may be developed from historical data or by contacting area vendors. Materials invoices and checks showing payment should be placed in each PW file. A file separate from job folders should be established for vendor invoices on materials that are being, or will be, used on job sites. This will enable you to easily find the information needed when recording materials used on the Materials Summary Record form.

**SUMMARY RECORD FORMS REFERENCED ABOVE CAN BE OBTAINED FROM THE  
WYOMING OFFICE OF HOMELAND SECURITY.**

## General Documentation Requirements

Be sure the dates used on all documentation are within the allowable time period. This period is from the date of the disaster to the completion date of the work as show in the Project Application. You must also be careful the dates on your supporting documentation agree with the PW and final inspection. In order words, if 50 percent of the work was completed (as shown on the PW) when the PW was written, 50 percent of the cost must be shown between the date of the disaster and the date the PW was prepared. The other 50 percent must be between the PW date and the completion date shown on the final inspection report.

PWs will show a total amount recommended for each job; do not restrict your supporting documentation to these amounts. Small overruns, if justified and supported, will probably be approved during final inspection. Large overruns (exceeding 10 percent) should be reported to the Governor's Authorized Representative as soon as known so a new PW can be negotiated with FEMA. This is important, because if a large overrun is not approved, you may not be reimbursed for the overrun amount.

FEMA will pay only for repairs included in the PW scope of work. If you decide to change the scope of work, you must get FEMA approval. Immediately inform the Governor's Authorized Representative (GAR) of any proposed changes so a request to FEMA can be made. This notifies FEMA the scope of work is being changed and request FEMA approval of the change.

**REMEMBER, REIMBURSEMENT IS TIED TO DOCUMENTATION**

**KEEP GOOD RECORDS!**

**Jurisdictions can utilize FEMA summary record forms to assist in tracking costs. All Costs on the summary record forms must be supported by documentation. (These forms are not required.**

**Applicant can use own forms as long as they contain all the required information.)**

## FEDERAL PROCUREMENT/CONTRACTING GUIDANCE

### Subgrantees should comply with:

- ✓ Their own procurement procedures,
- ✓ State and local laws and regulations, and
- ✓ Applicable Federal laws and standards

### ESSENTIAL ELEMENTS

- ✓ Free and Open Competition
- ✓ Avoid use of sole source contracts unless exceptions apply (44 CFR 13.36)
- ✓ Provide clear and definitive scope of work
- ✓ Use qualified proposers/bidders (provide licenses, insurance, bonding, as applicable)
- ✓ Complete a cost analysis to demonstrate cost reasonableness
- ✓ Contracts must comply with all Federal, State and local requirements
- ✓ Maintain documentation to show process/rationale used in making procurement decisions

### ACCEPTABLE CONTRACTS

- ✓ **Lump Sum** – Either sealed bid or competitive negotiation
  - ❖ Lump Sum - Either sealed bid or competitive negotiation
  - ❖ Well defined and reasonable scope
  - ❖ Competitive process:
    - Contractors bid (sealed bid) a firm fixed price bid, including all labor, equipment, materials, overhead, profit
    - OR - By competitive negotiation, where contractors submit proposals based on a number of pre-stated factors, including price (used when other factors, such as schedule, qualifications, proven experience in the elements of job complexity may carry more importance than price alone)
    - Helps ensure an adequate number of potentially responsible bidders
  - ❖ Sealed Award made on the basis of price - low responsive, responsible bidder
  - ❖ Competitive negotiation proposals help ensure the best proposal, not necessarily the lowest price, is selected
  - ❖ Except for amendments, contract price will not change
  - ❖ Amendments are negotiated
  - ❖ Advantages:

- Contractor assumes significant risk: if bid price is too low, contractor could lose money on the project; but if bid price is too high, competition could win the bid.
- Procuring Entity can see up front the contract amount, subject to amendments.

✓ **Unit Price**

- ❖ Often are contracts pre-placed in the event of contingency or disaster
- ❖ Often used where type of work to be performed is known but quantities to be needed are not able to be determined in advance
- ❖ Units of work are determined in advance by unit of measure (per CY, etc.)
- ❖ Competitive process: Contractors bid fixed price per unit provided
- ❖ Bid price is “in place” cost - including labor, materials, equipment, overhead and profit
- ❖ Are often awarded on an annual basis to multiple firms to ensure availability and adequate price competition
- ❖ All prices must be deemed reasonable
- ❖ May be awarded on an annual basis with renewal options
- ❖ Advantages
  - Contractor assumes risk - if unit price is underbid, contractor assumes that liability
  - With close monitoring of quantities installed, contractors will have strong incentive to work efficiently within their pre-established cost structure
  - While the final amount may not be seen in advance, the price per unit should already have been determined reasonable, so final cost should be fair

✓ **Cost Plus Fixed Fee**

- ❖ Used when extent of scope cannot be fully predicted in advance
- ❖ Contractor is reimbursed for reasonable, within-scope costs
- ❖ Contractor bids a “fixed fee” for the contract, to include overhead and profit
- ❖ Advantage -
- ❖ Contractor assumes greater risk:
  - If contractor underestimates the amount of work that will be required, profit is proportionately reduced relative to total labor and equipment costs.
  - If contractor works efficiently and gets accomplished the scope with less effort than initially estimated, then profit is proportionately higher since the fixed fee does not change with the amount of work performed by the contractor.

✓ **Time and Materials/Equipment (only in very limited situations – use with caution)**

- ❖ This type of contract is **prohibited** unless a determination is made that no other contract is suitable, and provided that the contract includes a ceiling price that the contractor exceeds at its own risk.

Reasons to avoid:

- ❖ Contractor has little incentive to hold down costs or to work efficiently since all costs are reimbursed
- ❖ Applicant scope may be vague and monitoring may be weak - further encouraging higher work and costs
- ❖ Cost ceilings, if established, may have no reasonable basis
  - May be a high, “safe” figure
  - May be offered by contractor
  - Applicant may find it difficult to hold a contractor liable if the ceiling is exceeded
- ❖ Requirements:
  - Written Scope
  - Cost Ceiling - based on a reasonable estimate/basis
  - Close Monitoring by Applicant of contractor costs and work
  - Costs must be reasonable and work must be within scope and approved by Applicant
  - Prescribed duration for emergency work only - then convert to “acceptable” contract types
- ❖ Contractor should propose a cost structure for labor to include overhead and profit
- ❖ Equipment rates should be FEMA rates or approved State rates
- ❖ Materials should be at cost, since labor and equipment for providing the materials are reimbursed as stated above
- ❖ Competition is still a requirement, except as stated below
- ❖ Advantage: Used where there is no pre-placed or pre-priced contract and an emergency occurs requiring immediate response and there is no time to compete or adequate available competition for lump sum, unit price or cost plus fixed fee contracts.
- ❖ Disadvantage: No risk to contractor. Contractor has no contractual incentive to work efficiently or effectively and hold down costs, since all labor, equipment, materials, overhead and profit increase as the work/time increase.

## UNACCEPTABLE CONTRACTS

### ✓ **Cost Plus Percentage of Cost**

- ❖ Specifically **disallowed** under federal procurement regulations
- ❖ Contractor bids a percentage to be added to whatever the cost may turn out to be.
- ❖ Disadvantage: No risk to contractor: No incentive for contractor to hold down labor, equipment and materials costs, since whatever the contractor expends, a percentage is added to it for overhead and profit. Contractor cannot lose.

### ✓ **Contingency Contracts**

- ❖ Specifically **disallowed** under federal procurement guidelines
- ❖ Only FEMA may make eligibility determinations for FEMA reimbursements
- ❖ Contract is made contingent upon either FEMA or other federal reimbursement for the work performed.
- ❖ There is never to be any advance assumption of federal reimbursement. Several criteria must be met for such reimbursement. Therefore, contracts are to be made as if FEMA funding is not available.
  - FEMA will not reimburse a contingent contract
  - Contracting Entity/Applicant may not shift the contract cost risk to the federal government
- ❖ Contractor is made at risk since work would be performed with under that expectation that any reimbursement would come from FEMA
  - Pricing would be expected to be higher than “normal” pricing if the Contracting Entity/Applicant were awarding under their own risk
- ❖ Contracting Entity/Applicant would not be as concerned with cost reasonableness since they would have less financial risk (Applicant’s share)

#### *Governing references:*

- *44 CFR Part 13.36 (Code of Federal Regulations - Procurement)*
- *FEMA 9523.6, “Mutual Aid Agreements for Public Assistance,” dated August 13, 2007*
- *FEMA 321 Policy Digest*
- *FEMA 322 Public Assistance Guide*