

Office of Resilience &  
Innovation  
City of Tuscaloosa

M-E-M-O-R-A-N-D-U-M

TO: Alicia Lewis, Auditor-in-charge  
FROM: Robin Edgeworth, Chief Resilience Office *RE*  
RE: Draft DHS OIG Highlights  
DATE: October 21, 2015

Attached you will find the City's response to the findings set out in your draft OIG Highlight document. As you requested the City is providing the attached as follow up prior to the issuance of the final report.

Should you have any questions, please feel free to contact me.

Sincerely,

Robin Edgeworth

Stronger. Safer. Smarter.

# OFFICE OF THE CITY ATTORNEY

CITY ATTORNEY  
GLENDA D. WEBB

CITY OF TUSCALOOSA

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TO: Glenda Webb, City Attorney

FROM: Grant H. Wilson, Associate City Attorney *GHW*

RE: Response to Office of Inspector General Report, Finding A

DATE: October 16, 2015

The Office of Inspector General (OIG) finds that the City of Tuscaloosa (City) “did not comply with Federal procurement requirements when awarding a contract valued at \$874,055 for professional consulting services.” This memorandum serves as the City’s response to OIG Finding A, and will address specifically the following two allegations: (1) that “the City did not provide adequate full and open competition,” and (2) that the City did not “perform a cost or price analysis” prior to contract award.

## Full and Open Competition – the Procurement Process

The City’s procurement process provided full and open competition in compliance with the requirements of 44 CFR 13.36(c)(1). The plain words of the regulation require that “[a]ll procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of section 13.36.” Logical statutory construction demands the following two conclusions: (1) the City must look within the confines of section 13.36 in order to identify the “standards” of “full and open competition,” and (2) once “the standards of section 13.36” are identified and followed, “full and open competition” has been met.

The drafters of section 13.36 anticipated that in order for 44 CFR 13.36(c)(1) to have its full effect, they needed to identify standards which restrict competition and thereby thwart the full and open competition mandate. These standards are identified in 44 CFR 13.36(c)(1)(i) – (vii) as “situations considered to be restrictive of competition,” as follows:

- “(i) Placing unreasonable requirements on firms in order for them to qualify to do business,

- (ii) Requiring unnecessary experience and excessive bonding,
- (iii) Noncompetitive pricing practices between firms or between affiliated companies,
- (iv) Noncompetitive awards to consultants that are on retainer contracts,
- (v) Organizational conflicts of interest,
- (vi) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance of other relevant requirements of the procurement, and
- (vii) Any arbitrary action in the procurement process."

Section 13.36 identifies the above seven situations as those "restrictive of competition." When competition is restricted, full and open competition has not been met. The logical contrapositive is obvious: absence of the above seven situations is evidence of full and open competition. In its report, the OIG does not allege deficiencies related any of the above seven situations considered "restrictive of competition." This fact alone is not definitive proof of full and open competition, as the code section contemplates additional (but not specifically named) situations restrictive of competition, but at the very least it creates a very strong presumption that the City met the full and open competition requirement.

In addition to successfully avoiding all of the specifically identified situations that restrict competition, the City took affirmative steps to ensure a full and open competitive process. The OIG alleges that the City "did not openly solicit competitive bids." This allegation is without merit. The City identified and directly solicited proposals from six (6) firms. In addition, the City advertised a Request for Proposals (RFP) on its website. OIG views website publication as insufficient. However, the "standards of section 13.36" which the City is required to follow do not mandate a required form of publication. Pursuant to 44 CFR 13.36(b)(1), "[g]rantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section." Website publication and direct solicitation satisfy State and local law, and there is no specific Federal requirement in section 13.36 mandating newspaper publication. Indeed, 44 CFR 13.36(d)(3) requires that "[r]equests for proposals will be publicized" in procurements by competitive proposal, but the method of publication is not specified. Black's Law Dictionary (6<sup>th</sup> ed. 1990) defines "publish" in part as follows: "To make public; to circulate; to make known to people in general." "Publication" is defined, in part, as follows: "To make public; to make known to people in general; to bring before public; to exhibit, display, disclose or reveal." The City met each of the publication elements through its dual notice process of direct solicitation and advertisement on the City's website.

Following the devastating and widely-known 2011 tornado, the ubiquitous media coverage effectively placed contractors and consultants on constructive notice that the City



would be issuing procurements for services related to recovery. The aforementioned website publication was available to everyone with an Internet connection – meaning, everyone; newspaper publication would have limited the public notice to firms within the state. The fact (1) that the City received nine proposals and (2) that the firm selected, Thompson Consulting, was out of state and not one of the firms directly solicited, provides compelling evidence that the City's efforts to make the procurement as widely-known and as open as possible were successful. Indeed, the sheer number of proposals received, many of which were out of state [Thompson Consulting (Florida), Adjusters International (New York), CRI (Tennessee), O'Brien's Response Management (Washington DC); Johnson Environmental (North Carolina); DRC (Texas)], evidences full and open competition. Two other firms maintained local offices in Tuscaloosa: Amason/Yates and BKI.

In its report, OIG states that “[t]he City believed this gave all contractors who were interested in the work the opportunity to bid.” As evidenced above, the City literally had proposals coming in from firms located all over the United States. I am at a loss to identify any further affirmative steps the City could have taken to ensure a more full and open competitive process. Pursuant to federal law established in *United States v. Thorson Co.*, 806 F.2d 1061 (1986), “[f]ull and open competition is accomplished only when (1) all qualified vendors are allowed and encouraged to submit offers on federal procurements and (2) a sufficient number of offers is received to ensure that the government's requirements are filled at the lowest possible cost.” The City allowed all qualified firms to submit proposals; there were no restrictions. The City encouraged submission through the direct solicitation process. And, nine proposals received is more than sufficient to ensure adequate competition.

Pursuant to *Tinton Falls Lodging Realty, LLC v. United States*, 2015 U.S. App. LEXIS 15567, “[c]ontracting officers are entitled to exercise discretion upon a broad range of issues confronting them in the procurement process. For this reason, procurement decisions invoke a highly deferential rational basis review.” Furthermore, the City is “entitled to exercise discretion upon a broad range of issues confronting them in the procurement process.” Both section 13.36 and federal case law anticipate that grantees will exercise discretion in the procurement process; and, in fact, grantees are entitled to exercise discretion. Absent specific guidance in section 13.36, the City exercised its entitled discretion in the procurement process, as described above, to ensure full and open competition. The City contends that it met and even exceeded the standards required to satisfy full and open competition.

### **Full and Open Competition – the Evaluation Process**

OIG also finds deficiencies in the evaluation process, to wit: “the City could not explain the evaluation process used for scoring the responses to determine the best firm. Therefore, the selection process was not transparent to show whether price was a determining factor.” The City

has provided a detailed explanation of the evaluation process – showing price as a determining factor – on three (3) separate occasions. Therefore, this specific allegation is bewildering. Nevertheless, we provide the same explanation, again, as follows:

- a. The City received 9 proposals pursuant to the RFP (see “RFP” attached as Exhibit A). One firm was eliminated for being completely non-responsive in that it proposed services for debris cleanup, etc. not within the scope of this RFP. Another firm was eliminated because it grossly exceeded the five page limitation and was not organized as required by the RFP, making scoring impracticable.
- b. Therefore, that left 7 firms in contention to be scored. The firms were rated equal on factors e-g. Factor d, pricing, was considered as set out below. Thus the initial scoring was based on factors a-c.
- c. The scoring group, consisting of City Attorney Tim Nunnally, Assistant City Attorney Grant Wilson, Finance Director Mike Wright, and Associate Finance Director Derek Reeves, discussed each factor a-c for each of these firms. No score on any factor per firm was finalized unless there was a consensus for that factor.
- d. Thompson scored a consensus 9, four firms scored a consensus 8, and two firms scored a consensus 6. The two firms that scored 6 were eliminated for the low score, and the remaining firms were compared as to price.
- e. Pricing was next considered among the remaining five firms. Two of the firms that scored an 8 had considerably higher pricing than the others. Those two firms were eliminated based on the pricing factor.
- f. This left three finalists: Thompson Consulting, O’Brien Response Management, and Johnson Environmental & Disaster Consulting. The three firms’ price structures were deemed substantially equal. The scoring group next did a side-by-side comparison on the factors a-c. The group unanimously agreed that Thompson rated a 3 for each factor a-c, that O’Brien should be rated one point lower than the others for factor b, and that Johnson rated one point lower than the others for factor a.
- g. With price under consideration, the initial scoring thereby confirmed Thompson Consulting as the consensus highest-rated firm, with Thompson edging out the other two finalists by one point.

The above evaluation process took place on May 10, 2011 at 9:15 am, and is memorialized in writing (see Exhibit B). Each member of the review team signed the review document to memorialize the review process and to indicate that Thompson Consulting was vetted as the consensus winner only after thorough evaluation. Also, see Exhibit C; this is an email composed by City Attorney Tim Nunnally which further memorializes the review and evaluation process. As you can see by the email time stamp, this memorialization of the process occurred contemporaneous with the review (i.e. on the same day).

The City contends that its evaluation process met all requirements of Section 13.36.

### **Cost or Price Analysis**

OIG finds that the City “did not perform an adequate cost of price analysis in awarding the professional consulting services contract.” This allegation is without merit. As evidenced above, the City included cost analysis as a fundamental evaluation factor. The City required each firm to submit a price proposal (see Exhibit D). The City evaluated and considered each cost proposal prior to award.

44 CFR 13.36(f)(1) requires that the City “perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation...A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost....” Thus, the regulation requires that analysis of compliance take into consideration the “facts surrounding” the procurement. This provision is consistent with the aforementioned analysis as to discretion, i.e. that absent specific guidance in section 13.36, the City is entitled to exercise discretion in the procurement process; this includes discretion as to the method of cost or price analysis.

In its report, OIG identifies the following concerns related to the City’s process of cost or price analysis:

- a. That it will lead to unreasonable contract costs,
- b. That it will lead to misinterpretations or errors in pricing,
- c. That not taking into account hours to perform the work will affect overall contract cost; and,
- d. That the City may have not chosen the most economical approach or received the best price because the selected firm could have charged more hours versus a firm with higher hourly rates.

An explanation of the City’s contract-approval process and form of contract will satisfy each of the abovementioned concerns.

The City uses a Master Agreement / Task Order Directive form of contract. Under this form of contract, evaluation based upon the firms’ hourly rates always results in the best price. As described in the above evaluation process, the City selected Thompson Consulting (Thompson) as the most qualified firm among three other firms deemed substantially equal in terms of price. Following its selection, Thompson was required to sign a Master Agreement with the City. Pursuant to the Master Agreement, Thompson was only authorized to perform services

for the City “if authorized by TOD” (i.e. Task Order Directive). Each TOD is required to contain “a specific scope of services, a budget, and a time for completion.” Pursuant to the Master Agreement, Thompson could “not incur costs or engage in providing any services without a fully executed TOD.” Furthermore, Thompson’s hourly rates, as submitted in their proposal and vetted by the committee, were “locked in” by the Master Agreement, and applicable to each Task Order Directive that followed.

The Master Agreement / Task Order Directive contract form is specifically designed to eliminate unreasonable contract costs and to provide the most economical approach. Rather than executing an open-ended lump sum contract – akin to turning on the water faucet and walking away – the City always had its hand on the spigot, turning on and shutting off the flow as it reviewed and approved each Task Order Directive. In point of fact, Thompson anticipated this contract form in their cost proposal, as they agreed “to provide services to the City of Tuscaloosa on an as needed and requested basis.” This is exactly what happened, to wit: “the CITY now desires to enter into a Master Agreement with subsequent Task Order Directives with CONSULTANT on an as-needed, as-requested basis to meet specific requests for assistance....” (See Master Agreement).

Each Task Order Directive was evaluated by the City to ensure that there were no miscalculations in pricing, and also taking into account hours to perform the work. See attached Exhibit E for an example. These are my detailed evaluation notes related to Task Order Directive No. 1. Cost was considered. Time for completion was evaluated. For each Task Order Directive, the City’s Projects Committee would have evaluated and approved subsequent to the review at staff level. Then, following Projects Committee Approval, each Task Order Directive would have been evaluated by the entire City Council and approved by resolution. The City’s internal contract-approval process requires three levels of independent analysis before any expenditure of funds is authorized. This process ensures that the selected firm could not have charged more hours versus a firm with higher hourly rates, as the City eliminated that possibility by reviewing and capping each Task Order Directive through the exhaustive process described above.

For the reasons above stated, the City contends that it performed an adequate cost of price analysis in awarding the professional consulting services contract. Each concern articulated by OIG related to cost has been addressed. There is no question in the City’s mind that its cost/price analysis – to which it is entitled discretion as to method – was the most economical approach that resulted in the best price.

### **Conclusion**

The City respectfully requests that OIG eliminate Finding A from its final report.



# EXHIBIT A

CITY OF TUSCALOOSA )  
STATE OF ALABAMA )

## REQUEST FOR PROPOSALS (A11-0456)

**TO: Qualified Firms**

**FROM: The City of Tuscaloosa, Alabama**

**RE: Request for Proposals for Professional Services Related to FEMA Reimbursement, Documentation and Audit Procedures**

**DATE: May 6, 2011**

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### **Section 1. Introduction.**

This is a Request for Proposals ("RFP") containing information concerning the above-referenced matter, an abbreviated scope of work, and evaluation items. Firms expressing interest should be fully capable of providing the end results requested.

This is a procurement of professional consulting services as more particularly described herein. The City of Tuscaloosa ("City") will adhere to the following method for conducting evaluations of received RFPs:

- a. Each firm's experience and qualifications will be evaluated primarily as they relate to FEMA reimbursement, documentation, reporting and audit support procedures.
- b. Award will be made to the responsible firm whose proposal is most advantageous to the City, with price and other factors considered.
- c. The City may or may not elect to interview any of the responding firms.
- d. The City has exclusive and sole discretion to determine the firm whose services will be most advantageous to the City, and reserves the right to reject all firms.
- e. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.



- f. Points will be awarded according to firms' responses to Sub-Sections A through G in Section 3. For each Sub-Section, firms shall receive 3 points for each "excellent" response, 2 points for each "good" response, 1 point for each "fair" response, and 0 points for each "poor" response. Although the total number of points received will be a factor in selecting the best firm, it will not be the only consideration.

The purpose of this inquiry is to determine the interest or non-interest and the qualifications of firms in providing the professional services required. A number of firms are being asked to express their interest in regard to these services ("Proposals"). Following the receipt of Proposals, a certain firm or firms may be selected for further consideration.

## **Section 2. General Scope of Services**

The City desires to select a firm to provide professional services in the following general areas:

- a. Assistance with document control to ensure compliance with FEMA requirements. This includes identifying, collecting and processing supporting documentation. Preparation of documents for filing.
- b. Preparation and assistance with State and/or FEMA final inspections and audits. This includes, but is not limited to, collection, organization, scanning, reporting and filing of storm-related costs (e.g. purchase orders, issued/cancelled checks, and overtime tracking).
- c. Activities related to collecting and processing document requests from FEMA.

The scope of services excludes any other compliance services that are included in federal or state disaster relief, or in any separate contract with the City. For example, on May 1, 2011, the Incident Commanders for the City of Tuscaloosa made a request for a mission assignment to FEMA for debris removal within the City, and compliance services for that work will be excluded from the scope of services. This will not be an "exclusive" contract and should not be construed as such. The City reserves the right, subject to negotiation and agreement, in writing, with the selected firm, to either expand or limit the scope of services as needed.

The selected firm will be required to have personnel on-site to complete the tasks required by this scope of services. The selected firm will complete the required tasks in a timely and efficient manner.

### **Section 3. Firm Qualification and Proposal Requirements**

The selected firm must be experienced and qualified to provide the required scope of services. To be eligible, the firm will be required to be licensed and approved for work within the State of Alabama.

The firm selected must have expertise related to the many procedures and requirements of the Federal Emergency Management Agency (FEMA), and particular expertise in the area of FEMA public assistance.

Firms interested in performing the work will be considered on the basis of a proposal containing information submitted in response to this request in a form limited to five (5) pages in 12-point font or larger of either Times New Roman or Ariel. Front and back shall be considered 2 pages.

**Proposals are due on or before 9:00 a.m. CST, Monday, May 9, 2011. Proposals received after this deadline will not be accepted.**

All proposals should be submitted in 8 ½" x 11" paper size. Each proposal shall be prepared simply and economically, providing straightforward, concise delineation of the firm's capabilities to satisfy the requirements of this RFP. Fancy binding and color displays other than those necessary are highly discouraged.

**Provide three (3) bound copies to:**

**Timothy H. Nunnally, City Attorney  
Office of the City Attorney  
City of Tuscaloosa  
Post Office Box 2089  
Tuscaloosa, Alabama 35403  
(205) 248-5140**

**Courier Address:  
Office of the City Attorney  
2201 University Blvd.  
Tuscaloosa, Alabama 35401**

**or**

**Scan and e-mail a PDF copy of your proposal to [gwilson@tuscaloosa.com](mailto:gwilson@tuscaloosa.com). If submitted via e-mail, you are responsible for assuring it was received via a human-generated acknowledgement, phone call, or otherwise.**

The following information must be submitted with the proposal on the date indicated above:

- a. **Recently Completed Work.** Evidence of satisfactory performance of recently completed work of the type and kind indicated herein. "Recently completed" means within the last ten (10) years. Provide detailed reports of this work and at least three (3) relevant references.
- b. **Experience and Qualifications.** A statement of the firm's qualifications to perform the work and years in business should be included. The statement should include the following:
  - (1) The general experience of the firm, specifically as it relates to FEMA compliance.
  - (2) The specific experience of the firm's proposed personnel in the fields that the proposed services are requested, their qualifications, years of experience, professional certifications and availability to perform the work and services to be provided.
  - (3) A statement of experience and work of similar nature that all the proposed personnel have performed.
  - (4) A statement as to the professional standing of the firm, including any pending controversies outstanding. If none exists, such a statement should be made.
- c. **Method of Organization.** Discuss the firm's proposed approach to completing the needed services and how your firm will coordinate those services. Be specific with regard to internal and external communications and quality control. The firm will be expected to maintain open and continuous lines of communication with various members of City staff, as well as with various state and federal officials.
- d. **Hourly Rates.** The firm should attach a proposed hourly rate schedule. The attached hourly rate schedule will not count against the 5-page proposal limit. The City expects to enter into an agreement based upon hourly rates and to set a "not to exceed" amount in the contract.
- e. **Contract Review by FEMA.** The contract between the selected firm and the City may be submitted for review to FEMA. The City desires that the costs it incurs for services provided by the selected firm be eligible for FEMA

reimbursement. While the City understands that the selected firm cannot guarantee that the services it provides will be eligible for FEMA reimbursement, the City nevertheless desires that the selected firm utilize its professional judgment and expertise in an effort to limit its services to those which are eligible for FEMA reimbursement. Describe in detail how your firm will comply with this requirement. The selected firm will be required to notify the City if at any time any service provided by the selected firm under the terms of the contract are not or are not expected to be eligible for reimbursement by FEMA, in the selected firm's professional opinion. Include a statement as to whether your firm has the level of expertise to fulfill this requirement, as well as a detailed explanation of the procedures your firm will implement to fulfill this requirement.

- f. **City Expenditures.** The City desires to enter into a contract for professional services with a firm possessing a high level of expertise and professional skill in the areas described in this RFP. As such, the City desires that the selected firm be contractually required to guarantee that all documents generated pursuant to the contract shall be in compliance with FEMA regulations and will be in a form so as to ensure eligibility of FEMA reimbursement regardless of whether or not FEMA actually reimburses. Please include a statement as to whether or not your firm can meet this requirement.
  
- g. Please include a statement as to potential general conflicts of interest and particularly conflicts of interests under FEMA guidelines that may exist that would prevent the City of Tuscaloosa from entering into an agreement with your firm pursuant to this RFP. If none exists, such a statement should be made.

The City reserves the right to reject any proposal and to interview a firm or multiple firms as it sees fit. This RFP may be modified or amended at any time and for any reason, in the discretion of the City. Should interviews be required, the selected firm or firms will be notified of their interview time, and the interview may be conducted at City Hall, 2201 University Blvd., Tuscaloosa, AL, or over the phone, as determined by the City. Firms should be prepared to make a ten to fifteen minute presentation, followed by a question and answer period.

There is no guarantee that a contract award will be made pursuant to this RFP. Nevertheless, interested firms should be prepared to begin work pursuant to this RFP as early as Friday, May 13, 2011, should it be selected.



**The City duly enacted a resolution declaring emergency actions and powers necessitated by the storm of April 27, 2011, which authorized the Mayor and his designees to make contracts, as enabled and provided by ALA CODE §31-9-10, Alabama Emergency Managements Act of 1955, Title 11 of the Code of Alabama, the Code of Tuscaloosa, and as otherwise provided by law, rule, or regulation. As such, the City may waive certain procedure and formalities otherwise required by law pertaining to entering into contracts.**

**Any questions by the firm related to this RFP should be submitted in writing along with the firm's proposal. In the interest of fairness and in order to maintain impartiality, the City will not respond to questions from individual firms during the RFP process.**

**END RFP.**

# EXHIBIT B

S-10-11  
9:25 AM  
[initials]

~~Consensus Score~~ Consensus Score  
Mike Wright, Derek Reever, Grant Wilson,  
Tim Nunnally

## Thompson Consulting

Some type of Joint venture with Tuscaloosa's JamisonMoneyFarmer  
Structured in a way not to impair JMF's independence for annual audit  
Some JMF personnel involved in doing the work, but nobody assigned to audit  
Thompson is a full service engineering & disaster recovery consultant  
Experience includes hurricanes, ice storms & oil spill  
Experience of 5 Thompson people assigned varies from 8 to 35 years  
Firm has existed since 1953  
Similar projects and hourly rates provided

a. 3  
b. 3  
c. 3  
d. —  
e. TBD

## BKI and Shaw Environmental & Infrastructure

BKI's home office is in Tuscaloosa  
Experience includes New Orleans water & sewer and hurricane  
Similar projects and hourly rates provided

a. 1 b. 2 c. 3 d. —

Engineering f. — "highest bid for"  
g. —

## Advester International

Experience includes hurricanes, tornadoes  
Proposes a 3 person team, 15-20 years experience each  
Coordinates FEMA reimbursement with insurance coverage  
Similar projects and hourly rates provided

a. 2 b. 2.3 c. 3 d. high price

## Carr, Riles & Ingram

CPA firm with offices in 24 cities  
Experience includes tornadoes and hurricanes  
Similar projects and hourly rates provided

a. 3 b. 3 c. 2 d. high price

CPA \* Reputation for going  
Says out

## O'Brien's Response Management

Florida statewide contract-EM services for over 800 local governments  
Florida Department of Transportation-EM services  
Similar projects and hourly rates provided

a. 3 b. 3\* c. 3 d. —

## Johnson Environmental & Disaster Consulting

Experience: hurricanes  
Similar projects and hourly rates provided

a. 2 b. 3 c. 3 d. —

\* don't list individuals.

Amazon/Yates

Amazon - 22 years of disaster recovery services

Yates - founded in 1963; disaster recovery since the mid 90s

Experience: hurricanes

Kelly Heltsman manages project, 6 years of experience

Other two have 4 and 3 years experience

Similar projects and hourly rates provided

a. 2 b. 1 c. 3 d. -

Disaster Recovery Consultants

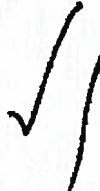
Firm formed in 1996

Experience: hurricanes

Believe in re-evaluating community vision & explore new opportunities

Two construction companies

6



Exceeded 5 pages & cannot be scored

Turnipseed - not responsive

Finalists

Thompson - clerical lowest, sport specialist lowest, travel local

O'Brien

Johnson Emin -

Jim [Signature] City attorney

Mike [Signature], Assoc. Director

Rich [Signature], Assoc. Finance Director

Grant [Signature], Assistant City attorney



# EXHIBIT C

**Grant Wilson**

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**From:** Tim Nunnally  
**Sent:** Tuesday, May 10, 2011 11:21 AM  
**To:** Mike Wright; Derek Reeves; Robin Edgeworth  
**Cc:** Grant Wilson; Jimmy Junkin  
**Subject:** FEMA Documentation Services RFP

1. I just reported the below to the Mayor and he wants this explained at today's Projects Committee. He said Projects instead of Finance because of the lighter agenda. I will be prepared to give the explanation.
2. Today Mike Wright, Derek Reeves, Grant Wilson, and I met to score the proposals received per the RFP for FEMA documentation services. (The score sheet is imported into OCA file A11-0456.) Mike Wright feels that the best course for the City is to hire at least one temporary data entry employee to work with the FEMA Public Assistance Coordinator (PAC), but to also have a professional consulting firm retained for support services to Finance Dept. This should allow the City to obtain the best combination of FEMA direct services and professional consulting. The professional consulting will be on an as-needed basis – with much of the "heavy lifting" done by the temp and FEMA PAC, to keep consulting fees to a minimum. The consulting agreement will not be executed until state EMA officials have reviewed for reimbursability.
3. We will be recommending Thompson Consulting be selected for these professional consulting services, for the reasons set out below.
4. The City received 9 proposals pursuant to the RFP. One was eliminated for being completely non-responsive in that it proposed services for debris cleanup, etc. not within the scope of this RFP. Another was eliminated because it grossly exceeded the five page limitation and was not organized as required by the RFP, making scoring impracticable.
5. That left 7 in contention to be scored. The firms were rated equal on factors e-g. Factor d, pricing, was considered as set out below. Thus the initial scoring was based on factors a-c.
6. The scoring group discussed each factor a – c for each of these firms. No score on any factor per firm was finalized unless there was a consensus for that factor.
7. Thompson scored a consensus 9, four firms scored a consensus 8, and two firms scored a consensus 6. The two firms that scores 6 were eliminated for the low score, and the remainder were compared.
8. Pricing was next considered among the remaining five firms. Two of the firms that scored an 8 had considerably higher pricing than the others. Those two firms were eliminated based on the pricing factor.
9. This left three finalists: Thompson, O'Brien Response Management, and Johnson Environmental & Disaster Consulting. The pricing was not possible on a direct basis because the pricing structure for each was tiered. The three were considered equal as far as pricing. The scoring group next did a side-by-side comparison on the factors a-c, to assure that the initial scoring stood up when each for was compared one to the other. The group unanimously agreed that Thompson rated a 3 for each factor a-c, that O'Brien should be rated one point lower than the others for factor b, and that Johnson rated one point lower than the others for factor a.
10. The initial scoring was thereby confirmed, with Thompson edging out the other two finalists by one point.

=====  
Tim Nunnally – City Attorney  
Office of the City Attorney  
City Hall Building  
2201 University Boulevard (35401)  
P. O. Box 2089  
Tuscaloosa, AL 35403-2089  
(205) 248-5140 (205) 349-0328 (fax)  
[tnunnally@tuscaloosa.com](mailto:tnunnally@tuscaloosa.com)  
[www.tuscaloosa.com](http://www.tuscaloosa.com)

<The views and opinions expressed herein are mine and not necessarily those of the City of Tuscaloosa>



# EXHIBIT D

City of Tuscaloosa, Alabama  
Letter Proposal of Professional Services  
FEMA Reimbursement, Documentation and Audit Procedures

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## Exhibit A - Contractor's Price Proposal

Thompson's approach to providing administration and program management services is comprehensive in nature, but scalable to our clients' needs and requests. Upon entering into a contract with the City of Tuscaloosa, Thompson will develop task order requests for specific work assignments.

After reaching mutually agreed upon terms and conditions of a professional services agreement, Thompson proposes to provide services to the City of Tuscaloosa on an as needed and requested basis. As such, Thompson proposes the following schedule of rates.

Table 1

### Schedule of Hourly Rates

Position	Hourly Rate
Office/Clerical	\$29
Grant Management Analyst	\$70
Grant Management Specialist	\$90
Grant Management Consultant	\$110
Building/Construction Inspector	\$115
Civil Engineer	\$125
Senior Grant Management Consultant	\$135
Client Liaison	\$150
Principal-in-Charge	\$175

The hourly rates provided above as Table 1 are inclusive of all applicable labor cost, overhead, and profit. Direct project expenses will be invoiced to the County at cost without mark-up.

### Attachment: Proposed Hourly Rates

Our team proposes to perform the services outlined within this proposal on time-and-expense basis. Compensation will be a function of the type of expertise provided to the City based on the tasks requested by the City and as generally outlined under this proposal. As this is a time-and-expense engagement, the City has the ability to decide which tasks our team will assist them with. Consequently, the overall cost of this engagement is at all times subject to the City's desired level and length of our service.

Our typical approach is to take a phased approach to engagements, generally breaking our work down into time periods or projects based on the work assigned and the changing needs of the City, and providing estimates and timelines for that portion of work, including a commitment to a dollar figure that is not to be exceeded without prior approval by the City. This allows the City to remain in complete control of its investment in our services at every stage of our engagement, with decision makers holding the reins and requesting changes based on regular communication from our team regarding the status of the evolving disaster and our role in the City's recovery.

Expenses will be billed to the City at cost. Expense reimbursement will include airfare, transportation, lodging, meals and incidentals. We will make every effort to keep expenses to a minimum, and encourage the City to assist us with this by any means available. To simplify billings, we are agreeable (and prefer) to establishing per diems that are agreeable to the both the City and our team as long as they accurately reflect the current economic conditions.

Professional fees will be invoiced for payment on a monthly basis. Because of AI's timekeeping system, some invoices may be for periods of less or more than thirty days. AI will provide weekly progress reports to the City as appropriate. These reports will serve as the support for bi-weekly progress invoicing.

The following table presents AI's consultation rates, not including expenses, by position.

PA Consulting	
Position	Rate/Hr.
Senior Project Officer/Senior Consultant	\$215
Project Officer/Consultant	\$175
Specialist, if needed (insurance, mitigation, IT, etc)	\$145
Administrative	\$75

To provide the City with a realistic expectation of eligible direct vs. indirect costs, we support our rates with the following data:

#### Direct Administrative Costs

As noted, our time tracking system provides the appropriate levels of activity and project detail to meet FEMA's documentation requirements for reimbursement under Disaster Assistance Policy (DAP) 9525.9 Section 324 Management Costs and Direct Administrative Costs and has already been proven in the field.

Our experience and data analysis has shown that since direct costs are defined as activities directly related to a project, the percentage of direct time depends on position responsibilities and changes over the course of an engagement in the form of a bell curve, with the majority of direct time being associated with the project worksheet development phase of grant management and a greater percentage of indirect time being incurred

#### **D. HOURLY RATES**

<b>PROFESSIONAL STAFF LEVEL</b>	<b>HOURLY RATE</b>
Partner	\$215
Manager	\$130
Supervisor	\$100
Senior	\$75

#### **E. CONTRACT REVIEW BY FEMA**

CRJ will make every effort to ensure that our services provided under this contract will be eligible for reimbursement by FEMA. Although reimbursement cannot be guaranteed, we will notify the City when in our professional opinion any of our professional services are not expected to be eligible for reimbursement under FEMA requirements.

Our firm will gain an understanding of the specific FEMA requirements related to the assistance required to be performed for the professional services outlined in the RFP. We will gain this understanding based on the reading of FEMA contracts and documents related to the specific assistance granted by FEMA, through our firm-wide experience from dealing previously with FEMA service requirements in past natural disasters (Katrina, Ivan, various floods and tornadoes in Alabama), and direct collaboration with FEMA where necessary. Based on our past experience with FEMA requirements, our firm has the expertise to determine which services are eligible for FEMA reimbursement.

#### **F. CITY EXPENDITURES**

Our firm will ensure that all documents generated pursuant to the FEMA and City contracts shall be in compliance with FEMA regulations and will be in a form so as to ensure eligibility of FEMA reimbursement regardless of whether or not FEMA actually reimburses.

#### **G. CONFLICTS OF INTEREST**

No potential general conflicts of interest exist and particularly no conflicts of interest exist under FEMA guidelines that would prevent the City of Tuscaloosa from entering into an agreement with our firm pursuant to this RFP. To our knowledge, CRJ has not provided any services to the City of Tuscaloosa within the past 5 years – thereby insuring our independence with regard to this contract.



**COST PROPOSAL**

**CITY OF TUSCALOOSA (RFP A11-0456)**

**Proposed Hourly Rates**

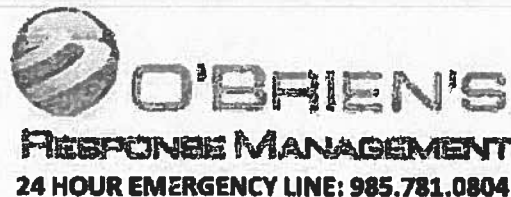
O'Brien's Response Management will provide the personnel listed below at the hourly rates proposed (or those subsequently negotiated) on an as needed or requested basis, at the direction of the City of Tuscaloosa. Job descriptions and responsibilities will be clearly defined and adjusted to conform to the City's requirements.

O'Brien's can also provide additional professional personnel, such as flood plain managers, hazardous materials specialists, hazard mitigation specialists, environmental engineers, building inspectors, engineers, building demolition supervisors and monitors, insurance specialists, and other disaster recovery specialists upon request. O'Brien's will tailor its project team to the specific requirements of the disaster event and at the direction of the City will supply personnel with the requisite training and experience to perform the tasks specified in the RFP scope of services.

**Proposed Rates**

<b>Suggested Positions</b>	<b>Hourly Rate</b>
<b>Project Manager / FEMA Liaison</b>	<b>\$ 135.00</b>
<b>Senior Disaster Recovery / FEMA Program Specialist</b>	<b>\$ 130.00</b>
<b>Disaster Recovery Specialists</b>	<b>\$ 123.00</b>
<b>Senior Federal Grant Program Specialist</b>	<b>\$ 114.00</b>
<b>Field Inspector</b>	<b>\$ 114.00</b>
<b>Document Clerk / Administrative Assistant</b>	<b>\$ 35.00</b>

**Included in Hourly Rates:** The listed rates include all expenses and overhead, including lodging, meals, transportation, and per diems. (Document Clerk will be a local hire not requiring per diems or travel expenses.)





Position	Hourly Rate
Recovery Executive	\$145/hr
Recovery Manager	\$135/hr
Accountant	\$135/hr
Superintendent	\$125/hr
Assistant Recovery Manager	\$125/hr
Field Inspector	\$90/hr
Documents Control Coordinator	\$55/hr
Clerical	\$38/hr

The aforementioned hourly rates are being utilized by Yates Construction on a FEMA funded project and have been audited multiple times and received 100% reimbursement.



Robert M. Amason, Jr.  
Authorized Representative of Amason/Yates, A Joint Venture

May 9, 2011

Date

**ATTACHMENT A – PROPOSED HOURLY RATE SCHEDULE**

The BKI/Shaw team's proposed hourly rate schedule is shown in Exhibit A-1.

**Exhibit A-1.**  
The BKI-Shaw Proposed Hourly Rate Schedule

Category Rate Schedule - Personnel and Services Classification	Category Rate Schedule
Program Manager	\$180.00
Deputy Program Manager	\$137.00
Senior Manager	\$125.00
Quality Assurance/Quality Control Manager	\$125.00
IT/MA Liaison	\$105.00
Construction Manager	\$105.00
Architect	\$89.00
Engineer	\$89.00
Reimbursement, Documentation, and Audit Analyst	\$85.00
Cost Scheduler	\$85.00
Construction Inspector	\$75.00
Geographic Information System Specialist	\$70.00
Project Business Administration	\$67.00
Administrative Assistant	\$57.00
Project Biller	\$35.00

**Terms & Conditions**

**1.0 Personnel Charges**

- 1.1 Personnel time charges for technical, management, and direct project clerical and administrative support activities will be invoiced according to the applicable Category Rate.
- 1.2 All time is rounded to the nearest quarter hour.
- 1.3 The Category Rate Schedule shall be subject to an equitable increase after one (1) year following notice to proceed; BKI/Shaw will provide thirty (30) days prior written notice of a revision.
- 1.4 All field labor and equipment are subject to a four (4) hour minimum per day charge and are charged portal-to-portal, BKI/Shaw's facility.
- 1.5 BKI/Shaw Temporary (contract) personnel may be charged at the applicable Category Rate.
- 1.6 Personnel time charges for travel are invoiced at the applicable Category Rate at the actual time incurred.

**2.0 Premium Charges**

- 2.1 The Category Rate Schedule applies for all hours worked by exempt (salaried) personnel.
- 2.2 Overtime, Weekends & Holidays - Hours worked in excess of daily or weekly standards and/or weekends and holidays by non-exempt and hourly personnel shall be subject to a 1.5 times multiplier in accordance with FLSA requirements.

**3.0 Travel and Living Expenses**

- 3.1 Travel expenses for transportation (including mileage reimbursement) and lodging expenses will be charged at cost plus 10%.
- 3.2 Meals and incidental expenses will be charged at a pre-determined daily rate (based on location) plus 10%.
- 3.3 Long-term, on-site project personnel are permitted to return home every three (3) weeks. These travel expenses will be invoiced at cost plus 10%.

PROJECT: J. A. ... PROPOSED HOURLY RATE SCHEDULE ...



**JOHNSON ENVIRONMENTAL  
& DISASTER CONSULTING SERVICES**

429 CAMWAY DR. • WILMINGTON, NC 28403  
PH (910) 791-8381 • FAX (910) 798-9918  
E-MAIL: mail@johnsonenv.com



Mr. Timothy H. Nunnally, City Attorney  
Office of the City Attorney  
PO Box PO Box 2089  
Tuscaloosa, AL 35403

May 7, 2011

**VIA HAND DELIVERY:**

Office of the City Attorney  
2201 University Blvd.  
Tuscaloosa, AL 35403

**RE: CONTRACT FOR DISASTER MANAGEMENT SERVICES**

Johnson Environmental & Disaster Consulting Services will provide full service disaster management to Tuscaloosa, AL, attempting to satisfy the documentation requirements of FEMA.

Assistance will include any or all parts of Disaster Management Recovery, i.e. damage assessment assistance, preparation of NOI (Notice of Interest for FEMA Public Assistance), PW (project worksheet) estimation and preparation, Project Management, Documentation Preparation, data management, final closeout preparation and exit audit.

<u>POSITIONS</u>	<u>HOURLY RATES (ending 6-30-12)</u>
Project Manager	\$95.00
Disaster Consultant	\$95.00
<u>POSITIONS</u>	<u>HOURLY RATES (ending 6-30-12)</u>
Billing/Invoice Analysts	\$39.00
Field Observer	\$33.60

All positions described above may not be necessary for providing Disaster Management Services needed under this contract; however rates have been provided if the need arises for a specific job description. Expenses include but are not limited to: travel, lodging, printing, materials, long distance charges, shipping, and other associated costs that are



# *Disaster Recovery Consultants*

## **Pricing**

The proposed cost for all services performed under the specifications of this agreement is listed below in the rate chart. These costs will be the total cost to the Tuscaloosa for all services to be provided. The DRC team will not submit for or request any additional costs for this project.

### **Rate Schedule Chart**

Labor Classification	Raw Hourly Rate	Overhead Rate (%)	Raw + OH = Labor Rate
<b>MANAGEMENT</b>			
Management -Program Manager	\$ 92	150%	\$230.00
Management -Deputy Program Manager	\$ 75	150%	\$187.50
Management -Professional (A/E)	\$ 72	150%	\$180.00
Management -Federal Program Specialist	\$ 70	150%	\$175.00
Management -Grant Administrator	\$ 59	150%	\$147.50
Management -Project Control Specialist	\$ 59	150%	\$147.50
<b>LEAD</b>			
Lead - Project Manager	\$ 58	150%	\$145.00
Lead - Professional (A/E)	\$ 48	150%	\$120.00
Lead - Federal Program Specialist	\$ 45	150%	\$112.50
Lead - Grant Administrator	\$ 38	150%	\$90.00
Lead - Project Control Specialist	\$ 33	150%	\$82.50
<b>ASSOCIATE</b>			
Associate - Professional (A/E)	\$ 24	150%	\$80.00
Associate - Federal Program Specialist	\$ 22	150%	\$55.00
Associate - Grant Administrator	\$ 18	150%	\$45.00
Associate - Construction Inspector	\$ 18	150%	\$45.00
Associate - Clerical	\$ 14	150%	\$35.00



# EXHIBIT E



**thompson**  
CONSULTING SERVICES

Owner: City of Tuscaloosa, Alabama  
 Master Agreement Number: A11-0479  
 Owner's Representative: Mike Wright, Director of Finance  
 Task Order Directive: No. 1 - Project Kickoff and project delivery plan  
 Estimated Duration: 2 Weeks  
 Estimated Budget: \$42,305 ; max amount  
 Scope: Thompson Consulting Services (TCS) will deploy a team of consultants to the City's offices to establish an understanding of the City's current needs with respect to its FEMA Public Assistance applications. The TCS team will be comprised of the following consultants:

*basically to bring them up to speed.*

*- actual work product:*  
 → Delivery plan  
 → TOO # 2; implementation of the plan.  
 → includes proposed PWS, which are the actual grant apps. (will need to start accounting for the damages & resulting expenses to be in this process).

1. Jon Hoyle, Principal-in-Charge
2. Leighanne Faught, CPA, Client Liaison
3. Erica Loch, Senior Grant Management Consultant
4. Bob McGill, Senior Grant Management Consultant
5. Nathan Counsell, Senior Grant Management Consultant

The initial task of the TCS team will be to conduct a kickoff meeting to establish and understand the City's recovery plan, current state of grant applications, project delivery parameters, and gather additional information necessary for TCS to develop a project delivery plan, scope, and budget for Task Order Directive No. 2. It is anticipated that the delivery plan will include an itemized list of project worksheets to be developed and estimated project costs. The list of project worksheets will be prioritized by TCS according to the City's objectives and FEMA requirements.

This task order directive anticipates that the TCS team of consultants will be on site for 5 business days. In addition, 5 business days of remote work will be required for select staff to develop the delivery plan.

CITY OF TUSCALOOSA

THOMPSON CONSULTING SERVICES

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: Mike Wright, Finance Director

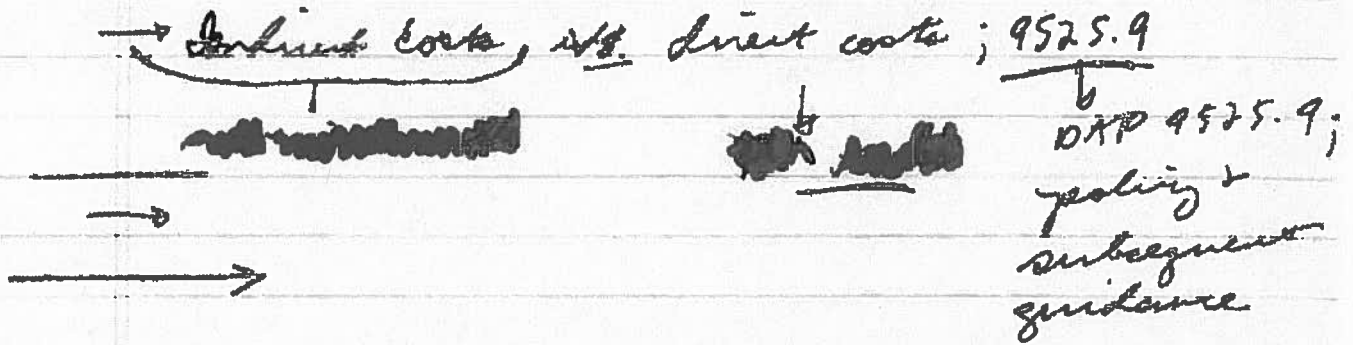
Its: Jon Hoyle, President

*\* Have requested to meet w/ Dept. Heads. It suggested they need to meet better define their*

2007 Gaylelene Commercial Bldg., Suite 14  
 Birmingham, AL 35243  
 205.329.1205 fax: 205.329.1206  
 www.thompsonconsulting.com

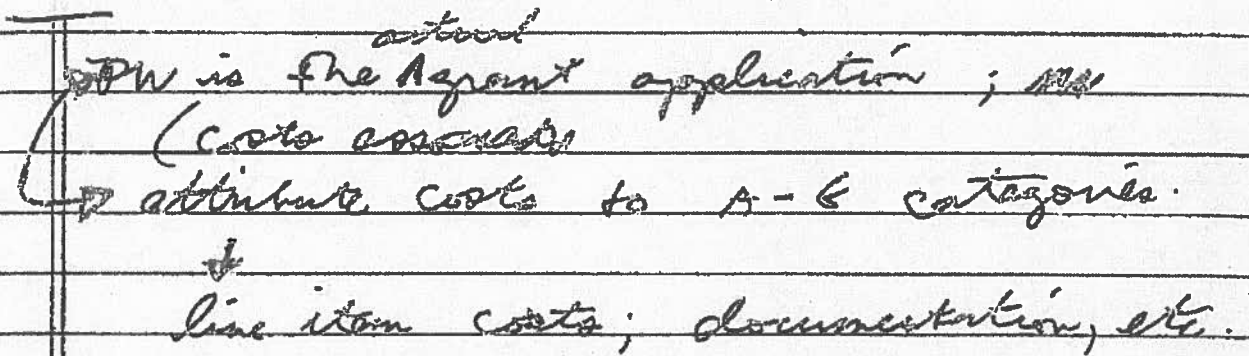
*w/ Dr. Com. first, to scope.*

- First 700 ; on-site  $\approx$  2 hrs.



- City may draft PWs, ask consultant to do it; or, have FEMA do it.

- In past, TS has taken primary responsibility for drafting PWs.



→ (Do we want consultation on the actual debris removal aspect?)

↳ need to more clearly define the consultant's scope of services.

**Finding B: Duplicate Benefits (Insurance Coverage)**

The OIG finds that the City did not advise FEMA or Alabama of the actual amount of insurance proceeds it received for disaster damages. City officials believed that they were to report actual insurance proceeds at project closeout. However, documentation shows that Alabama consistently asked the City for actual insurance proceeds but the City did not provide the data. Because the City claimed costs that insurance covered, we question \$320,705 as ineligible duplicate benefits.

Project Number	Project Size	Project Description	Gross Award Amount	Anticipated Insurance Proceeds	Actual Insurance Proceeds	Amount Questioned
1986	Large	Blgs. 3,4,6,10&20 Waste Water Treatment	\$481,769	\$248,494	\$481,551	\$233,057
1226	Small	EPM	\$42,065	\$0	\$42,065	\$42,065
1936	Small	Bldg. 8 Roof Repair	\$27,128	\$21,724	\$25,208	\$3,484
2162	Small	EPM (Animal Shelter)	\$20,455	\$0	\$20,390	\$20,390
2406	Small	Curry Building Relocation	\$21,709	\$0	\$21,709	\$21,709
<b>Total</b>			<b>\$593,126</b>	<b>\$270,218</b>	<b>\$590,923</b>	<b>\$320,705</b>

It is the Recommendation of OIG to “Disallow \$320,705 of ineligible duplicate benefits for insurance recoveries that the City did not deduct from eligible project costs unless the City can provide sufficient evidence that insurance did not cover the eligible costs (findings B).

The City provides the following response:

1. The City has provided OIG with documentation to support that it did inform the State of Alabama of insurance proceeds. Additionally the City has provided OIG with documentation from FEMA that adjustments from estimated insurance proceeds to actual would be completed during project closeout and that this was the appropriate time to provide that documentation.
2. The City has provided documentation that 1986 was written for \$7,921.70 and not the amount indicated above and necessary insurance adjustments were made on this PW.
3. The City has provided documentation that in regard to PW 1226 that on October 2, 2015, AMIC (the City insurance carrier) agreed to pay the City \$29,986.79 for insured cost associated with the PW. The City notified the State and OIG of this. Therefore, the necessary insurance adjustments will be made to this PW.
4. In regard to PW 1936, the City included mitigation measures by upgrading the roof to a stronger gauge at a cost not covered by insurance as well as direct administrative cost (DAC) which makes up the \$4404.30 of this PW. Therefore, no insurance adjustment is merited.

5. In regard to PW 2162 the City has provided FEMA, the State and OIG with documentation that this was not an insurance cost and is due to be paid by FEMA. Therefore no insurance adjustment is merited.
6. In regard to PW 2406, the City was provided insurance coverage for this cost which was unknown to the City representative.

In summary the City continues to keep the State of Alabama informed of all insurance proceeds and will recommend the changes necessary to all project worksheets in accordance with all Federal regulations.



**Finding C: Unsupported Cost**

The City has assumed that sufficient documentation has been provided to remove this finding