

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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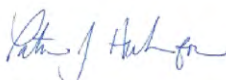
Date: April 3, 2025

CAO File No. 0150-12950-0002

Council File No. 25-0030

Council District: All

To: The City Council



From: Matthew W. Szabo, City Administrative Officer

Subject: **AGREEMENT WITH IEM INTERNATIONAL, INC. EXECUTED UNDER THE STATE OF LOCAL EMERGENCY SUSPENDED COMPETITIVE BIDDING RESTRICTIONS**

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### RECOMMENDATION

That the Council note and file this report, as it is provided for informational purposes only.

### SUMMARY

On January 7, 2025, the Mayor declared a state of local emergency due to severe straight-line winds and catastrophic wildfires, pursuant to Los Angeles Administrative Code (LAAC) Section 8.27. On January 14, 2025, reaffirmed on February 25, 2025 and March 21, 2025, the City Council unanimously resolved that there exists a local emergency and ratified the Mayor's Declaration of Local Emergency (C.F. 25-0030). The City Council further unanimously resolved that competitive bidding restrictions in City Charter Section 371 and LAAC Section 10.15 be suspended for contracts entered into by the City with respect to purchases and contracts needed to respond to the declared state of emergency. The Council's resolution instructed departments that enter into contracts related to the state of emergency under the suspended competitive bidding restrictions to report to the Council within two weeks to justify why the contract was necessary, including why the emergency did not permit a delay resulting from a competitive solicitation for proposals.

The CAO is whereby notifying the City Council of Contract No. C-200961 (Agreement), entered into by the CAO as of April 1, 2025 with IEM International, Inc. (Contractor), which was executed under the suspended competitive bidding restrictions authorized by the City Council because of the declared state of emergency. The Agreement is for a term of six months effective March 31, 2025 through September 30, 2025, plus an option to extend for an additional six months, for a potential term of up to one year, and total compensation not to exceed \$5 million.

Pursuant to the Agreement, the Contractor will provide technical assistance for wildfire and urban interface recovery efforts. The goal of the Agreement with the Contractor is to maximize the reimbursement the City receives from the federal government for this disaster. As the President declared a Major Disaster Declaration for this emergency, the City can be reimbursed for eligible costs and damages under the Federal Emergency Management Agency (FEMA) Public Assistance (PA) Program. The CAO coordinates the City's applications for FEMA PA funding. Federal funding

is received on a reimbursement basis, and requires submission of numerous grant application materials and documentation, which must be submitted within specific timeframes. While the CAO is adept at the FEMA PA process and compiling the data to submit for claims, the volume and complexity of claims for the windstorm and wildfire emergency is substantial. The specific scope of work of the Agreement includes the following, in addition to project management:

- Cost recovery and financial documentation, including the development a comprehensive emergency response and cost recovery strategy;
- Public infrastructure damage assessment and recovery, including conducting damage inventories and cost estimates for recovery;
- City agency stakeholder engagement, including conducting workshops and trainings for City departments and officials;
- Environmental and historic presentation compliance, to ensure the City complies with environment and historic preservation laws for FEMA-funded projects; and,
- Additional related support as needed.

While the Agreement has an expenditure authority of \$5 million, actual expenditures will be based on hours worked by the Contractor's staff in accordance with a fee schedule incorporated within the Agreement. No minimum compensation is guaranteed. The CAO has requested \$1 million in funding from the General City Purposes Wildfire Emergency Response and Recovery Account (C.F. 25-0006-S48) to fund the short-term anticipated expenditures of the Agreement. Additional funding requests will be made if actual expenditures exceed this \$1 million request.

Given the short timelines delineated by the California Office of Emergency Services (CalOES) and FEMA for PA funding requests, it was necessary to enter into the Agreement without a competitive procurement process in order to ensure support was available in time to meet State and federal requirements. Initial documentation has already been submitted to CalOES and FEMA by the CAO. The CAO anticipates the Recovery Scoping Meeting with FEMA, CalOES, and relevant City departments to identify the scope of eligible projects for FEMA PA funding to occur in mid-April 2025. Working with FEMA, CalOES, and all relevant City departments, the CAO will be required to complete the final List of Projects determined to be eligible for FEMA PA funding by mid-June 2025.

It is the CAO's intention to submit reimbursement requests for the Contractor's services through the FEMA PA program, and it is anticipated that all services provided by the Contractor will be eligible for FEMA PA reimbursement. In order for a contract to be eligible for FEMA PA funding, the FEMA PA regulations require that for non-competitively bid contracts, a competitive procurement occur once the initial exigency and emergency situation subsides. The CAO will coordinate with the Emergency Management Department (EMD) to release a Request for Proposals as soon as possible for these services, as well as other disaster recovery services required by EMD, to ensure compliance with the FEMA regulations. As such, the term of the Agreement is six months in order to allow sufficient time for the competitive procurement process, with an additional six-month extension allowed if there are any delays in the competitive process.

## **FISCAL IMPACT STATEMENT**

There is no fiscal impact associated with approval of the recommendation to note and file this report.

## **FINANCIAL POLICIES STATEMENT**

This report is in compliance with the City's Financial Policies.

*MWS:PJH:MAV:11250090*