



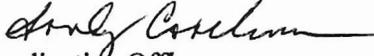
FEMA



October 3, 2008

MEMORANDUM FOR: Public Assistance Applicants
FEMA-DR-1791

ATTENTION: FEMA Public Assistance Group Supervisors
State Applicant Liaisons
State Debris Manager

FROM: Sandy Coachman 
FEMA Federal Coordinating Officer

Joan Haun 
State Coordinating Officer

SUBJECT: Contracting for Debris Removal

ISSUE: This memorandum serves to provide guidance to Public Assistance Applicants on contracting for the removal of debris generated from Hurricane Ike and monitoring debris removal operations.

AUTHORITY: Section 403 and 407 of the Robert T. Stafford provides FEMA the authority to fund debris removal activities of eligible Public Assistance Applicants.

GUIDANCE: Public Assistance Applicants are required to competitively bid their contracts for the removal of debris generated by Hurricane Ike debris removal operations to meet the procurement requirements for Federal grants, as set forth in 44 CFR Part 13.36 *Procurement*. If necessary, Applicants may use abbreviated emergency procurement procedures if they are allowed under State or local laws, codes or ordinances. Debris removal contract costs must be reasonable and necessary as defined and required by OMB Circular A-87 and 44 CFR Part 13. Competitively bid contracts that comply with Federal, State, and local procurement regulations and procedures will establish reasonable costs for the work. However, FEMA will determine reasonable costs for contracts that are not competitively procured.

Piggyback contracts may be legal under applicable state law; however, the use of such a contract may jeopardize FEMA funding because these contracts do not meet requirements for competition established in 44 CFR Part 13. If FEMA encounters a request for reimbursement of costs derived from such a contract, the reimbursable costs for eligible work will be based on reasonableness. Applicants must document the procedures used to obtain/award contracts (procurement information, bid solicitations, etc.). Applicants' requests for proposals/bids should provide a clear and definitive scope of work and monitoring requirements. As a prudent course of action, Applicants should obtain from bidders their proof of insurance and bonding, and copies of licenses, references and financial records. It is advised that the Applicant's legal representative should review all contracts prior to award.

Contracts must include a *Termination for Convenience* clause allowing Applicant to terminate the contract at any time for any reason. A contract provision that specifies that the applicant will pay

contractor only for FEMA eligible work is acceptable. Contracts should include a requirement to use load tickets that specify the amount of debris collected, hauled, reduced and disposed of, and load tickets must specify where the debris originated (e.g., street address). Contractors should be required to submit invoices monthly. Contractors should use mechanical equipment to load and reasonably compact debris into trucks and trailers. Contractors must also provide a safe working environment, including properly constructed monitoring towers.

FEMA will typically only reimburse applicants for a time and materials contract for eligible debris clearance work performed during the first 70 hours following a declared disaster. After 70 hours of work, the applicant should have sufficient information on the scope of work necessary to complete debris collection and disposal, and a basis for estimating a reasonable cost for the contract work to effectively solicit a lump sum or a unit price contract. For some types of debris work where time-and-materials contracts may be the most cost-effective and well-suited to the type of work, applicants should work closely with the State and FEMA when awarding such contracts to ensure eligibility requirements are met.

Applicants must monitor debris removal operations and document eligible quantities and reasonable expenses to ensure that the work is eligible for Public Assistance grant funding. Failure to do so may jeopardize Public Assistance funding. Monitoring debris removal operations when operations are performed by a contractor is required, and documentation of all eligible expenses is required, regardless if operations are conducted by force account labor or by a contractor.

Debris monitors should be trained and possess qualifications commensurate with job duties. If the applicant contracts for debris monitoring, the debris monitor should not be employed by or affiliated with the debris removal contractor. Debris monitoring contractor costs associated with compiling data to verify costs invoiced by the debris removal contractor may be an eligible expense under the Public Assistance program. To be eligible, debris monitoring contracts must meet rules for Federal grants as proscribed in 44 CFR Part 13.36. Debris monitoring contracts are typically time and materials contracts and must contain a *not-to-exceed* clause pursuant to Part 13 of 44 CFR.

Debris removal should be monitored at collection, storage and disposal sites. Debris monitors should measure and certify truck capacities on a regular basis, should control the issuance and completion of load tickets, and should ensure that trucks are not artificially loaded (ex. debris is wetted). Additional information on debris removal contracting, monitoring, and debris removal eligibility criteria can be found in the FEMA 325 Public Assistance Debris Management Guide (July 2007), available at <http://www.fema.gov/government/grant/pa/demagde.shtm>.

Questions regarding this memorandum should be directed to Karri Dubois, Public Assistance Group Supervisor, at 940-367-6119.