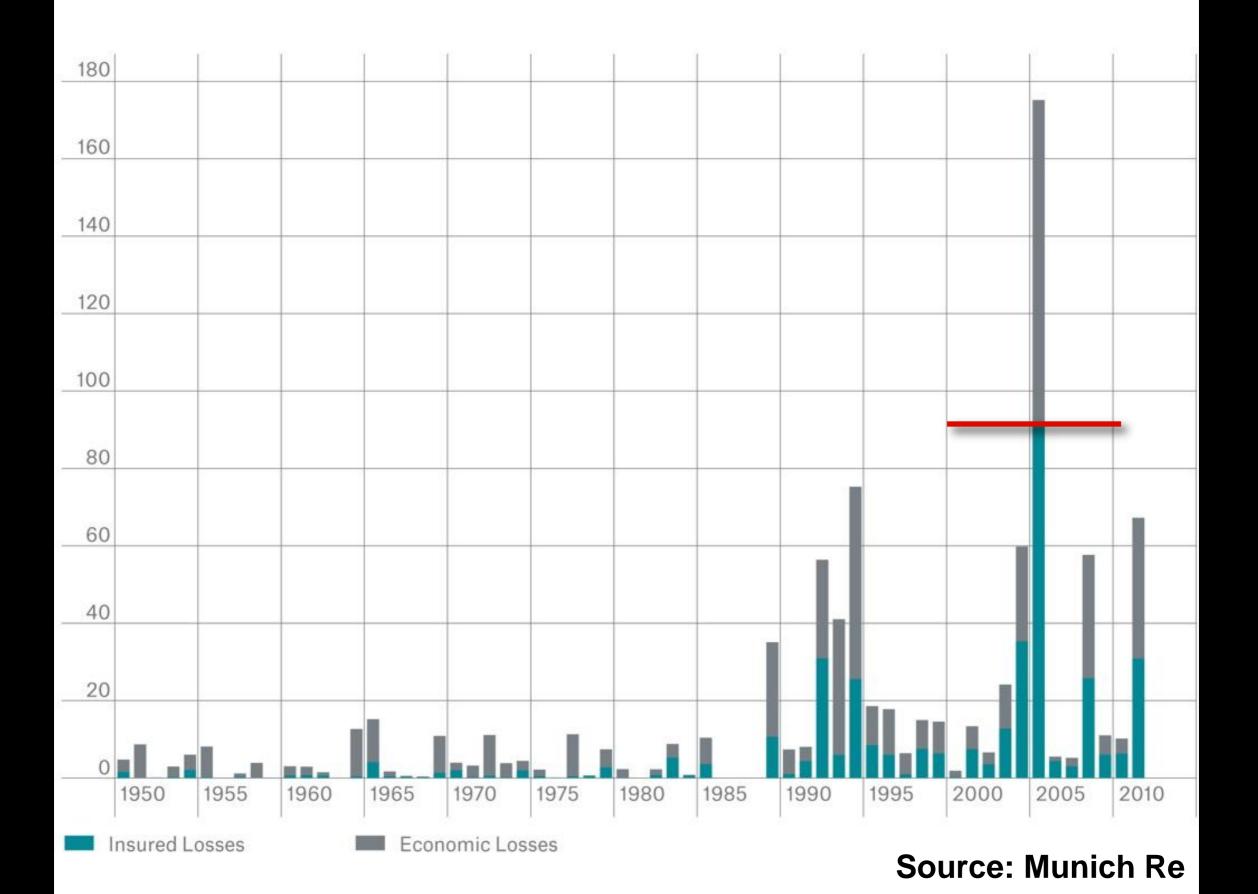


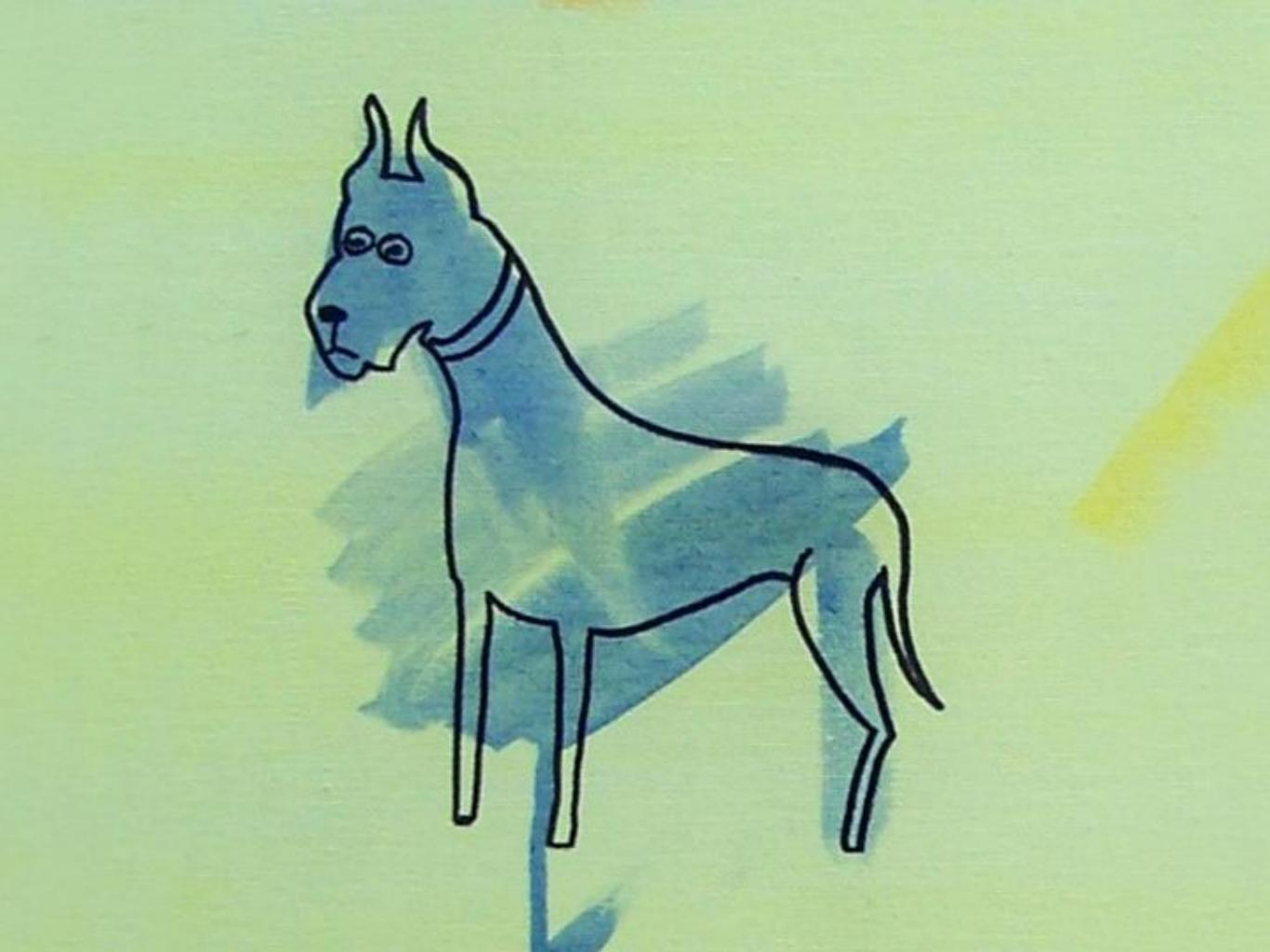
Maximizing
Your Disaster
Cost Recovery

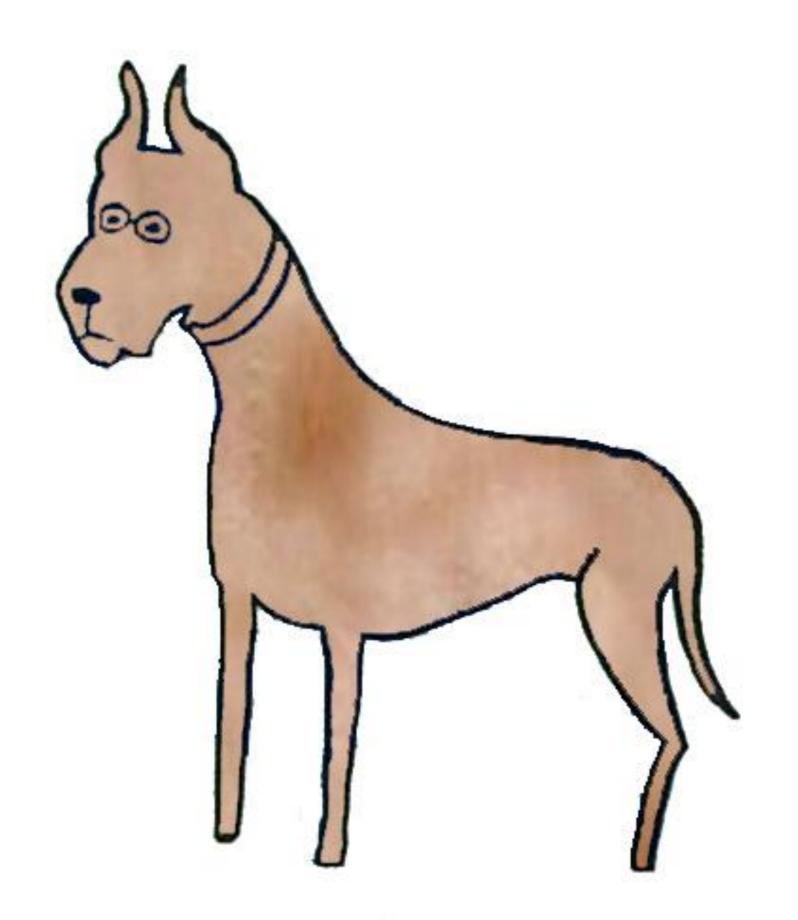
Mike Martinet, MS, CEM

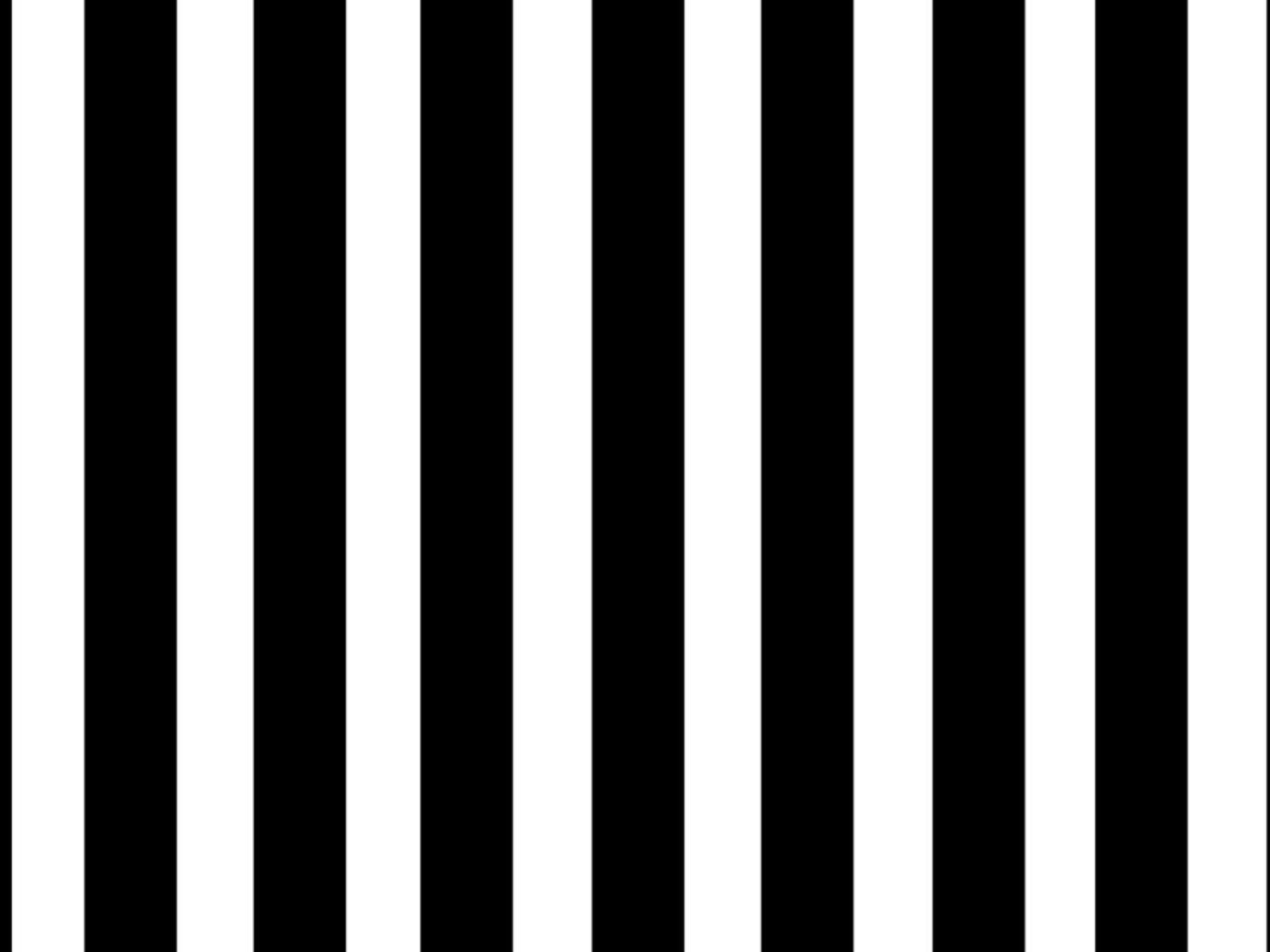
U.S. Annual Disaster Losses: 1950 to 2011











Top 5 Audit Problems

- 1 Purchasing
- 2 Documentation
- 3 Ineligible work
- 4 Insurance
- 5 Project Management

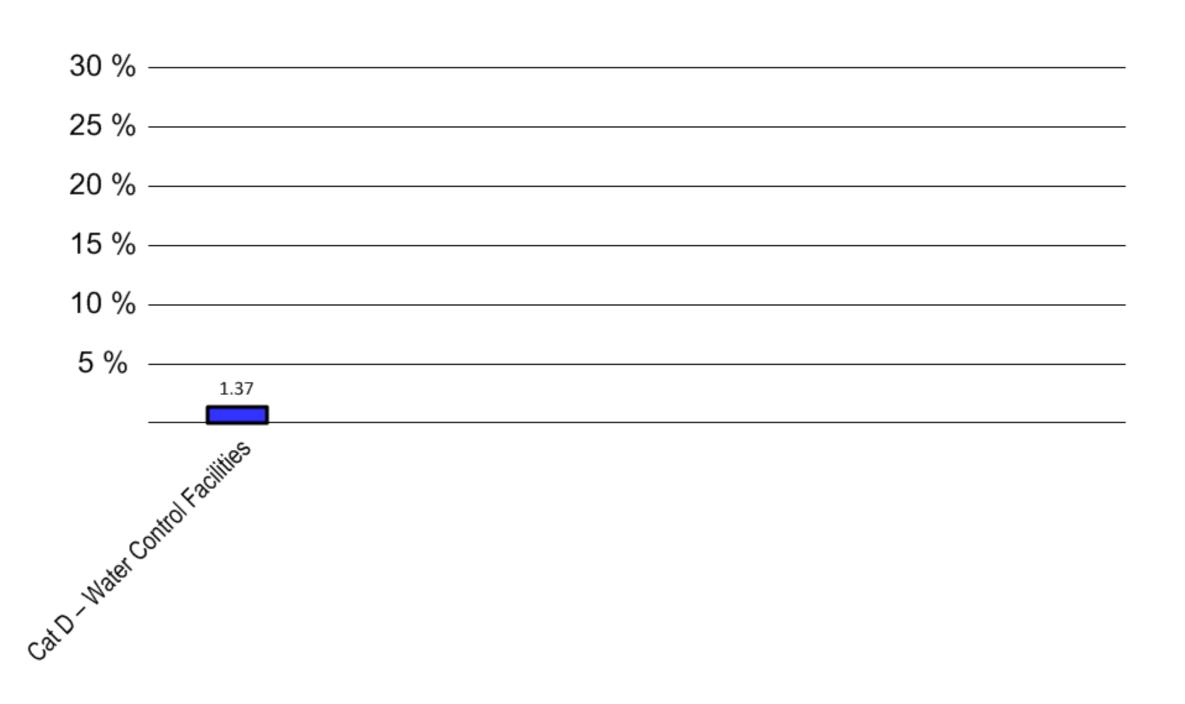


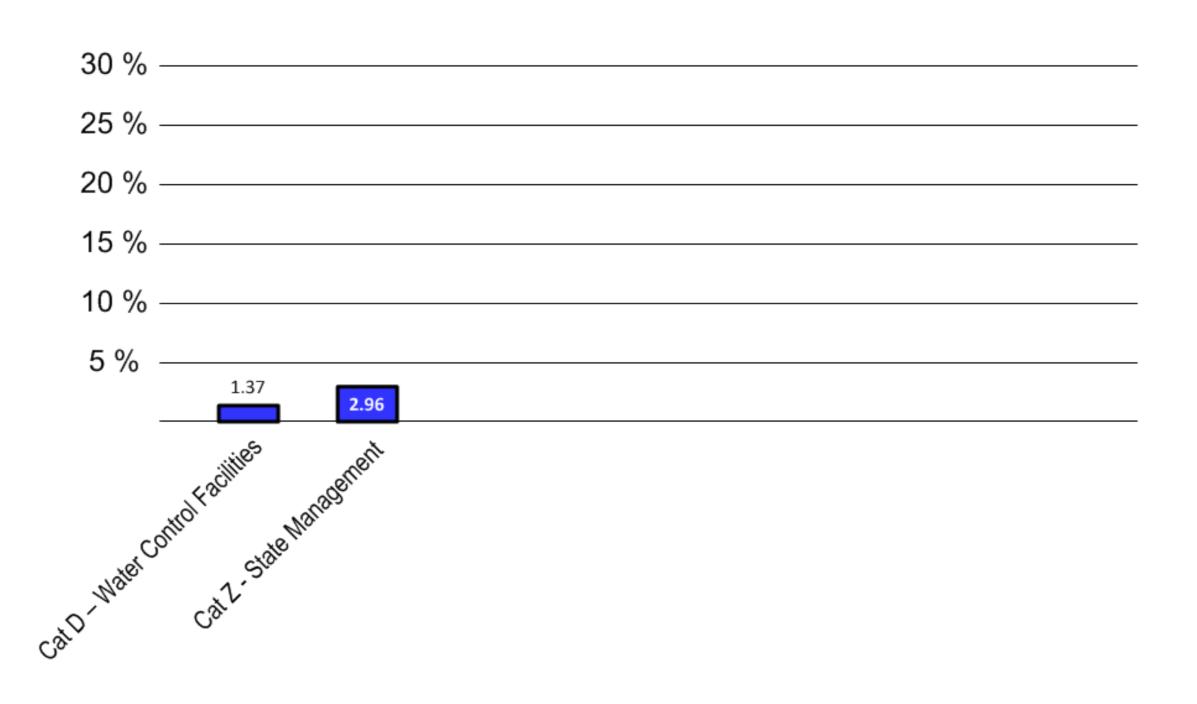


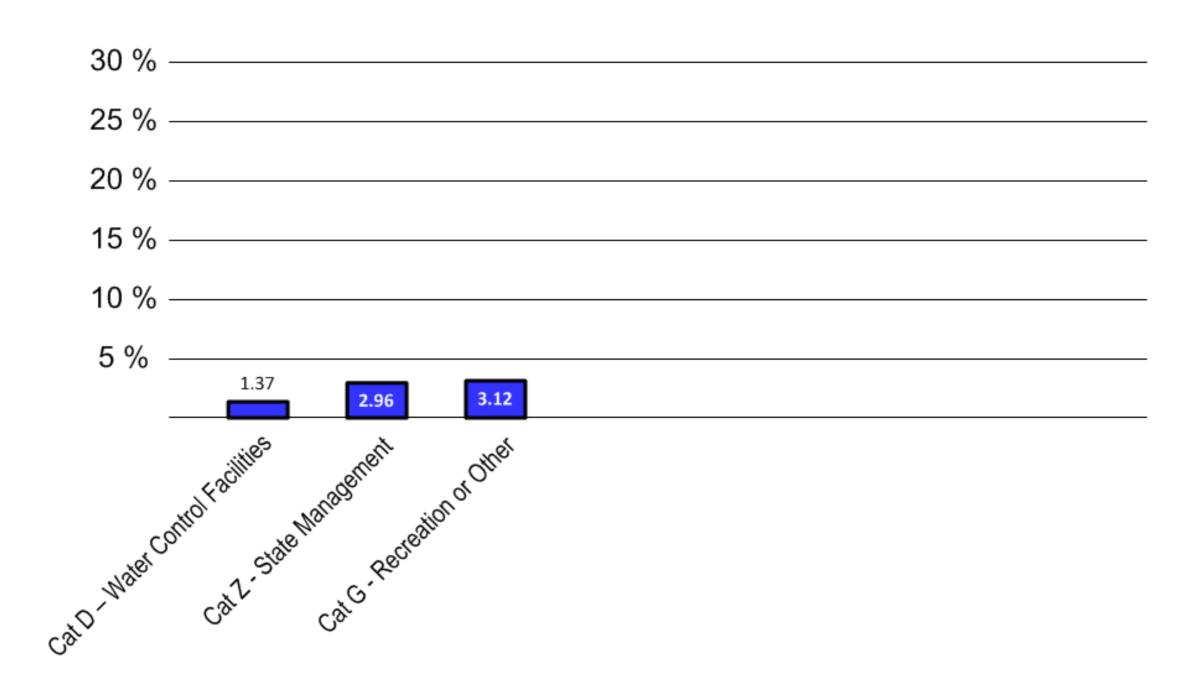


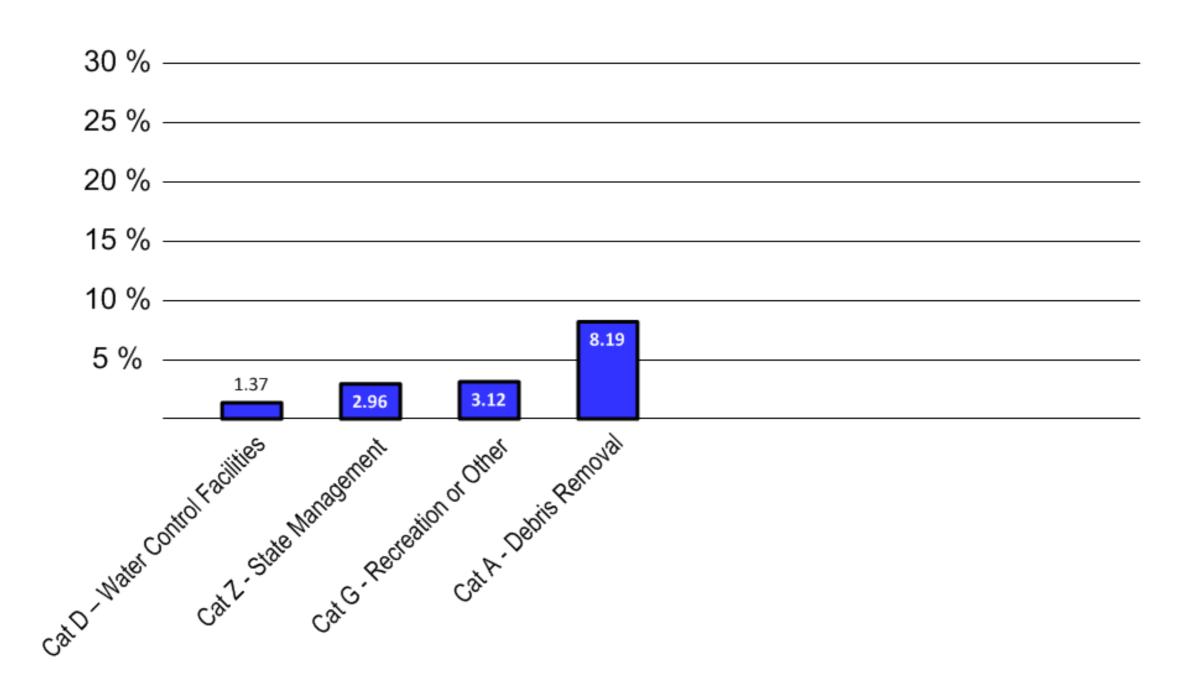


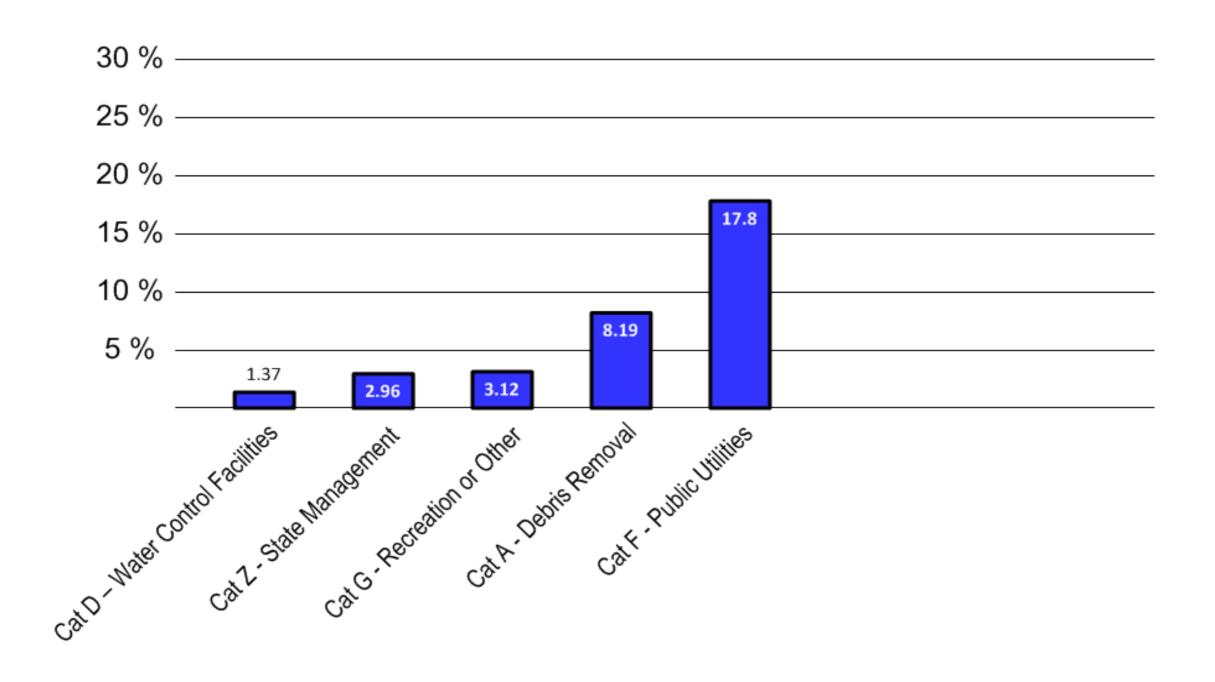


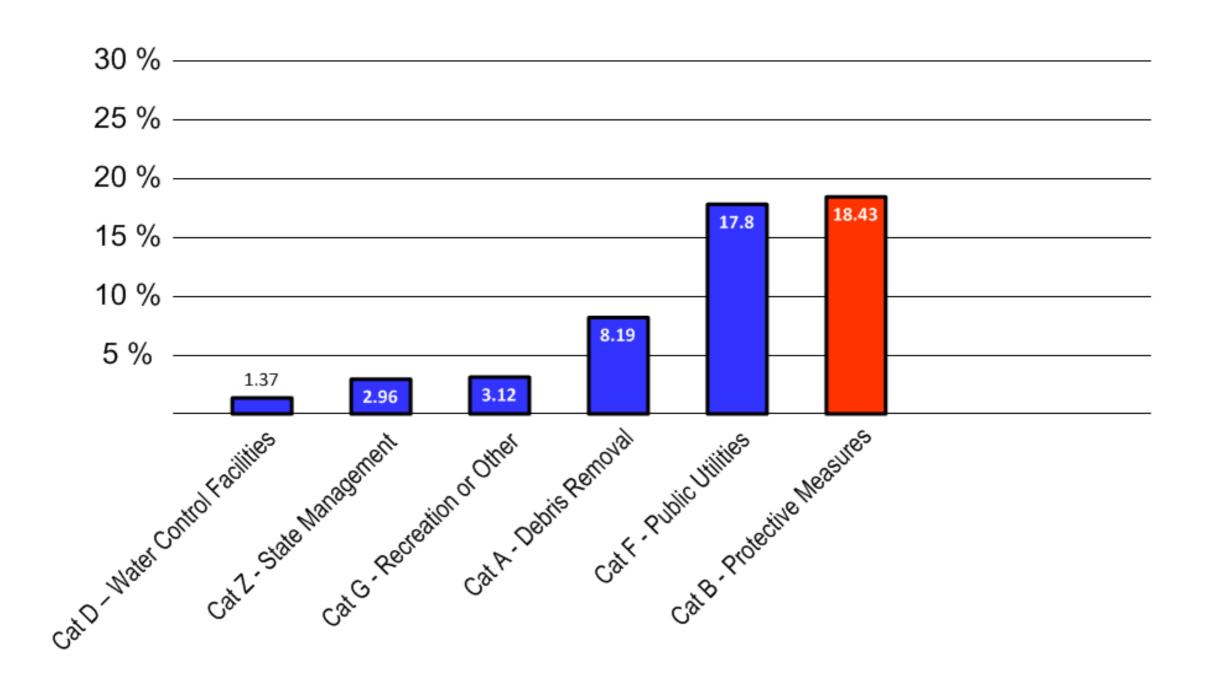


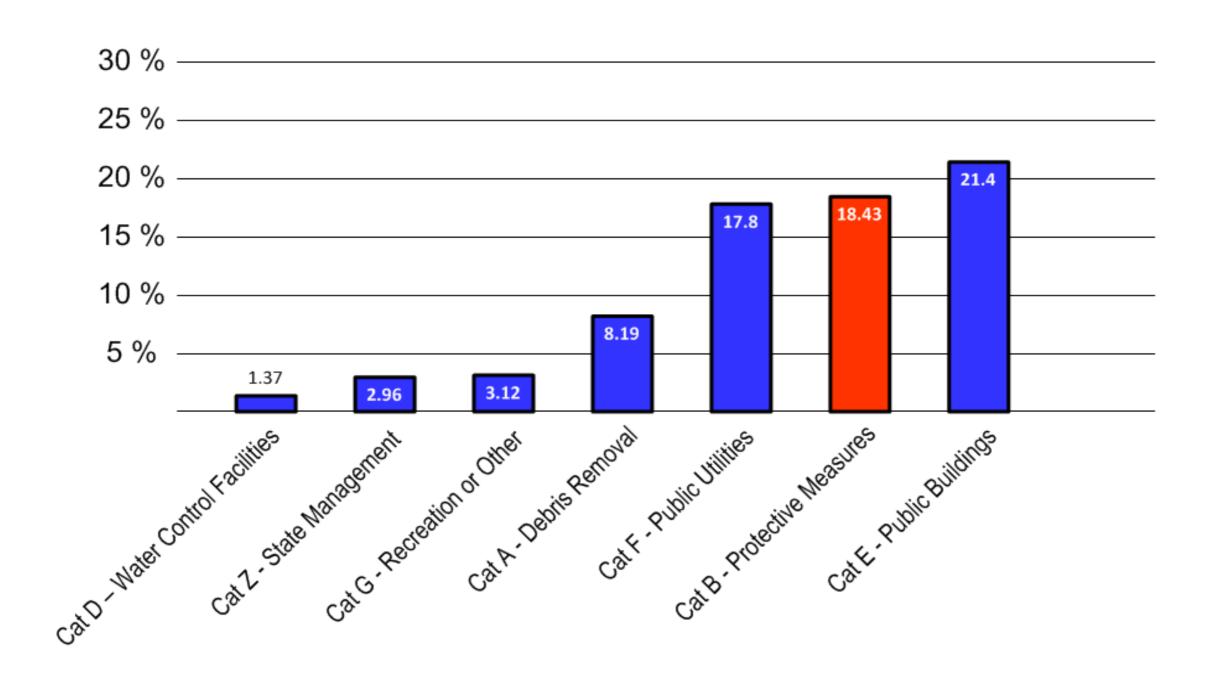


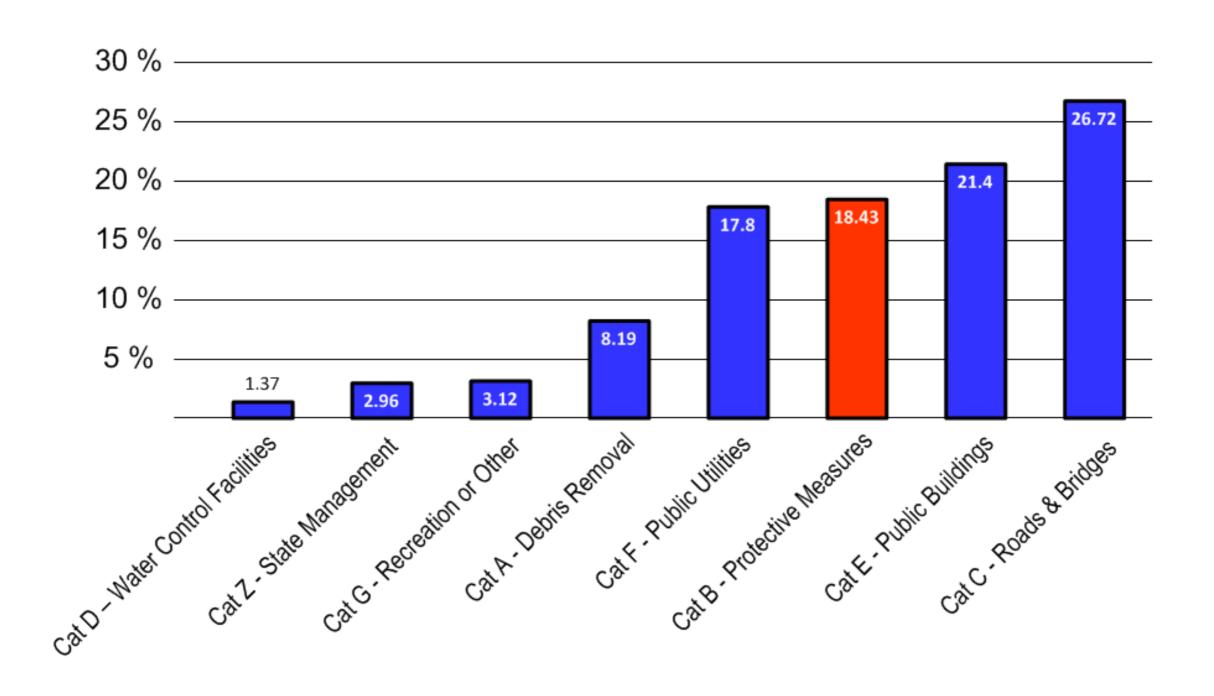


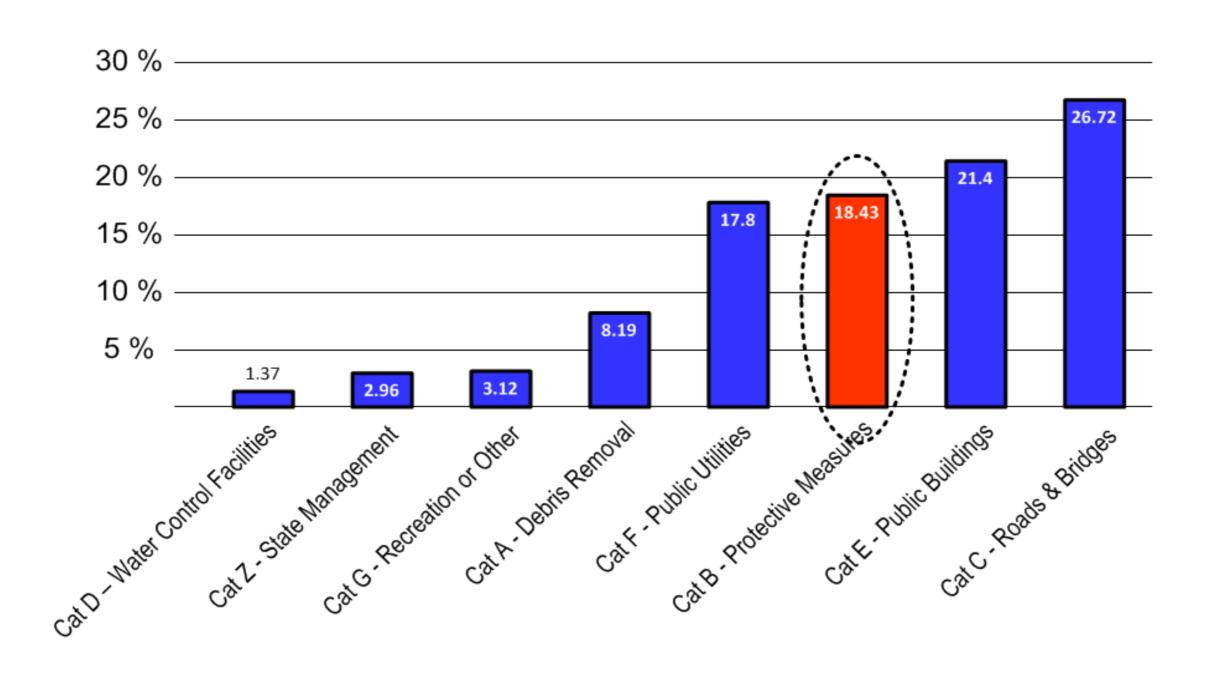


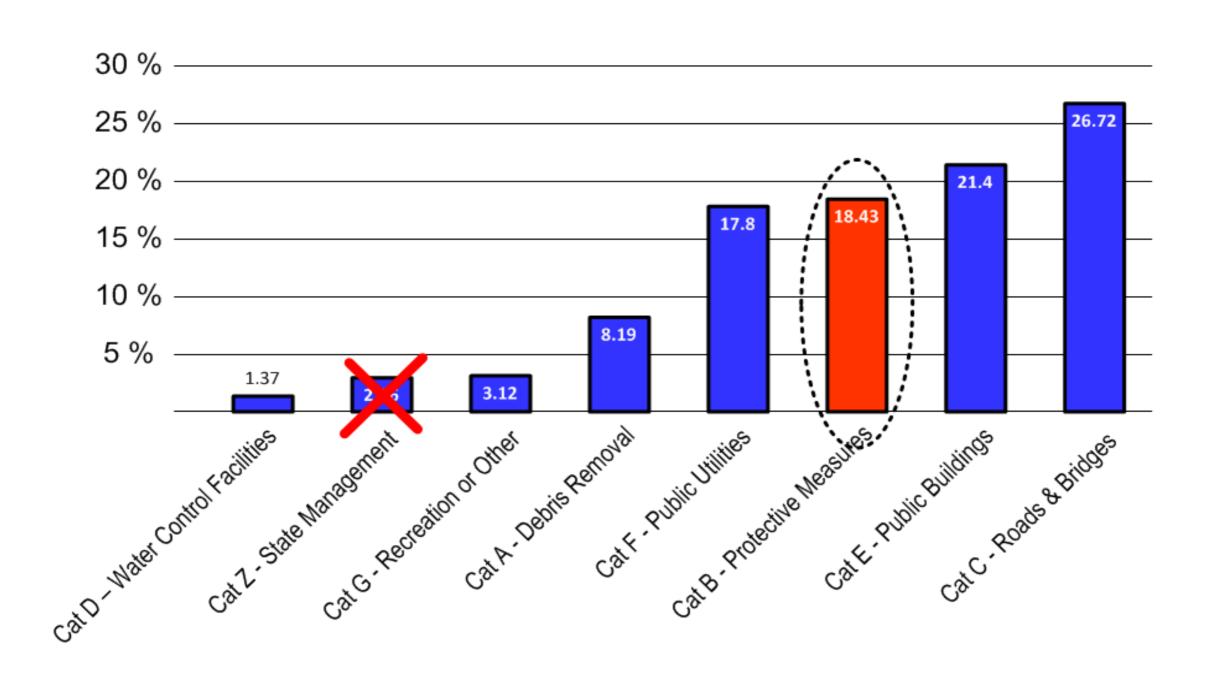






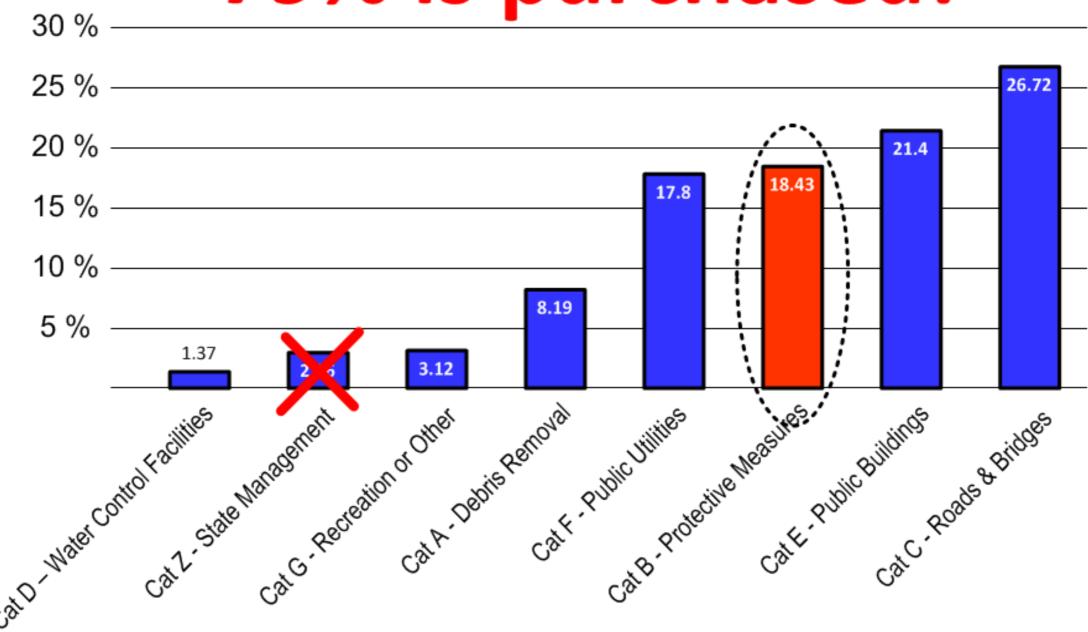






2 Year Average – FFY 2011 & 2012

79% is purchased!





Disaster Purchasing

We must follow our rules...

Disaster Purchasing

We must follow our rules...

AND

Disaster Purchasing

We must follow our rules...

AND

We must follow Federal rules!

Code of Federal Regulations,
Title 44 Section 13.36
and

2 CFR Section 215, 220, 225, or 230



Purchasing

Day-to-day purchasing rules

Construction

Consulting Services

Equipment

Materials & Supplies

I.T. Purchasing

Disaster Related Purchasing

Day-to-day purchasing rules

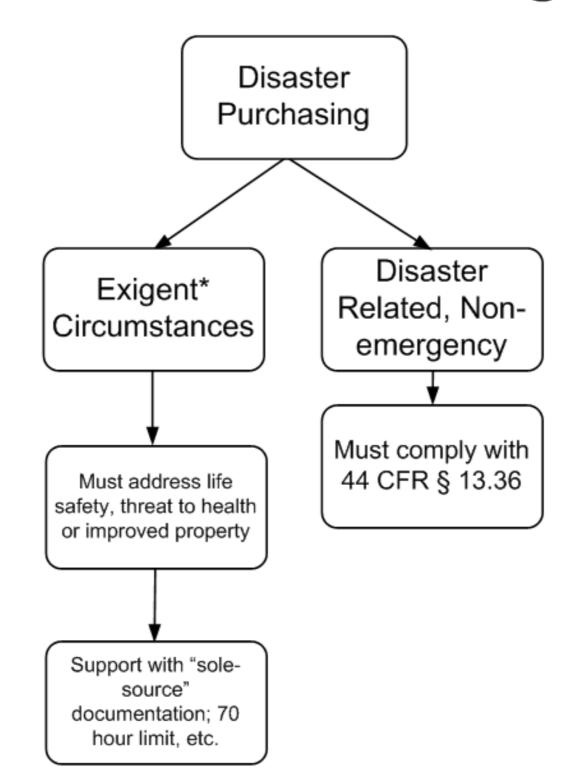
Construction

Consulting Services

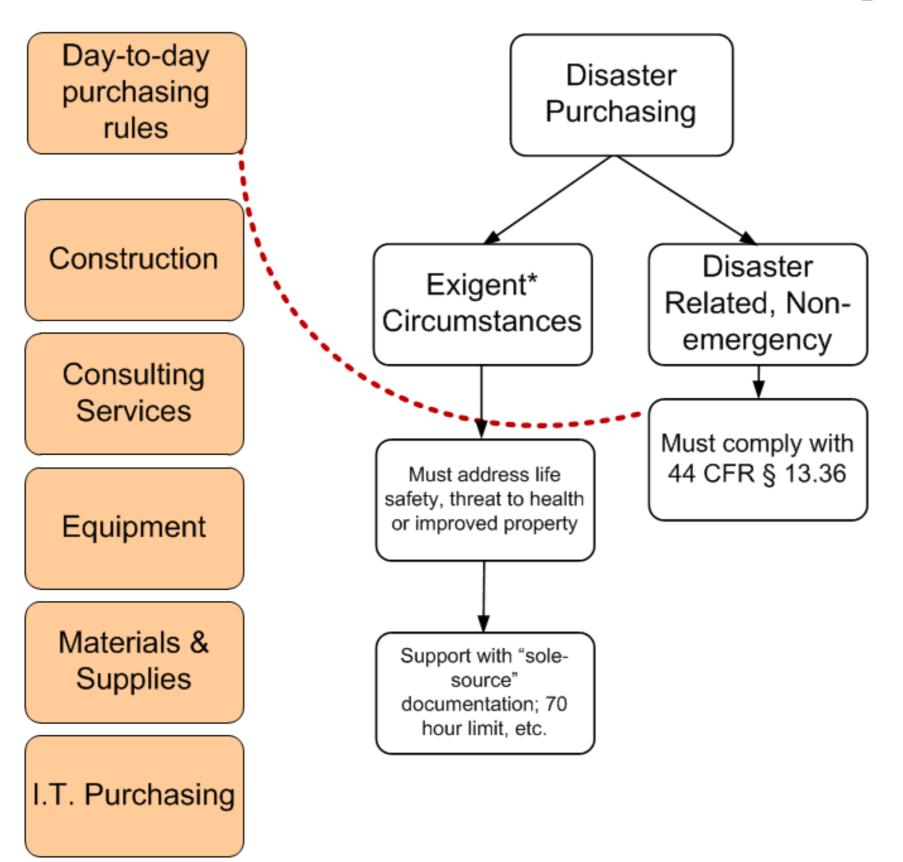
Equipment

Materials & Supplies

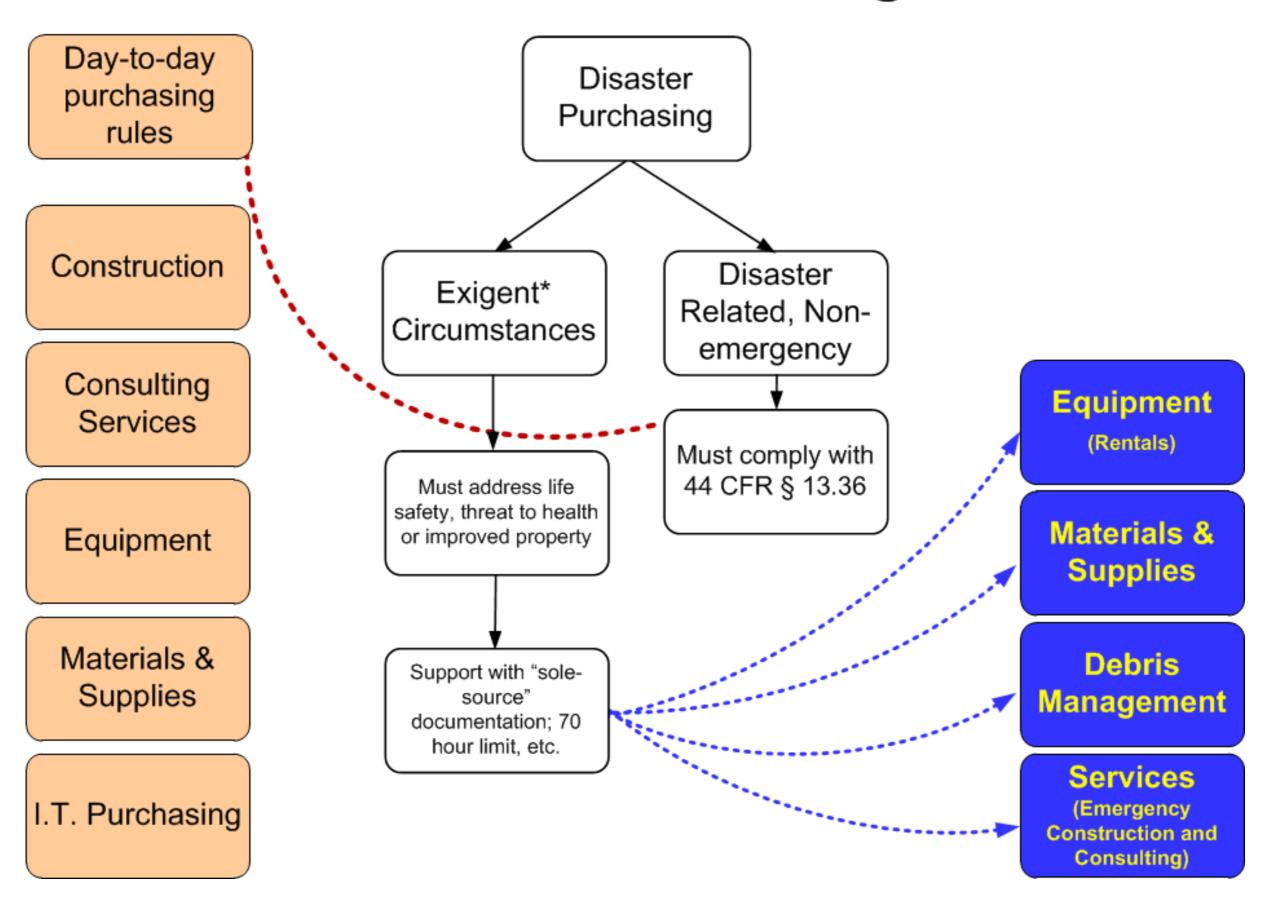
I.T. Purchasing



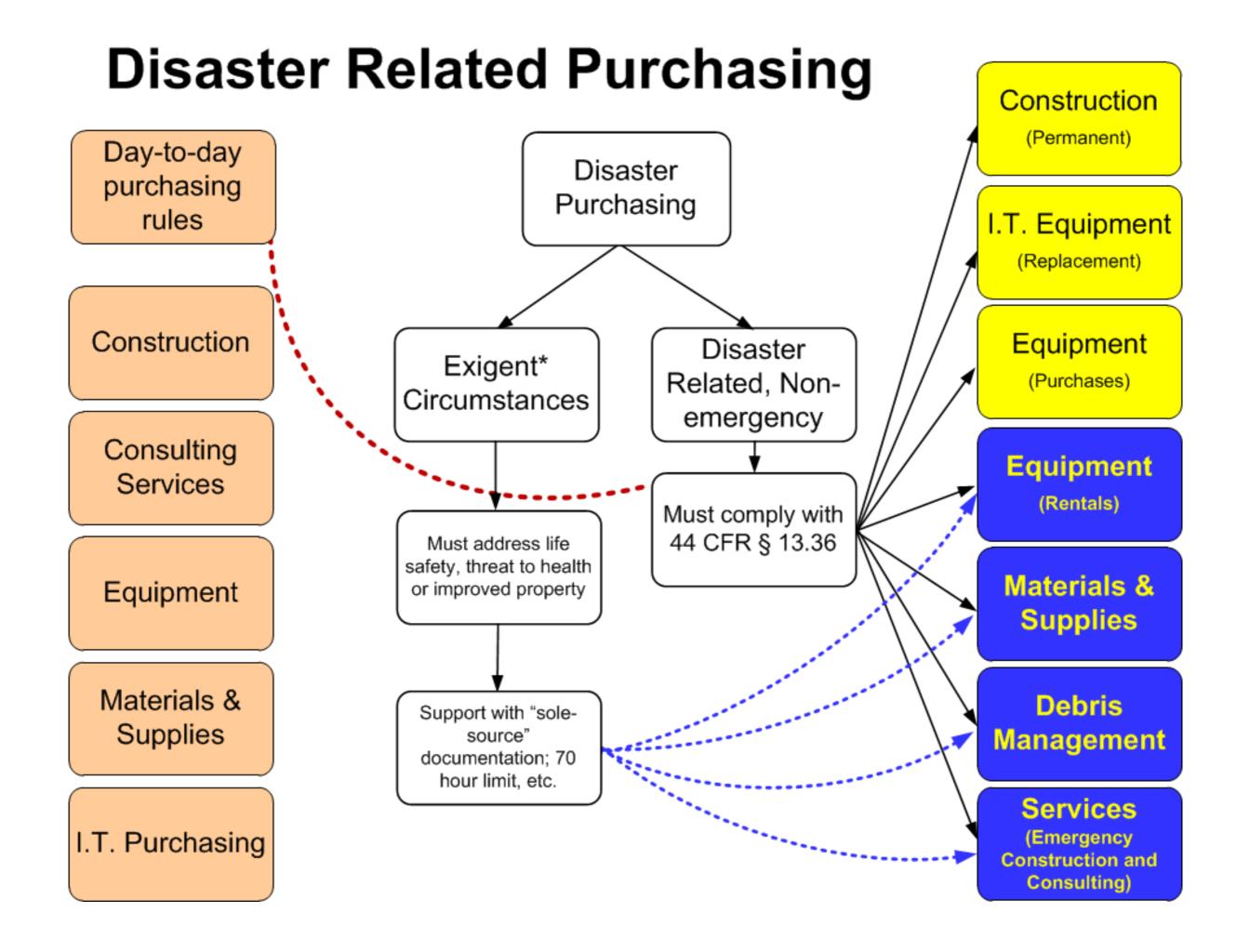
Disaster Related Purchasing



Disaster Related Purchasing



Disaster Related Purchasing Construction (Permanent) Day-to-day Disaster purchasing Purchasing rules I.T. Equipment (Replacement) Construction Equipment Disaster Exigent* Related, Non-(Purchases) Circumstances emergency Consulting Equipment Services (Rentals) Must comply with 44 CFR § 13.36 Must address life safety, threat to health **Materials &** Equipment or improved property Supplies Materials & **Debris** Support with "sole-Supplies source" Management documentation: 70 hour limit, etc. Services I.T. Purchasing (Emergency Construction and Consulting)



The Dirty Dozen

Most Common Audit Findings for Purchasing

Qty	Section	Violation
58	13.36 (f) (1)	Cost/price analysis
42	13.36 (c) (1)	Unreasonable req's
26	13.36 (b) (9)	Maintain procurement records
26	13.36 (d) (4) (i)	Sole Source purchases
25	13.36 (f) (4)	Cost plus contracts
24	13.36 (b) (2)	Contract administration system
23	13.36 (e)	Minority/women's/labor surplus firms.
22	13.36 (d) (4) (i) (B)	Lack of true emergency
21	13.36 (b) (10)	Time and material contracts
18	13.36 (f) (2)	Profit as a separate element
18	13.36 (i)	11 contract provisions
11	13.36 (c)	Open competition required

Take Away #1

Does my agency's purchasing system meet Federal requirements?

Supporting Documentation 33% Failure



Understand the breadth and depth of documentation requirements.

Ineligible Work 31% Failure









Understand eligibility requirements.

Avoid big surprises later.

Insurance 24% Failure









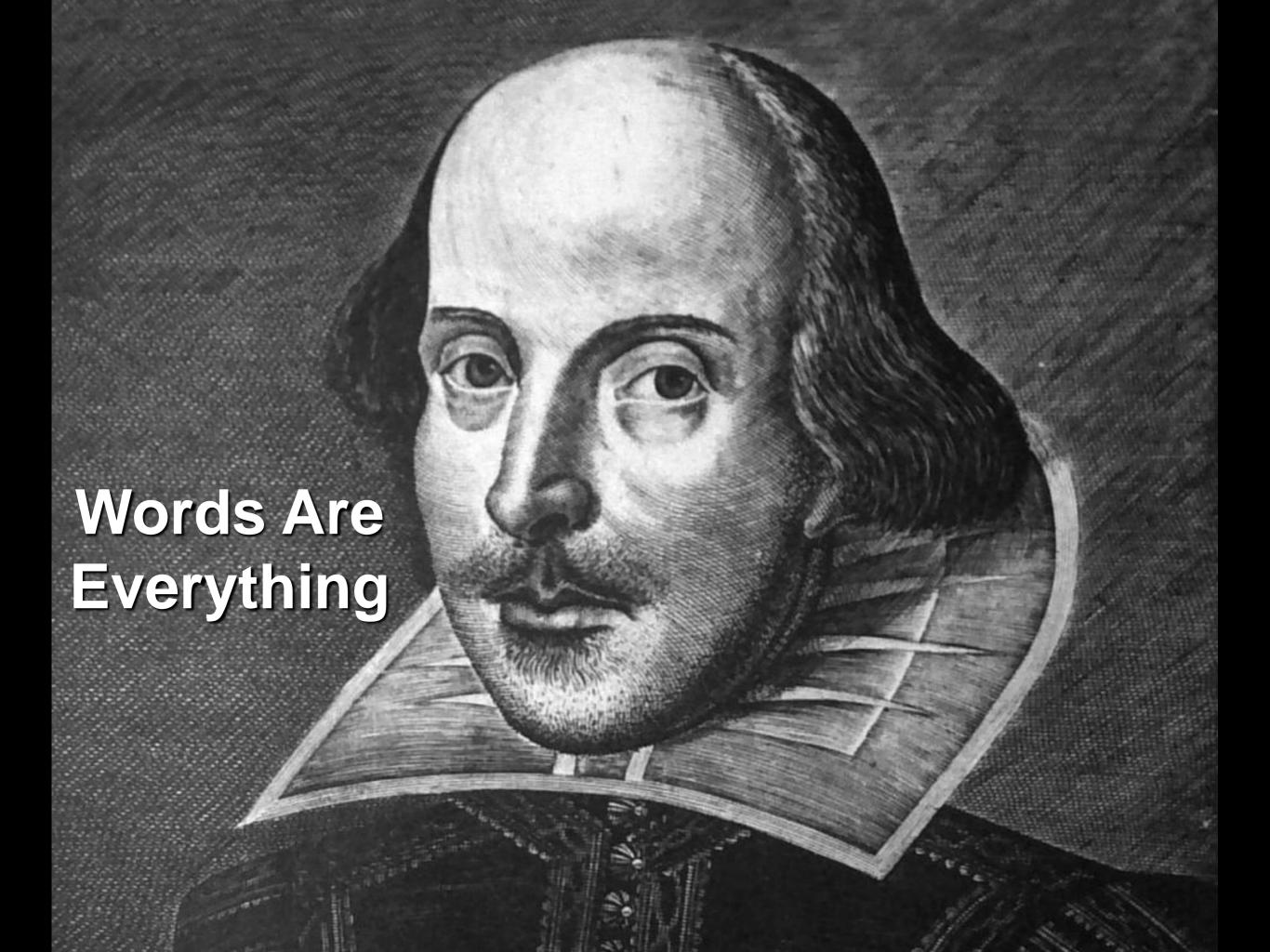




Make risk management a part of our disaster cost recovery plan.

Project Management & Accounting 18% Failure





Are we integrating project management and accounting into the disaster cost recovery plan?

Disaster cost recovery is a team sport...

We can't do it alone.

Disaster Cost Recovery is all about good communication, with all parties involved.

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