

# HOUSTON-GALVESTON AREA COUNCIL DISASTER DEBRIS CONTRACT CHECKLIST

November 2013

The Disaster Debris Contract Checklist was designed to guide jurisdictions in contracting disaster debris services. The checklist provides a step-by-step process to procuring disaster debris services that complies with current federal standards and best practices. The checklist includes the steps to solicit bids, review proposals, and select an appropriate contractor. The checklist was developed using guidance set forth by the Federal Emergency Management Agency (FEMA) and the provisions of Title 44, Code of Federal Regulations (CFR) Section 13.36 Procurement. The checklist is intended to serve as a guide, but should not supersede the jurisdiction’s current procurement policies.

Two attachments to this document provide additional details on procurement policies:

- Attachment A: Title 44 CFR 13.36
- Attachment B: FEMA Debris Removal Contract Cost Analysis

**Table 1: Disaster Debris Contract Checklist**

Task	Responsibility	Completion Date
<b>Pre-Disaster Tasks</b>		
Pre-qualify disaster debris services contractors prior to an event. Pre-qualifying contractors means identifying contractors that have demonstrated the capability to meet minimum requirements that pricing will be provided at the time of the disaster.		
Consider using a process or program to pre-qualify contractors: <ul style="list-style-type: none"> <li>■ H-GAC Disaster Debris Services Procurement Program</li> <li>■ U.S. General Service Administration (GSA) Disaster Purchasing Program</li> </ul>		
Solicit a request for qualifications for disaster debris services (see Debris Contract Guide for specific contract provisions).		
The solicitation for pre-qualified contractors should include: <ul style="list-style-type: none"> <li>■ Adequately defined scope of work</li> <li>■ All potential debris types</li> <li>■ Anticipated haul distances</li> <li>■ Potential size of debris events</li> </ul>		
Qualify bidders by requesting documentation of the following: <ul style="list-style-type: none"> <li>■ Licenses</li> <li>■ Financial stability</li> <li>■ Proof of insurance</li> <li>■ Bonding capability</li> <li>■ Description of related experience and capabilities including total verified cubic yards removed and processed</li> <li>■ References including jurisdiction name, point of contact,</li> </ul>		

## DISASTER DEBRIS CONTRACT CHECKLIST

Task	Responsibility	Completion Date
<p>email address and phone number</p> <ul style="list-style-type: none"> <li>■ Description of health and safety plan including operation plan at debris management site(s).</li> </ul>		
<b>Post-Disaster Tasks</b>		
Solicit bid prices from pre-qualified contractors once the event has occurred. This will help to ensure competitive bidding and to obtain reasonable market prices at the time of work performed.		
<p>Contractors that have been declared debarred by the Office of Federal Contract Compliance Programs (OFCCP) <b><u>should not be considered.</u></b> A complete list of federally disbarred contractors can be found in the System for Award Management (SAM) dataset at <a href="http://www.sam.gov">www.sam.gov</a>.</p> <p>Check the status of pre-qualified contractors in the SAM database <b><u>at the time of the disaster.</u></b></p> <ul style="list-style-type: none"> <li>■ Go to the SAM Database at <a href="https://www.sam.gov/portal/public/SAM/">https://www.sam.gov/portal/public/SAM/</a>.</li> <li>■ Under the Search Records tab, enter a DUNS number, CAGE code or Business Name to search for the contractor you are interested in pre-qualifying.</li> <li>■ Note any exclusions listed for the contractor that may prohibit federal assistance for debris services.</li> <li>■ Print the screen with the results and file in records.</li> </ul>		
Ensure compliance with the jurisdiction's procurement procedures.		
Ensure compliance with applicable state and local procurement laws and regulations.		
Ensure compliance with federal procurement laws and standards identified in 44 CFR §13.36 (see Attachment A).		
Ensure competition (see the provisions in Section (c) Competition in Attachment A for specific requirements regarding competition).		
Provide a clear and definitive scope of work.		
<p>Develop a cost analysis to demonstrate cost reasonableness <b><u>for any contract or contract modification where price competition is lacking.</u></b></p> <ul style="list-style-type: none"> <li>■ Complete a cost analysis using the Debris Removal Contract Costs Analysis found in Attachment B.</li> <li>■ File documentation supporting the cost analysis with all associated contract documents.</li> </ul>		
Ensure opportunities for local, minority, women-owned, and labor surplus area businesses and firms whenever possible.		
Document the process and rationale the jurisdiction followed in making procurement decisions.		

## DISASTER DEBRIS CONTRACT CHECKLIST

Task	Responsibility	Completion Date
The jurisdiction's legal counsel should conduct a review of the procurement process and any potential contracts to be awarded to ensure compliance with all federal, state, and local requirements.		
Establish procedures to address protests and disputes related to contract awards.		
Compile all documentation related to the procurement and file in a secure location that can be accessed for future review.		

# ATTACHMENT A

## TITLE 44 CFR 13.36 PROCUREMENT

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### **Title 44: Emergency Management and Assistance**

#### **PART 13—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS**

##### **Subpart C—Post-Award Requirements**

#### 1.1 §13.36 Procurement.

(a) *States.* When procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Other grantees and subgrantees will follow paragraphs (b) through (i) in this section.

(b) *Procurement standards.* (1) Grantees 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.

(2) Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(3) Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

(i) The employee, officer or agent,

(ii) Any member of his immediate family,

(iii) His or her partner, or

(iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

(4) Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(5) To foster greater economy and efficiency, grantees and subgrantees are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services.

(6) Grantees and subgrantees are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(7) Grantees and subgrantees are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(8) Grantees and subgrantees will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

(9) Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(10) Grantees and subgrantees will use time and material type contracts only—

(i) After a determination that no other contract is suitable, and

(ii) If the contract includes a ceiling price that the contractor exceeds at its own risk.

(11) Grantees and subgrantees alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims. These standards do not relieve the grantee or subgrantee of any contractual responsibilities under its contracts. Federal agencies will not substitute their judgment for that of the grantee or subgrantee unless the matter is primarily a Federal concern. Violations of law will be referred to the local, State, or Federal authority having proper jurisdiction.

(12) Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust all administrative remedies with the grantee

and subgrantee before pursuing a protest with the Federal agency. Reviews of protests by the Federal agency will be limited to:

(i) Violations of Federal law or regulations and the standards of this section (violations of State or local law will be under the jurisdiction of State or local authorities) and

(ii) Violations of the grantee's or subgrantee's protest procedures for failure to review a complaint or protest. Protests received by the Federal agency other than those specified above will be referred to the grantee or subgrantee.

(c) *Competition.* (1) All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of section 13.36. Some of the situations considered to be restrictive of competition include but are not limited to:

(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.

(2) Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts State licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(3) Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations:

(i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equal” description may be used as a means to

define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and

(ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(4) Grantees and subgrantees will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, grantees and subgrantees will not preclude potential bidders from qualifying during the solicitation period.

(d) *Methods of procurement to be followed*—(1) *Procurement by small purchase procedures*. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold fixed at 41 U.S.C. 403(11) (currently set at \$100,000). If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.

(2) *Procurement by sealed bids* (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in §13.36(d)(2)(i) apply.

(i) In order for sealed bidding to be feasible, the following conditions should be present:

(A) A complete, adequate, and realistic specification or purchase description is available;

(B) Two or more responsible bidders are willing and able to compete effectively and for the business; and

(C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(ii) If sealed bids are used, the following requirements apply:

(A) The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;

(B) The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;

(C) All bids will be publicly opened at the time and place prescribed in the invitation for bids;

(D) A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts,

transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(E) Any or all bids may be rejected if there is a sound documented reason.

(3) Procurement by *competitive proposals*. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

(i) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;

(ii) Proposals will be solicited from an adequate number of qualified sources;

(iii) Grantees and subgrantees will have a method for conducting technical evaluations of the proposals received and for selecting awardees;

(iv) Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(v) Grantees and subgrantees may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(4) Procurement by *noncompetitive proposals* is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.

(i) Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

(A) The item is available only from a single source;

(B) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(C) The awarding agency authorizes noncompetitive proposals; or

(D) After solicitation of a number of sources, competition is determined inadequate.

(ii) Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required.

(iii) Grantees and subgrantees may be required to submit the proposed procurement to the awarding agency for pre-award review in accordance with paragraph (g) of this section.

(e) *Contracting with small and minority firms, women's business enterprise and labor surplus area firms.* (1) The grantee and subgrantee will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

(2) Affirmative steps shall include:

(i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;

(iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;

(v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and

(vi) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (e)(2) (i) through (v) of this section.

(f) *Contract cost and price.* (1) Grantees and subgrantees must 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, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.

(2) Grantees and subgrantees will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the

work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(3) Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (see §13.22). Grantees may reference their own cost principles that comply with the applicable Federal cost principles.

(4) The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

(g) *Awarding agency review.* (1) Grantees and subgrantees must make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the grantee or subgrantee desires to have the review accomplished after a solicitation has been developed, the awarding agency may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(2) Grantees and subgrantees must on request make available for awarding agency pre-award review procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc. when:

(i) A grantee's or subgrantee's procurement procedures or operation fails to comply with the procurement standards in this section; or

(ii) The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; or

(iii) The procurement, which is expected to exceed the simplified acquisition threshold, specifies a "brand name" product; or

(iv) The proposed award is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(v) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.

(3) A grantee or subgrantee will be exempt from the pre-award review in paragraph (g)(2) of this section if the awarding agency determines that its procurement systems comply with the standards of this section.

(i) A grantee or subgrantee may request that its procurement system be reviewed by the awarding agency to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews shall occur where there is a continuous high-dollar funding, and third-party contracts are awarded on a regular basis.

(ii) A grantee or subgrantee may self-certify its procurement system. Such self-certification shall not limit the awarding agency's right to survey the system. Under a self-certification procedure, awarding agencies may wish to rely on written assurances from the grantee or subgrantee that it is complying with these standards. A grantee or subgrantee will cite specific procedures, regulations, standards, etc., as being in compliance with these requirements and have its system available for review.

(h) *Bonding requirements.* For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the awarding agency may accept the bonding policy and requirements of the grantee or subgrantee provided the awarding agency has made a determination that the awarding agency's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

(1) *A bid guarantee from each bidder equivalent to five percent of the bid price.* The “bid guarantee” shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(2) *A performance bond on the part of the contractor for 100 percent of the contract price.* A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(3) *A payment bond on the part of the contractor for 100 percent of the contract price.* A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

(i) *Contract provisions.* A grantee's and subgrantee's contracts must contain provisions in paragraph (i) of this section. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy.

(1) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)

(2) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)

(3) Compliance with Executive Order 11246 of September 24, 1965, entitled “Equal Employment Opportunity,” as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by grantees and their contractors or subgrantees)

(4) Compliance with the Copeland “Anti-Kickback” Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3). (All contracts and subgrants for construction or repair)

(5) Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of \$2000 awarded by grantees and subgrantees when required by Federal grant program legislation)

(6) Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5). (Construction contracts awarded by grantees and subgrantees in excess of \$2000, and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers)

(7) Notice of awarding agency requirements and regulations pertaining to reporting.

(8) Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.

(9) Awarding agency requirements and regulations pertaining to copyrights and rights in data.

(10) Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

(11) Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.

(12) Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of \$100,000)

(13) Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

**ATTACHMENT B**  
**FEMA DEBRIS REMOVAL CONTRACT COSTS ANALYSIS**



**FEMA**

**RECOVERY**

**FACT SHEET**

**9580.201**

**ATTACHMENT 1:**  
**Debris Removal Contract Cost Analysis**

This guidance is intended to assist Public Assistance applicants in complying with the requirements of 44 CFR Part 13.36, **Procurement**, for debris operation contracts or contract modifications where adequate price competition is lacking.

**When to Conduct a Cost Analysis**

Applicants should complete a cost analysis when one of the following conditions applies:

- The applicant has not received two or more priced bids from responsible bidders after soliciting a number of sources;
- Services can only be provided by a single source;
- The awarding agency authorizes noncompetitive proposals;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; or
- The procurement is a contract modification or change order.

**General Contract Review**

In order to conduct a cost analysis, applicants should request cost documentation from their debris contractors. This documentation should contain a detailed breakdown of costs for each item of work activity and information on how the contractor arrived at its costs, including, but not limited to:

- Number of labor hours,
- Labor rates,
- Materials (types, quantities, and costs),
- Equipment hours,
- Equipment rates, or
- Unit costs

Applicants are encouraged to verify the mathematical accuracy of the cost documentation by recalculating the contractor's cost figures. Applicants should also review the proposed contract's scope

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of work for cost reasonableness to ensure that the proposed scope does not fall under an existing contract.

Applicants should ensure that the contract does not use prohibitive contracting methods per 44 CFR § 13.36(f)(4), including:

1. Cost plus a percentage of cost – this is a contract that provides a specified percentage profit over and above the actual costs of construction; and
2. Percentage of construction cost.

### Labor Rate Analysis

Applicants may determine the reasonableness of labor rates by:

1. Comparing the proposed labor category rates with the labor rates in another contract that was competitively bid;
2. Matching rates for each labor category to an acceptable source (e.g. RS Means);
3. Verifying that the classification of each worker and skill level proposed in the contract are reasonable and necessary for the scope of work. For example, a contractor should not propose using an experienced supervisor rate or worker with professional qualifications for work that can be done by a low skilled laborer (e.g., using a professional engineer for debris monitoring). In this case, the supervisor labor classification is unreasonable and should be adjusted to the appropriate labor classification that is more commensurate with the type of work being performed; and
4. Verifying that the proposed number of labor hours are reasonable for the scope of work.

### Equipment Rate Analysis

Applicants may determine the reasonableness of equipment rates by:

1. Comparing the proposed equipment rates with the equipment rates in another contract that was competitively bid (if a change order, compared rates to the original contract);
2. Comparing the proposed equipment rates to FEMA's Schedule of Equipment Rates, available at [www.fema.gov](http://www.fema.gov);
3. Matching equipment rates for each piece of equipment to an acceptable source (e.g., EquipmentWatch);
4. Verifying that the type of equipment proposed is reasonable and necessary for the scope of work;
5. Verifying that the number of units (normally hours) of equipment usage necessary to complete the work is reasonable considering the specific scope of work; and
6. Verifying that there are no contract provisions for the following items with regard to the

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### ATTACHMENT 1: Debris Removal Contract Cost Analysis

proposed equipment costs:

- Mobilization costs
- Standby costs

### Unit Rate Analysis

Applicants may determine the reasonableness of unit rates by:

1. Verifying that the unit of measurement (i.e. cubic yard, weight, each, etc.) is appropriate for the scope of work (if the contractor quoted a unit rate price); and
2. Comparing the proposed unit rates with similar rates in another contract that was competitively bid (if a change order, comparing rates to the original contract).

### Materials and Supplies Analysis

Applicants should review the materials and supplies included in the contract proposal and ensure that all costs are reasonable.

### (Scope of Work) Volume Estimates

In some circumstances, a contractor will include debris volume estimates in support of its proposed costs. Contractors develop these estimates using aerial and ground assessments, forecasting and estimating models (e.g., USACE hurricane debris models and photographs), side scan sonar and other methodologies.

Applicants should request hard copies of volume estimates and all supporting documentation in order to determine if the methodology that the contractor used to estimate debris was an acceptable and reasonable methodology. Applicants should also verify that the volume estimates are reasonable and accurate.

### Price Analysis for Competitively Bid Contracts

Applicants are required by 44 CFR Part 13.36(f)(1) to perform a price analysis in all other instances (i.e., for competitively bid contracts when price competition is adequate), to determine the reasonableness of the proposed contract price. Price analyses may incorporate an evaluation of: historic documentation for similar work; average costs for similar work in the area; published unit costs from the national cost estimating databases; and FEMA cost codes, equipment rates, and engineering and design service curves. Upon request, FEMA will assist applicants in the review of these contracts and provide guidance as necessary.