

Course Overview, Course Goal, and Objectives

Welcome to the Public Assistance Alternative Procedures course.

This course discusses Public Assistance Alternative Procedures and how Applicants can benefit from participating in the program.

Upon completion of this course, participants will be able to:

- Inform Applicants about the Public Assistance Alternative Procedures Pilot Program
- Address potential considerations to include during pre-disaster planning and organization
- Provide resources and tools to make informed decisions and ensure the Public Assistance Alternative Procedures are properly utilized to enhance disaster recovery

[Select this link to access the Public Assistance acronym list.](#)

Lesson 1 Overview and Objectives

This lesson provides a brief overview of the Public Assistance Alternative Procedures Pilot Program.

Upon completion of this lesson, participants will be able to:

- Identify the administrative requirements of the course
- State the goals and objectives of the course
- Identify the origin of the Public Assistance Alternative Procedures Pilot Program and its purpose
- Identify potential special considerations of Public Assistance Alternative Procedures Pilot Program

Origin of the Public Assistance Alternative Procedures Pilot Program

The origin of the Public Assistance Alternative Procedures Pilot Program is the Sandy Recovery Improvement Act of 2013.

This Act:

- Authorizes alternative procedures for the Public Assistance Program
 - The alternative procedures authorized under the Sandy Recovery Improvement Act pertain to debris removal and repair, restoration, and replacement of disaster-damaged public and private nonprofit facilities (Permanent Work)
- Approves FEMA's implementation of the alternative procedures through a pilot program
 - The Public Assistance Alternative Procedures Pilot Program has and shall remain a pilot program until FEMA fully adopts regulations from the law

The Pilot Program is renewed on a year-to-year basis.

Purpose of Alternative Procedures Pilot Program

The Sandy Recovery Improvement Act of 2013 identifies these goals for the procedures:

- Reduce the costs to the Federal Government of providing Public Assistance
- Increase flexibility in the administration of such assistance
- Expedite the provision of assistance to a State, local or Tribal government, or nonprofit owner or operator of a private nonprofit facility
- Provide financial incentives and disincentives for timely and cost-effective completion of projects with such assistance

Opting into the Alternative Procedures Pilot Program

The Program Delivery Manager, who acts as the point of contact to Applicants for FEMA, will discuss the Public Assistance Alternative Procedures Pilot Program during the Recovery Scoping Meeting. The Applicant will notify the Program Delivery Manager if they want to participate in the Pilot Program.

The Applicant will sign one of the following:

- Public Assistance Alternative Procedures Pilot Program for Debris Removal Acknowledgement; or
- Public Assistance Alternative Procedures Pilot Program for Permanent Work Acknowledgement

Note: Timeframes and criteria for electing to participate in the Program depend on the Category of Work the Applicant will/has conduct(ed).

Select [here](#) to review the Public Assistance Alternative Procedures Pilot Program for Debris Removal Acknowledgement and the Fixed Cost Estimate Subaward Agreement letter.



Special Considerations for Administration of Alternative Procedures

The Program Delivery Manager will review special considerations with the Applicant during the Recovery Scoping Meeting.

- All requirements and documentation for special considerations are still needed for Applicants opting into the Pilot Program (environmental and historic preservation, hazard mitigation, insurance, American with Disabilities Act, etc.)
- For Work Completed, the Applicant must demonstrate compliance for applicable special considerations with documentation
- Examples include the following:
 - Debris Removal: Dumping debris in a landfill
 - Permanent Work: Floodplain compliance

Note: For more information on special considerations refer to the course: IS-1016 *Environmental and Historic Preservation Considerations/Compliance*.

Where do Special Considerations come from?

Federal, State, local, Tribal, and Territorial governments all create laws, regulations, or requirements affecting special considerations for Applicants' projects.

Public Assistance Alternative Procedures Pilot Program Timing

The Public Assistance Alternative Procedures Pilot Program's biggest effect is on timing, providing an authorization to begin based on estimates only.

Applicants participating in the Pilot Program receive incentives for finishing their projects in a timely and efficient manner.



Lesson 1 Summary

In this lesson, the origin and purpose of the Public Assistance Alternative Procedures Pilot Program was discussed, as well as special considerations for the program.

The next lesson reviews the Alternative Procedures Pilot Program for debris removal.

Lesson 2 Overview and Objectives

This lesson provides an overview of the Public Assistance Alternative Procedures Pilot Program for Debris Removal.

Upon completion of this lesson, the participants will be able to:

- Describe the different Alternative Procedures for debris removal
- Describe options for the Alternative Procedures for debris removal
- Describe increased Federal cost share considerations

Background: Debris Removal

Upon the declaration of a major disaster or emergency by the President authorizing FEMA to provide debris removal assistance (Category A), FEMA will provide eligible Public Assistance Applicants the opportunity to participate in the alternative procedures for the debris removal pilot program.

Debris removal includes clearance, removal, and disposal of:

- Vegetative debris

- Construction and demolition debris
- Sand
- Silt
- Gravel
- Rocks
- Boulders
- Vehicle and vessel wreckage
- Other, similar materials

For the most part, FEMA will *not* be in the community when debris removal takes place. This will typically occur prior to FEMA arriving.



Background: Applicant Eligibility

FEMA determines if debris removal activities are eligible for Public Assistance funding based on the potential benefit to the public.

Eligible programs will typically:

- Eliminate immediate threats to lives, public health, and safety
- Eliminate immediate threats to public or private property
- Ensure economic recovery of an affected community; or
- Remove substantially damaged structures as needed to convert property to uses compatible with open space, recreation, or wetlands management practices

Private nonprofits are generally eligible for debris removal, as long as it is associated with an eligible facility. For additional information on private nonprofit eligibility please refer to course: IS-1026 *Eligibility of Private Nonprofit Organizations*.

Removal of debris from improved public property and public roads is generally eligible if the debris is in an area designated for federal assistance. If State, local, Tribal, or Territorial governments authorize residents to place incident-related debris on public roads, FEMA will provide Public Assistance funding to remove the debris.

Background: Ineligible Debris

Debris removal from the following is not generally eligible for Public Assistance funding:

- Debris from commercial properties placed on public roads
- Materials related to the construction, repair, or renovation of residential or commercial structures
- Federally maintained navigable channels and waterways
- Flood control works (e.g., levees, flood walls, and water/flood control structures) under the authority of the National Resources Conservation Service
- Agricultural land
- Natural, unimproved land, such as heavily wooded areas and unused areas

Applicants should contact applicable Federal, State, Territorial, local and Tribal regulatory agencies to ensure compliance with requirements and permits for debris-related operations.

Debris Removal Compliance

Although debris removal is generally statutorily excluded from National Environmental Policy Act review, FEMA must ensure compliance with other Federal laws, regulations, and Executive Orders prior to funding the work.

Accordingly, FEMA must ensure that the Applicant's debris removal operations avoid impacts to floodplains, wetlands, federally listed threatened and endangered species and their critical habitats, and historic properties (including maritime or underwater archaeological resources if waterways are impacted).

The Applicant must stage debris at a safe distance from property boundaries, surface water, wetlands, structures, wells, and septic tanks with leach fields.

When debris removal has been completed, there may be additional site remediation work required at debris staging areas to put it back to pre-disaster condition.



Introduction to Alternative Procedures for Debris Removal

Applicants may choose to participate in one or more of the following Alternative Procedures for debris removal, each of which has unique requirements and benefits to the Applicant:

- Reimbursement of straight-time for force account labor
- A one-time 2% increased cost-share incentive for a FEMA-accepted debris management plan with pre-qualified debris removal contractors before the start of the incident period

At the Recovery Scoping Meeting, the Public Assistance Program Delivery Manager will discuss the pilot program and the Applicant will need to notify the Program Delivery Manager if they wish to participate in the program.

Applicants can register for the pilot program by signing and submitting the *Public Assistance Alternative Procedures Pilot Program for Debris Removal Acknowledgement* form before obligation of their first debris removal project or within 60 days of their Recovery Scoping Meeting, whichever is sooner.

Applicants can end their participation in the pilot program by providing written notification before obligation of their first debris removal project and within 60 days of its Recovery Scoping Meeting.

Option 1: Reimbursement of Straight-Time for Force Account Labor

Applicants can choose to have FEMA reimburse them for labor costs associated with their employees' debris removal work via the Reimbursement of Straight-Time for Force Account Labor option. Costs eligible for reimbursement at the appropriate cost share level include:

- Base and overtime wages for existing employees
- Hiring additional staff

Reimbursement is for 100% work completed only, not estimates. This alternative procedure can be used with any other alternative procedure or on its own.

To receive reimbursement, Applicants must complete all work and submit documentation.

Option 2: FEMA-Accepted Debris Management Plan Incentive (1 of 3)

Applicants with a FEMA-accepted Debris Management Plan at the time of an event can increase the effectiveness of its debris management operations. Specifically, a Debris Management Plan should improve an Applicant's ability to complete debris removal within the timelines associated with the sliding scale. Applicants may request a one-time, 2% increased Federal cost share incentive.

FEMA's requirements to receive this incentive are that the Applicant must:

- Have a FEMA-accepted Debris Management Plan
- Have a pre-qualified debris removal contractor team

In order to receive the 2% incentive, the Applicant must request the incentive. This incentive may be used along with any other Pilot Program procedures.

Note: The one-time incentive may only be used for a single incident by an Applicant during the Alternative Procedures Pilot Program for Debris Removal.

[Public Assistance Program and Policy Guide, Appendix D: Debris Management Plan Job Aid](#)

Option 2: FEMA-Accepted Debris Management Plan Incentive (2 of 3)

To be eligible for this incentive, the Applicant must have a FEMA-accepted Debris Management Plan prior to the incident.

- A Debris Management Plan is established written procedures and guidance for managing debris in an expeditious, efficient, and environmentally sound manner.
- Debris Management Plans will vary depending on State, local, Tribal, and Territory vulnerabilities, ordinances, zoning, critical infrastructure locations, and other localized factors, but will have these ten basic components:
 1. Debris Management Overview
 2. Incidents and Assumptions
 3. Debris Collection and Removal Plan
 4. Debris Removal from Private Property
 5. Public Information
 6. Health and Safety Requirements
 7. Environmental Considerations and other Regulatory Requirements
 8. Temporary Debris Management Sites and Disposal Locations
 9. Force Account or Contract Resources and Procurement
 10. Monitoring of Debris Operations
- The Applicant must submit its plan to the State or Territory for review. Once the State or Territory reviews it, they will send it to FEMA for review and acceptance
- FEMA does not pay the cost of the contract, but rather the cost of the debris removal activities
 - The cost of the debris removal is based on established Public Assistance authorities, regulations, policies, and guidance

Option 2: FEMA-Accepted Debris Management Plan Incentive (3 of 3)

For the FEMA-Accepted Debris Management Plan Incentive, the Applicant must have identified pre-qualified debris removal contractors prior to the incident.

- A pre-qualified contractor is a contractor that the Applicant evaluated and determined to be qualified to perform the work based on capabilities, prior experience, past performance, and availability
- To pre-qualify contractors, the Applicant should:
 - Identify the qualifications of the contractor at the same time as writing the Debris Management Plan, which should include specific contract requirements and explain how contractor qualifications are established
 - Ensure pre-qualification procedures do not restrict full and open competition and should document its justification for the use of pre-qualified contractors in procurement using Federal funds
 - Ensure that the list is current and includes enough qualified sources to ensure maximum full and open competition
- Applicants must have at least one or more pre-qualified debris removal contractors
- A pre-qualified contractor is not entitled to a "stand-by" contract
- Applicants must still comply with Federal procurement requirements (i.e., competitive bidding)
- Pre-qualified contractors cannot be on the debarred contractors list. This list can be found on the [System for Award Management website](#).

Procurement Conducted Under Exigent or Emergency Conditions (1 of 2)

For the FEMA-Accepted Debris Management Plan Incentive, the Applicant must have pre-qualified debris removal contractors in compliance with Federal procurement requirements.

Failure to follow Federal contracting and procurement requirements puts Applicants at risk of not receiving reimbursement for otherwise eligible disaster costs.

Generally, Applicants must ensure maximum full and open competition. However, Federal regulations allow for noncompetitive procurements under exigent and emergency circumstances.

An exigency is a need to avoid, prevent, or alleviate serious harm or injury, financial, or otherwise, to the Applicant, and use of competitive procurement proposals would prevent the urgent action required to address the situation. Thus, a noncompetitive procurement may be appropriate.

Procurement Conducted Under Exigent or Emergency Conditions (2 of 2)

An emergency is a threat to life, public health, or safety, or improved property requires immediate action to alleviate the threat.

Suggested elements for noncompetitive procurement justification:

- Identify which circumstance apply to this specific instance:
 - Item or service available only from a single source
 - Public exigency or emergency
 - Express authorization from FEMA or Recipient
 - After solicitation of a number of sources, competition is determined inadequate
- Brief description of product or service being procured
- Explanation of why a noncompetitive procurement is necessary
- Period of time the noncompetitive procurement will be used
- Description of the specific steps taken to determine that full and open competition could not have been used
- Description of any known conflicts of interests and any efforts to identify possible conflicts of interest
- Any other information justifying the noncompetitive procurement in the specific instance

Lesson 2 Summary

In this lesson, participants learned about the different Alternative Procedures for debris removal.

The next lesson provides the courses of action an Applicant may take within the Alternative Procedures Pilot Program for Permanent Work.

Lesson 3 Overview and Objectives

This lesson provides an overview of the courses of action an Applicant may take within the Alternative Procedures Pilot Program for Permanent Work.

Upon completion of this lesson, participants will be able to:

- Describe the multiple courses of action Applicants may take within the Alternative Procedures Pilot Program in accordance with Permanent Work
- Describe the processes and requirements for Permanent Work and Capped Projects

Overview: Permanent Work and Facility Eligibility Considerations

To provide a foundation for applying Alternative Procedures, we will first provide an overview on Permanent Work and eligibility considerations.

Permanent Work (Categories C-G) includes repair, restoration, or replacement of a facility to its pre-disaster design and function. A facility is a building, works, system, or equipment built or manufactured, or an improved and maintained natural feature. The following Categories of Work are eligible for Permanent Work:

- Roads and Bridges (Category C)
- Water Control Facilities (Category D)
- Buildings and Equipment (Category E)
- Utilities (Category F)
- Parks, Recreational, Other (Category G)



Pre-disaster Design and Function

Under the standard Public Assistance procedures, eligible Permanent Work will restore facilities to the pre-disaster design and function.

Pre-disaster design means that the facility will be restored to the size or capacity of a facility as originally constructed or modified.

- Example: If the city hall was constructed for a capacity of 500 people, the eligible funding for replacement of the facility is limited to that necessary for 500 people

Pre-disaster function means the function for which the facility was originally designed or modified.

- Example: If an Applicant was using a public works administration office as a billing office at the time of the incident and it is less costly to restore the facility as a billing office, then only those repairs necessary for the restoration of a billing office are eligible

Under the Alternative Procedures Pilot Program for Permanent Work, the Applicant is granted more flexibility in repairing and rebuilding eligible facilities.

- Example: An Applicant may choose to consolidate the billing office with city hall rather than restore each facility to its pre-disaster design and function separately

Background: Facility Eligibility Considerations

A facility must be deemed eligible for work to be eligible.

Different considerations apply to each type of facility in order to determine eligibility under the Public Assistance Program.

Identifying the type of facility will help the Applicant identify the eligibility considerations to determine whether a facility is eligible for Permanent Work.

Types of facilities include:

- Public Facility
- Private Nonprofit Facility and/or Mixed-use Facility
- Facility Under the Specific Authority of Other Federal Agencies
- Inactive or Partially Inactive Facility
- Facility Scheduled for Repair or Replacement

For additional information on eligibility considerations for the Public Assistance Program, refer to course: IS-1000 Public Assistance Program and Eligibility.

For more on eligible facilities, please refer to the Public Assistance Program and Policy Guide:

[https://www.fema.gov/media-library-data/1496435662672-d79ba9e1edb16e60b51634af00f490ae/2017_PAPPG_2.0_508_FINAL\(2\).pdf](https://www.fema.gov/media-library-data/1496435662672-d79ba9e1edb16e60b51634af00f490ae/2017_PAPPG_2.0_508_FINAL(2).pdf)



Overview: Alternative Procedures Pilot Program for Permanent Work

The next section in this lesson will provide a closer look at the Public Assistance Alternative Procedures Pilot Program for Permanent Work.

What is the Alternative Procedures Pilot Program for Permanent Work?

- It is the expedited use of funds toward a project(s) that restores the facility to its pre-disaster design and function or toward an Improved or Alternate Project, or other projects, including a combination of projects
- It offers the maximum amount of funding options to include flexibility with how the Applicant may use the funds and retention of funds not authorized under the standard Improved and Alternate Project options
- It allows Applicant to use funds to construct new facilities, purchase equipment, or conduct measures that reduce risk
- Permanent Work under the Alternative Procedures Pilot Program is considered a Capped Project

What is a Capped Project?

A Capped Project is when FEMA provides options that provide flexibility for the Applicant to use Public Assistance funding differently than restoring the pre-disaster design and function of the facility. For these projects, FEMA caps the amount of Public Assistance funding based on

the estimated amount to restore the damaged facility to its pre-disaster design and function, including improvements to meet applicable and federally required codes and standards.

Capped Projects are not limited to costs that are only related to, or only triggered by, changes to the pre-disaster design or function of the damaged facility. Additional costs may include, but are not limited to:

- Additional engineering and design
- Environmental and Historic Preservation
- Work required by applicable and federally required codes and standards

For Alternative Procedures Projects, FEMA does not adjust the capped amount even if the actual costs exceed the capped amount or if the Applicant discovers hidden damage. This procedure varies from the standard procedures of Public Assistance.

Participation in the Alternative Procedures Pilot Program for Permanent Work

To participate in the Alternative Procedures Pilot Program for Permanent Work, an Applicant must agree to a fixed estimate grant, based on a capped funding amount. FEMA requires the fixed estimate grant feature to gain access to other optional alternative procedures.

Optional features include:

- Consolidation of multiple fixed cost estimate grants
- FEMA validation of Applicant-provided estimates
- Elimination of reduced eligible funding for Alternate Projects
- Retention of excess funds for approved purposes
- Third party Expert Panel review for estimates with a Federal share of \$5 million or greater

FEMA does not require all features to be selected to participate in the pilot program.

- An Applicant may use one or more of the features of the Pilot Program on a project with the approval of FEMA
- An Applicant may choose to apply these alternative procedures to certain facilities and choose to have other work funded under Public Assistance standard procedures

For full image description, refer to the Public Assistance Alternative Procedures Pilot Program Guide for Debris Removal, Appendix A: https://www.fema.gov/media-library-data/1504811627145-34ecd2c18bbdfac97d78ff9ce8bac5c1/PAAP_Guide_for_Debris_Removal_v5_508_FINAL_06282017.pdf

Public Assistance Alternative Procedures Pilot Program for Permanent Work
Acknowledgement

I, as authorized under the Sandy Recovery Improvement Act of 2013, the Federal Emergency Management Agency (FEMA) is implementing alternative procedures for the Public Assistance (PA) Program through a pilot program. As a representative of the Subgrantee, our agency understands the following:

1. We plan to participate in the following elements:
 - Subgrantee based on fixed estimate, and as the Subgrantee, accept responsibility for costs above the estimate
 - Consolidation of multiple fixed subgrants into a single subgrant
 - FEMA validation of Subgrantee-provided estimates
 - Elimination of reduced eligible funding for Alternate projects
 - Use of excess funds
 - Review of estimates by an expert panel for projects with a Federal share of \$5 million or greater
2. The pilot is voluntary, and a Subgrantee may participate in alternative procedures for one or more large project subgrants.
3. If the Subgrantee accepts a fixed subgrant estimate, the Subgrantee understands they are responsible for all costs greater than the fixed amount.
4. The Subgrantee agrees to notify the Contractor regarding the specific use of excess funds.
5. All estimates must comply with local, State, and Federal requirements for procurement, including provisions of 41 CFR Part 101.
6. The Office of Inspector General may audit any Subgrantee and/or contractor.
7. ISIP review must be completed for all subgrants, including cases where new scope of work would require ISIP completion, before the subgrant scope of work is implemented. Failure to comply with this requirement may lead to loss of federal funding.
8. The Subgrantee may submit appeals as outlined in 41 CFR 101.206. However, FEMA will not consider appeals solely for additional costs on fixed subgrants.

Signature of Subgrantee's Authorized Representative _____ Title _____
Printed Name and Title _____
Subgrantee Name _____ PA IS Number _____

We do not wish to participate in the Alternative Procedures for Permanent Work.

Improper Uses of Alternative Procedures Funds

Once the Applicant has decided to participate in the program, the Applicant must use the Alternative Procedures funds as they are intended. The Applicant may not use the funds for the following:

- Facilities or equipment that are not otherwise eligible for Public Assistance funding
- To meet the local cost share for other Federal projects
- To pay down debts, cover budget shortfalls, or meet operating expenses
- To conduct planning and design that go beyond the work related to the project, such as community-wide planning



Fixed Cost Estimate Grant (1 of 2)

The first step in the pilot program is to get the fixed cost estimate grant. Steps inclusive of all parties are:

- FEMA, Recipient, and Applicant must agree to the Damage Description and Dimensions and the Scope of Work for the Project prior to completing the cost estimate
 - Eligibility determination and documentation of the Scope of Work must comply with Public Assistance regulations, policy, and guidance
- The members of all parties then must agree to the cost estimate grant
 - Grant is based upon eligible costs and disaster-damage
- Once agreed upon, FEMA documents the information in the grant
- FEMA, Recipient, and Applicant will then sign the grant
 - The grant acknowledges the Applicants participation in the Pilot Program and states the fixed estimate

If any disagreement over the Damage Description and Dimensions, or Scope of Work exists, the project should not be considered for Alternative Procedures until the disagreement is resolved.

Fixed Cost Estimate Grant (2 of 2)

FEMA, Recipient, and Applicant must agree to the fixed cost estimate grant to do work under the Alternative Procedures Pilot Program.

- Eligibility determination and documentation must comply with Public Assistance regulations, policy, and guidance
- The Alternative Procedure Project must comply with environmental and historic preservation laws, Executive Orders, and other regulations

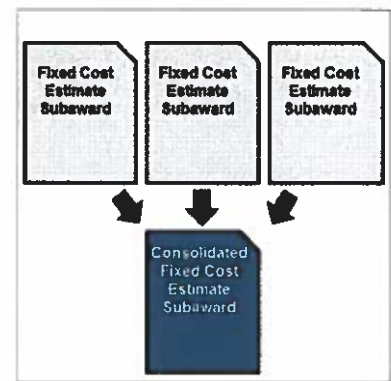
Using the fixed cost estimate grant:

- An Applicant has the flexibility to repair or rebuild a facility as it deems necessary for its operations with no requirement to rebuild to pre-disaster design, capacity, or function
- If an Applicant chooses to use its funds for a different project, it must notify FEMA when it determines how the funds will be used
- FEMA must approve the use of the excess funds
 - Example: Replacing a road which has five consecutive culverts with one bridge

Optional Feature One: Consolidation of Multiple Fixed Cost Estimate Grants (1 of 2)

An Applicant can decide to use Optional Feature One and create a consolidated grant when it combines two or more fixed estimate grants into a single grant.

- Consolidation provides greater flexibility to Applicants in completing their projects
- FEMA caps consolidated fixed cost estimate grants at the combined amount of the eligible costs for the formerly separate, individual fixed estimate grants



Optional Feature One: Consolidation of Multiple Fixed Cost Estimate Grants (2 of 2)

The consolidated grant may be used to restore the pre-disaster condition of all or some of the Applicant's facilities or be used to complete an Alternate Project.

Example: An Applicant operates 10 facilities located in a declared area. FEMA approves 10 grants for restoration of each facility and the Applicant accepts the grants. After accepting, the Applicant determines that the community is best served by re-aligning the facility footprint. The Applicant proposes to demolish four facilities, restore six, open a new facility in a different location, and construct an administrative building and a community center. As a result, the Applicant requests to consolidate the 10 capped grants into a single grant to restore six buildings and construct three new buildings.

The Applicant may consolidate grants from different Categories of Work (Category C-G) or consolidate within the same Category of Work.

For more information on Alternate Projects, see Independent Study course IS-1000 *Public Assistance Program and Eligibility*.

Pros and Cons of Consolidating Multiple Cost Estimate Grants

The Applicant should be aware that there are several pros and cons when consolidating multiple fixed cost estimate grants.

Pros:

- Applicants may spread their funds from the consolidated estimates among its projects
- If approved, the 10% reduction of the Federal share for an alternate project is eliminated, therefore the Applicant will receive the full Federal cost share amount
- If actual costs are less than the fixed amount, Applicants can use excess funds for hazard mitigation activities as well as activities to improve future Public Assistance projects and permanent work operations (e.g., training and planning for future disaster recovery operations)

Cons:

- FEMA does not obligate additional funds if the Applicant costs exceed the aggregate fixed amount
- No additional Direct Administrative Costs will be considered during closeout. Therefore, the estimated reasonable Direct Administrative Costs must be identified and included in the fixed cost estimate

- Applicants can request a FEMA-funded, independent expert panel to conduct a cost validation review of the estimated repair costs for projects greater than \$5 million Federal share

Optional Feature One: Timeframe to Consolidate Multiple Fixed Cost Estimate Grants

Applicants must notify FEMA **within 12 months of the declaration date** if they want to consolidate their grants, which grants they want to consolidate, and the final Scope of Work for the consolidated grant.

Applicants may request up to a six-month extension. If an Applicant requests an extension, they must provide a valid and justifiable reason. Unlike standards projects, only FEMA (not Recipients) may grant time extensions under the Alternative Procedures.

Note: Applicants may add individual grants to the consolidated grant after it has been obligated. FEMA will prepare a version of the consolidated grant with an addendum containing the added grant. The additional individual grant will need to be added within 12 months of the declaration.

Optional Feature Two: FEMA Validation of Applicant-provided Estimates

The Applicant can choose Optional Feature Two, and complete their own cost estimate which FEMA will review and accept.

- Applicant prepared cost estimates must comply with FEMA, Federal, local, Tribal, and Territorial regulations, policy, and guidance
- FEMA will provide funding for preparing the cost estimate in accordance with Public Assistance Program requirements
- The Applicant must prepare the cost estimate using the Cost Estimating Format or a methodology and format consistent with the Cost Estimating Format's level of detail

Applicants have two courses of action in creating a cost estimate, the same as in the standard Public Assistance process:

- Applicants may create their own cost estimate and FEMA will validate it
 - For highly technical estimates, Applicants may contract the cost estimate out to an architecture or engineering consulting agency. FEMA will then validate the cost estimate. The estimate must be prepared by a licensed engineer or architect or other cost estimating professional.
- Applicants may request FEMA to develop a cost estimate. The Applicant will then approve or dispute it.

Optional Feature Three: Elimination of Reduced Eligible Funding

The Applicant may also select Optional Feature Three: Elimination of Reduced Eligible Funding. Under standard procedures, FEMA reduces the Federal share of eligible costs for Alternate Projects.

Under the Alternative Procedures Pilot Program, the Applicant will receive the full eligible cost of the Alternate Project.

Example: Under standard procedures, if an Applicant decides to conduct an Alternate Project that has a cost estimate of \$100,000, then the Applicant will only receive 90% of the estimate (\$90,000). Under the Alternative Procedures Pilot Program, for the same project, the Applicant will receive the full \$100,000.

Note: All Alternate Project Scopes of Work require FEMA's review and approval in accordance with Public Assistance Program requirements.

Optional Feature Four: Use of Excess Funds

The Applicant can also use Optional Feature Four when the actual costs of a project(s) are **less** than the:

- Approved fixed cost estimate for the grant
- Consolidated fixed cost estimate for the grants

If Applicants have excess funds after the completion of their project(s), they may use the excess funds for certain activities.

Optional Feature Four: Proper and Improper Uses of Excess Funds

FEMA allows the Applicant to use excess funds for Public Assistance related purposes, such as:

- Hazard mitigation activities
 - Applicants may use the funds for hazard mitigation on facilities not damaged in the declared incident. These must be eligible facilities by Public Assistance definition.
- Activities that improve future Public Assistance Permanent Work operations
 - Example: Training and planning for future disaster recovery operations

Just as there are ineligible facilities and improper uses of Alternative Procedures funds, there are also improper ways to use excess funds. Unacceptable uses are as follows:

- Payments of debts
- Payments of the non-Federal share of Public Assistance Program grants or other Federal awards
- Operating expenses
- Cost overruns on other Public Assistance grants (not a part of the consolidated grant)
- Incorporation into the community's general fund
- Restoring or replacing a facility not damaged in the declared incident
- Restoring or replacing a facility that would otherwise not be eligible for Public Assistance Program funding

Optional Feature Four: Process for Requesting the Use of Excess Funds

Applicants must complete the following steps for the use of excess funds:

- An Applicant has 90 days to submit the request once the scope of work for the fixed grant is completed
- Certify final costs and submit a request to FEMA to use the excess funds through the Recipient
 - An Applicant has 90 days to submit the request
 - The request must provide information for intended use of the excess funds including Scope of Work and project timeline
- FEMA will then review the request, initiate closure of the original grant, and, if granted, prepare a new grant with the excess funds

Optional Feature Five: Review of Estimates by Expert Panel

The Optional Feature Five is applicable prior to the approval of the cost estimate, where an Applicant may request an independent validation of the cost estimate if the estimated Federal share is at least \$5 million.

- If FEMA and Applicant have a disagreement about the cost estimate, FEMA can bring the estimate before the Expert Panel, even if the estimate is not \$5 million
- If a cost estimate is over \$25 million, it will automatically go in front of an Expert Panel for review

Optional Feature Five: The Expert Panel

The Expert Panel is an independent validation expert panel and is independent of FEMA, Recipient, and Applicant.

- The Expert Panel is composed of design, engineering, construction, cost-estimating, and industry professionals retained by a contractor or another agency with which FEMA has established an agreement for the panel's services
 - FEMA utilizes the U.S. Army Corps of Engineers Center of Excellence for Cost Engineering as the expert panel
- FEMA provides funding for the independent validation Expert Panel



**US Army Corps
of Engineers®**

Optional Feature Five: Responsibilities of the Expert Panel

Responsibilities of the Expert Panel include:

- Conducts its review before the Applicant's acceptance of the cost estimate and before FEMA's obligation of funds
- Reviews issues pertaining to the estimated cost; the panel will not make decisions related to the eligibility of damage or the eligible scope of work. However, it may make determinations with regard to incorporation of cost elements relating to project execution that could affect the scope of work
- May review cost documentation for completed work, if applicable and necessary
- In cases where the estimated amount deemed appropriate by the expert panel is less than the Applicant is willing to accept as a fixed estimate, the Applicant may forgo alternative procedures and request that FEMA process the grant using standard procedures. In these cases, FEMA will obligate the grant based on the estimated amount determined by the expert panel and final funding will be based on the actual costs in accordance with Federal regulation.

Note: If the Applicant does not agree with the capped amount prescribed by the Expert Panel, the Applicant may opt out of the Alternative Procedures Program and request the project to go through FEMA's process using standard procedures.

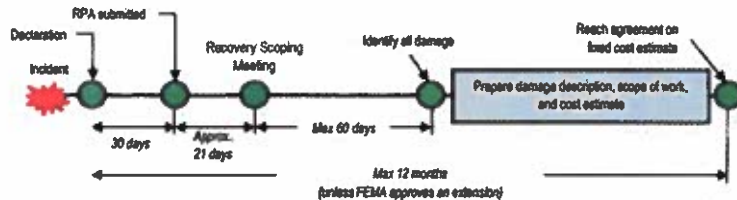
Programmatic Timeframes for Alternative Procedures Permanent Work

FEMA's Public Assistance Alternative Procedures was designed to expedite assistance to survivors.

The Alternative Procedures Pilot Program does not affect the Public Assistance regulatory timeframes for submitting a Request for Public Assistance, identifying disaster damage, and Recovery Scoping Meetings.

The Applicant and FEMA have 12 months, from the declaration date, to agree to the fixed cost estimate grant. The Recipient and/or the Applicant may request a time extension from FEMA. If this occurs, the entity who asked for the time extension must provide justification.

FEMA and Recipient may agree to extend the deadline for all permanent work projects in a specific major disaster. This may occur in cases of catastrophic disasters.



[Please select this link for a full description of the image.](#)

Lesson 4 Overview and Objectives

This lesson provides an overview of the Public Assistance Alternative Procedures for Direct Administrative Costs.

Upon completion of this lesson, participants will be able to:

- Describe the Public Assistance Alternative Procedures for Direct Administrative Costs

Overview of Direct Administrative Costs

Direct Administrative Costs are direct, administrative, or other expenses the Applicant incurs in administering and managing Public Assistance awards that are directly chargeable to a specific project.

Direct Administrative Costs are generally eligible if the Applicant tracks, charges, and accounts for incurred administrative costs directly linked to a specific eligible project.

Note: Applicants cannot charge costs to a project if it previously allocated similar costs incurred for the same purpose in like circumstances to indirect costs.



Direct Administrative Costs: Eligible Activities

Costs associated with the following activities are eligible Direct Administrative Costs if they are related to only one project and meet the standard eligibility requirements. The following list is not all-inclusive:

- Site inspections
- Developing the detailed site-inspection damage description
- Evaluating Section 406 hazard mitigation measures
- Reviewing the project
- Preparing Small Projects
- Preparing correspondence
- Travel Expenses
- Collecting, copying, filing, or submitting documents to support the claim
- Requesting disbursement of Public Assistance funds

FEMA normally considers the salaries of administrative and clerical staff as indirect costs. Direct charging of these costs may be appropriate *only if*:

- Administrative or clerical services are integral to a project or activity
- Individuals involved are specifically identified with the project or activity
- Such costs are explicitly included in the budget for that project or have FEMA's prior written approval
- The costs are not also recovered as indirect costs

Determining Reasonable Direct Administrative Costs

FEMA considers the following factors when determining the reasonableness of Direct Administrative Costs:

- Whether the type of employee and skill level is appropriate for the activities performed; and
- The level of effort required to perform an activity

If the type of employee or skill level is not appropriate for the specific task, FEMA limits Public Assistance funding to a rate based on the appropriate employee type or skill level. For complex projects, staff with a higher level of technical proficiency and experience may be appropriate.

FEMA will use the level of effort required by FEMA staff to perform similar functions as a reference point to determine whether the level of effort claimed by the Applicant is reasonable.

FEMA does not reimburse Direct Administrative Costs based on blended rates (e.g., a labor rate plus a percentage of overall travel expenses or one rate for all levels of employees involved in a project). Labor and travel expenses must be tracked separately and shown as directly related to a specific project.

FEMA provides Public Assistance funding for Direct Administrative Costs at the same cost-share provisions applicable to the declaration.

Overview: Public Assistance Alternative Procedures for Direct Administrative Costs

The overview portion of Direct Administrative Costs of the lesson has concluded; the remainder of the lesson will focus on the Public Assistance Alternative Procedures for Direct Administrative Costs.

The objectives of Public Assistance Alternative Procedures for Direct Administrative Costs are:

- To reduce the administrative burden on FEMA, Recipient, and Applicant as it relates to tracking and requesting reimbursement for administrative duties associated with the management and administration of Public Assistance awards
- To ensure Applicants provide timely, complete information, and documentation to FEMA for the purposes of applying for, administering, and closing Public Assistance awards; and comply with federal award administrative requirements
- To incentivize timely submission of projects for closeout. This is achieved by withholding a portion of the Direct Administrative Cost allowance on a per project basis until the Emergency Work or Permanent Work project is submitted to the Recipient for closeout

FEMA allows each Applicant to receive a Fixed Estimate Direct Administrative Costs award:

- The Fixed Estimate Direct Administrative Costs award is calculated as a flat rate of 4% of full eligible project costs (i.e., prior to reductions for insurance proceeds, cost share, or any other reductions)
- An additional 1% is applied to the same eligible project costs as a closeout incentive for a total of 5% of eligible project costs prior to reductions
- Ineligible and donated resources projects will be excluded from calculation of the fixed Direct Administrative Costs award

Requirements for Participation

Participation and utilization of a Fixed Estimate Direct Administrative Costs award is voluntary for Applicants. Applicants that elect to participate must:

- Include all Direct Administrative Costs claims under one consolidated project
- Sign a written agreement binding them to the provisions outlined in the Public Assistance Alternative Procedures for Direct Administrative Costs Policy

Note: See Appendix A: Agreement for Participation of the Public Assistance Alternative Procedures for Direct Administrative Costs Policy: <https://www.fema.gov/media-library/assets/documents/153582>, pg. 9

The image shows a FEMA Recovery Policy form titled "Agreement for Participation of the Public Assistance Alternative Procedures for Direct Administrative Costs Policy". The form includes the FEMA logo and the text "RECOVERY POLICY". It contains several sections of text, including a "Purpose" section, a "Terms" section, and a "Signatures" section. The "Signatures" section has three lines for signatures, each with a corresponding title and date field. The titles are "Applicant Representative (Name)", "FEMA Representative (Name)", and "FEMA Representative (Name)".

Process for Submitting, Collecting, and Using the Fixed Estimate Direct Administrative Costs Award

The process for submitting, collecting, and using the Fixed Estimate Direct Administrative Costs award entails:

- Documentation requirements
- Calculating the Fixed Estimate Direct Administrative Costs award
- Formulating the Fixed Estimate Direct Administrative Costs project
- Disbursement of funds
- Closeout incentives
- Use of excess funds

Documentation Requirements

Unlike the standard practice for claiming Direct Administrative Costs on each eligible project, Fixed Estimate Direct Administrative Costs do not need to be tracked on a per project basis. Instead, all of the Applicant's Direct Administrative Costs will be documented on one consolidated Direct Administrative Costs project.

To support a Fixed Estimate Direct Administrative Costs award, the Applicant will provide:

- Payroll data and an explanation of all Force Account costs incurred for direct administrative activities associated with eligible Public Assistance projects; and/or
- Contractor invoice(s) for direct administrative activities associated with eligible Public Assistance projects

Calculating the Fixed Estimate Direct Administrative Costs Award

FEMA will award Direct Administrative Costs at 5% of the pre-award value for each project, based on full eligible dollar value of the project prior to any applicable reductions for insurance proceeds, cost share, or other reductions.

Donated resources projects and ineligible projects will not be included in this calculation.



Formulating the Fixed Estimate Direct Administrative Costs Project (1 of 2)

The Applicant must agree to consolidate all Direct Administrative Costs from eligible projects into one Fixed Estimate Direct Administrative Costs project.

This will provide the Applicant greater flexibility to manage and document Direct Administrative Costs in an aggregate manner, instead of project by project.

The FEMA Grants Portal will generate the fixed estimate for Direct Administrative Costs based on 5% of the Applicant's eligible projects. However, Applicants are encouraged to track the total Direct Administrative Costs across all projects for their records.

FEMA has developed the Direct Administrative Costs Project Calculation Template (<https://www.fema.gov/media-library/assets/documents/153582>) to help Applicants capture and track the total eligible Direct Administrative Costs for each project.

Formulating the Fixed Estimate Direct Administrative Costs Project (2 of 2)

Applicants may request funds be obligated against the Fixed Estimate Direct Administrative Costs award at various milestones of the recovery process.

The Direct Administrative Costs project may have up to three versions in addition to the original version zero. Each version provides an opportunity to increase the amount of funding for the Fixed Estimate Direct Administrative Costs award based on newly submitted projects.

Upon obligation of the final version, the Direct Administrative Costs project will be locked in at 5% of pre-award costs for eligible underlying Emergency Work and Permanent Work projects.

The Applicant will not be able to submit any additional versions of the Direct Administrative Costs project.

Direct Administrative Costs Project Worksheet Version Zero

Version zero of the Direct Administrative Costs project is submitted at the discretion of the Applicant upon the Applicant's request. The Applicant determines the appropriate time to make this request.

This version will include the aggregate of 5% of the cost of each eligible project submitted for Initial Review. At this time, the award is locked in for all projects submitted for inclusion in version zero of the Fixed Estimate Direct Administrative Costs project.

Accelerated or Expedited projects that have been formulated based on a broad damage description and/or scope of work due to lack of information and documentation at the time of formulation, and where the estimate will likely fluctuate significantly, will require the Applicant to provide appropriate documentation to support the estimate prior to determining the Fixed Estimate Direct Administrative Costs award for that project.

Reimbursement of Direct Administrative Costs are not restricted to projects submitted for Fixed Estimate Direct Administrative Costs award calculations. However, only eligible projects are allowed to have Direct Administrative Costs applied against them.

Direct Administrative Costs Project Versions One, Two, and Three

If necessary, versions one, two, and three of the Direct Administrative Costs project are submitted at the Applicant's discretion based on each group of projects the Applicant chooses to include in the consolidated Direct Administrative Costs project.

These versions will likely include any additional fixed estimate Direct Administrative Costs awards based on the submission of projects that were not submitted in previous versions.

Once the Direct Administrative Costs project is recalculated to include the newly submitted projects, the Fixed Estimate Direct Administrative Costs award is once again locked in based on all previously estimated Direct Administrative Costs awards from subsequent versions.

Final Version of the Direct Administrative Costs Project

The final version (not to exceed version three) of the Direct Administrative Costs project can be submitted once all Emergency Work and Permanent Work Project version zeros have been signed and submitted.

This milestone must be completed within two years of the declaration date.

It will include all Direct Administrative Costs based on an aggregate 5% of the costs of each eligible project submitted for Initial Review.

This version will be the final locked-in amount for all Direct Administrative Costs for a participating Applicant's eligible Public Assistance Projects.

In the event that additional projects are submitted past this deadline, those projects will not be eligible for inclusion in the Fixed Estimate Direct Administrative Costs award.

Disbursement of Funds

FEMA will award 5% of all eligible project costs, prior to reductions, to the Recipient for disbursement to participating Applicants.

The Recipient will disburse funds for Direct Administrative Costs to Applicants upon their request for reimbursement. The amount will not be limited to Direct Administrative Costs for projects submitted as part of the Fixed Estimate Direct Administrative Costs Awards. However, the final costs must be limited to the total eligible Direct Administrative Costs for eligible Public Assistance projects.

The funds will be disbursed from the consolidated Direct Administrative Costs Project. The total amount of funding disbursed cannot exceed the total eligible amount included on the Direct Administrative Costs project (the lock-in allowance for either the most recent version or the final version).

The Recipient must ensure that any funds provided for State Management Costs made available to an Applicant do not duplicate any funds provided for Direct Administrative Costs.

Closeout Incentive

To incentivize the timely submission of projects for closeout, the Recipient withholds 1% of the Direct Administrative Costs allowance on a per project basis until the project is submitted to the Recipient for closeout.

If an Applicant submits the project to the Recipient for closeout within 90 days of the end of the project period of performance, the Recipient may disburse the additional Direct Administrative Costs allowance for that project to the Applicant.

Otherwise, FEMA will de-obligate the remaining amount at closeout as a non-compliance remedy.

Use of Excess Funds

Applicants may use Direct Administrative Costs excess funds for any costs otherwise eligible.

Any excess funds realized on the final Direct Administrative Costs project will need to be identified and a request for the use of those funds presented by the Applicant for Recipient and FEMA approval within 180 days of the latest project period of performance.

Direct Administrative Costs excess funds can be used for cost effective hazard mitigation activities that will reduce the risk of damage in future incidents.

The Applicant may also use the funds for hazard mitigation on facilities not damaged in the declared incident. However, the mitigation must be applied to facilities that would otherwise be eligible for Public Assistance Program funding.

Use of excess funds can also include activities that improve future Public Assistance Program operations, such as training and planning for future response and recovery operations.

Lesson 4 Summary

In this lesson, participants learned about Public Assistance Alternative Procedures for Direct Administrative Costs.

The next lesson provides a review of the key concepts covered throughout the course.

Lesson 5: Course Review

This lesson covers the course objectives. Participants will take a Post-Course Assessment at its conclusion.

At the end of this lesson, participants will be able to summarize the content of the course.

Course Objectives

In this course, you learned how to:

- Inform Applicants about the Public Assistance Alternative Procedures program
- Address potential considerations to include pre-disaster planning and organization
- Provide resources and tools to make informed decisions and ensure the Public Assistance Alternative Procedures are properly utilized to enhance disaster recovery

Lesson 1 Objectives: Overview of the Public Assistance Alternative Procedures Pilot Program

Lesson 1 provided a brief overview and introduction to the Public Assistance Alternative Procedures Pilot Program.

You should now be able to:

- State the goals and objectives of the course
- Identify the origin of the Public Assistance Alternative Procedures Program and its purpose
- Identify potential special considerations for Public Assistance Alternative Procedures Program

Lesson 2 Objectives: Alternative Procedures Pilot Program for Debris Removal

Lesson 2 provided an overview of the Public Assistance Alternative Procedures Pilot Program for Debris Removal.

You should now be able to:

- Describe the different Alternative Procedures for debris removal
- Describe options for the Alternative Procedures for debris removal
- Describe increased Federal cost share considerations

Lesson 3 Objectives: Permanent Work and Capped Projects

Lesson 3 provided an overview of the courses of action an Applicant may take within the Alternative Procedures Pilot Program for Permanent Work.

You should now be able to:

- Describe the multiple courses of action Applicants may take within the Alternative Procedures Pilot Program in accordance with Permanent Work
- Describe the processes and requirements for Permanent Work and capped projects

Lesson 4 Objectives: Direct Administrative Costs

Lesson 4 provided an overview of the courses of action an Applicant may take within the Alternative Procedures Pilot Program for Direct Administrative Costs.

You should now be able to:

- Describe the Public Assistance Alternative Procedures for Direct Administrative Costs

Course Summary

This course is complete.

The course provided you with an overview of the Public Assistance Alternative Procedures and the ways in which Applicants can benefit from participating in the program.