

COUNCIL AGENDA REPORT

TO: City Council
FROM: Interim City Manager Alex Posada
BY: Risk Manager Mellissa Guerrero

SUBJECT: Consideration of awarding a Professional Services Agreement for Consulting Services to Imperium Consulting Group, LLC

Description:

The City Council will consider approving an award of a Professional Services Agreement for consulting services to Imperium Consulting Group, LLC, to provide claim preparation and presentation services for multiple damaged facilities in and around the City of Santa Maria, California, due to the December 2022 and January 2023 storms.

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required

RECOMMENDATION:

Award a Professional Services Agreement for consulting services to Imperium Consulting Group, LLC, in the amount of \$217,960.75 for claim preparation and presentation services for damaged City facilities.

BACKGROUND:

On January 14, 2023, President Biden approved a major disaster declaration for certain locations in the state of California due to the atmospheric river event that started on December 27, 2022, and continued into January. On January 18, 2023, Santa Barbara County was added to the declaration (Disaster Recovery 4683 (DR-4683-CA)), allowing public and private entities to apply for Federal Emergency Management Agency (FEMA) disaster assistance.

Claims for property damage must first be submitted to the City’s insurance company for reimbursement. Only upon denial by the insurance company will FEMA consider paying for property damage resulting from a natural disaster. To meet the Federal deadline for reimbursement, assist with quantifying the property damage, and facilitate the claim submission process, the City needs assistance.

DISCUSSION:

Quantifying the loss of and damage to property and roads is a specialized area of expertise. Often it takes multiple staff members to quantify the loss, prepare claim documentation, respond to inquiries, and review all documentation for disaster assistance claims. With multiple retirements over the last several months, the City does not have the staffing or the expertise to facilitate the claim submission process internally.

Alternative

The City Council could direct staff to facilitate the claim submission process internally, but this could prove problematic due to a lack of expertise in preparing submissions for FEMA reimbursements. The FEMA reimbursement process is time-sensitive and requires extensive documents to be gathered and provided for reimbursement. Furthermore, should the insurance company deny the claim for reimbursement, but FEMA finds the claim should be paid by the insurance company, FEMA may deny the City's claim for reimbursement of costs associated with the damage to property.

Fiscal Considerations

The Human Resources Risk Management Division is requesting an appropriation of \$217,960.75 in fiscal year 2023-2024 to fund this agreement as proposed.

ATTACHMENTS

Professional Services Agreement with Imperium Consulting Group, LLC