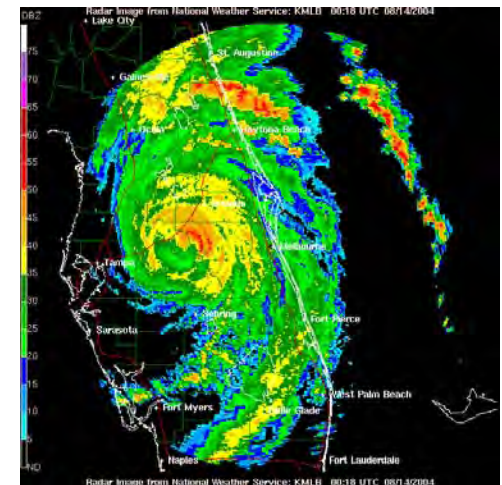


Department of Homeland Security – FEMA Audit

- In June 2012, OUC received a request to audit costs incurred under FEMA Declaration Nos. 1539, 1545 and 1561 as defined under the authority of the Inspector General
- Audit procedures for this engagement were expanded to include compliance testing as well as substantive invoice testing
- Audit work has been complete and a final draft report For Hurricane Charlie was submitted to the State of Florida and FEMA



Federal Emergency Management Agency Assistance

- OUC prepared the required project worksheets with the assistance of the Public Assistance Coordinators from FEMA
 - Assistance was provided after the storm restoration was complete
- FEMA inspectors in partnership with the State of Florida reviewed all large project worksheets submitted by OUC
 - Project worksheet review was performed intermittently between 2006 and 2011
- FEMA and state review yielded only minor adjustments



Summary

- OUC acted in the best interest of its customers; restoring essential services in many cases within 48-72 hours (and sooner for more critical facilities)
- Due diligence was exercised to secure qualified resources to expedite the restoration efforts
- Emergency procedures were enacted to compete for limited outside resources, including those from out of state who would not have normally bid to serve OUC
- Eligible costs for the submitted project worksheets were carefully reviewed and evaluated with FEMA and State of Florida staff to ensure the compliance and accuracy of federal and state reimbursements

DHS Recommendation

- OUC had Not Followed Federal Procurement Regulations
- FEMA should (retroactively) “disallow” costs equal to \$10,806,052
- FMEA Region IV Contacted OUC in June 2014 requesting detailed cost analysis
- Offered less than 15 days to provide information cost Analysis submitted for all three hurricanes due by July 23, 2014



Outcome

- FEMA Recommends No Deobligation or disallowance to the Department of Homeland Security Office of the Inspector General
- Office of the Inspector officially stated they will not appeal
- Audits are Closed
- OUC owes The State of Florida/ FEMA \$0.00



Stafford Act Draft Language

- With respect to contracts used for removal of debris and other emergency protective measures as a result of [Hurricane Matthew, Irma and Maria] major disaster events], and for which assistance is sought under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, state, tribe, or local government's compliance with state, tribal, or local government procurement requirements that promote full and open competition shall constitute compliance with the federal procurement requirements at 2 C.F.R. § 200.317-326.