Atascadero City Council
Staff Report - City Manager’s Office

Contract for Services Provided by
Kermani Consulting Group for
First Level Appeal of Project Worksheet for
Historic City Hall

RECOMMENDATION:

Council approve a change order to the contract with Kermani Consulting Group in the additional amount of $25,000 for continued services related to the City’s first level appeal of FEMA’s project worksheet for historic City Hall.

DISCUSSION:

The repair and rehabilitation of our historic City Hall continues to be a priority, as it is the heart and soul of Atascadero’s downtown. With the knowledge in May 2007 that the disaster assistance funding proposed by FEMA would likely be significantly less than what will be needed to complete the extensive repairs to the building, staff began preparing to file an appeal by seeking out a consultant to assist with the process.

Kermani Consulting Group (KCG) is a firm with considerable experience in working with FEMA, and was hired to create a comprehensive document for the first-level appeal. On February 1, 2008, the City submitted the First Level Appeal of PW 229-1 (Atascadero City Hall) to the Office of Emergency Services (OES). This massive undertaking cost the City just under $40,000 in consultant fees. Based on feedback from FEMA and OES officials during their April 18th meeting and site visit, staff is relatively confident that the first level appeal will result in additional items being funded by FEMA in the repair scope of work.

Although the appeal is now in FEMA’s hands, the work involved in defending the City’s position is not yet complete. FEMA has hired a consultant to review the City’s appeal, and this individual will be exerting a considerable effort toward absorbing the huge amount of information provided in the City’s appeal, in order to make a recommendation.
to FEMA. As FEMA’s consultant learns about the extent of damage sustained by our
historic City Hall and the repair methods being recommended by the City’s architecture
and engineering consultants, there will be a substantial number of questions that will
need to be addressed and an exchange of information between the City and FEMA will
take place during the coming months. KCG has significant contacts with FEMA and
OES top officials. This advantage, along with the consultant’s expert knowledge of the
appeal process, will be useful in making sure the appeal continues to move through the
proper channels toward an ultimate result in the City’s favor.

The original contract between the City and KCG, for the purpose of creating the City’s
appeal, was $40,000. Based on the degree to which staff has determined that KCG’s
expertise will be needed during the appeal process, staff is recommending an additional
amount of $25,000 be approved for the KCG contract, bringing the total contract to
$65,000. The City’s Purchasing Policy requires that contracts exceeding $40,000 be
awarded by the City Council. The funding for this crucial expenditure will come from
administration revenues received from FEMA and OES. To date, the City has received
approximately $560,000 from FEMA/OES for administration of the historic City Hall
project process. These funds are intended to be used for expenditures for consultant
services associated with the FEMA/OES process, as well as for staff time spent on
administering the project funds.

Staff recommends the Council approve the contract with KCG, for the additional amount
of $25,000, for continued services related to the City’s first level appeal of FEMA’s
project worksheet for historic City Hall.

**FISCAL IMPACT:**

Approval of the contract change will result in the expenditure of an additional
$25,000.00 in budgeted Historic City Hall Rehabilitation Funds.

**ALTERNATIVES:**

Withhold approval of the contract and risk a significant delay in the appeal process
and/or an unfavorable determination by FEMA.