




SAN DIEGO UNIFIED PORT DISTRICT

MEMORANDUM

Date: December 11, 2017

To: Randa Coniglio, President / Chief Executive Officer

Via: Mark Stainbrook 
Acting Vice President, Public Safety / Acting Chief of Harbor Police
mstainbrook@portofsandiego.org

From: Matthew Brown 
Homeland Security Program Manager
mbrown@portofsandiego.org 

Subject: Single Source Justification: EY Consulting for Port District Long Term Recovery Planning

The purpose of this memo is to provide a single source justification for the Emergency Management Program's request to retain the services of EY Consulting (formerly Ernst & Young) as the Port's Long Term Recovery Planning consulting firm.

The ability to recovery quickly, restore commerce and confidence, and continue to serve as the economic engine for the region, is the hallmark of a resilient port. In 2016, the Area Maritime Security Committee, inclusive of the Captain of the Port as the Committee's Chair and the Chief of the San Diego Harbor Police Department as the Committee's Vice-Chair, identified the need for a Long-Term Recovery Plan (LTRP) for the port region, prioritized it for development, and designated the San Diego Unified Port District to lead the planning effort in order to ensure "whole port" engagement.

The After-Action Report (AAR) for the Port Recovery and Business/Trade Resumption Tabletop Exercise (TTX) conducted by the Port in March 2017 identified major gaps in the ability to communicate, make decisions and act in a coordinated manner to recover from an incident affecting the Port. The TTX identified that although several recovery planning efforts have been initiated, none have been adequately coordinated to capture the "whole port" and all have largely failed to engage the private sector and industry (which represent a key component of port commerce and regional economic gross domestic product).

EY's Insurance & Federal Claims Service practice is a group of professionals dedicated to assisting governmental, nonprofit and corporate entities to expedite financial recovery and mitigation after catastrophic loss through FEMA, other Federal disaster grant programs and insurance claims. EY's experience in long term disaster recovery management includes former DHS, FEMA and DHS Office of Inspector General senior executives, forensic accountants, construction managers, engineers and former insurance adjusters.

Page 2 of 2
December 11, 2017

Subject: Single Source Justification: Alpha Project for the Homeless

EY provided pro bono services in reviewing drafts and providing insights and recommendations for the Port's Emergency Management Policy (BPC #777, approved by the BPC on April 11, 2017) and Emergency Operations Plan (adopted by the BPC on August 8, 2017). EY assisted in facilitation of the Port's March 2017 Recovery and Trade Resumption TTX and assisted in preparation of the exercise's After-Action Report. EY also assisted with the Port's August 14-15, 2017 EOC Workshop and has provided recommendations to the Port's Emergency Manager for Insurance versus FEMA reimbursement and processes for the Port's smaller businesses to engage in Small Business Administration loan acquisition following a major disaster.

EY has an intimate knowledge of port structure and has worked on some of the largest and most complex claims in recent history resulting from natural disasters to include Katrina, Rita, Ike, Sandy, Irma and Harvey as well as floods, fires and explosions.

In 2017 the Port was awarded \$126,702.00 (inclusive of services and estimated reimbursable expenses) as part of a DHS FEMA Port Security Grant to engage in the initial phase of LTRP. EY's services in Phase 1 of the LTRP will assist the Port to:

- Establish a Port long-term recovery planning team and secure external stakeholder support by identifying internal and outside resources
- Access expert resources and educational materials that can be shared with Port constituents
- Conduct an internal District insurance inventory and external anchor tenant insurance inventory to understand and assess adequacies of coverages in place and potential gaps when reconciling with FEMA private insurance proceeds with estimated project costs to get the most out of the funding sources available
- Build a framework for a public information campaign to keep the Port and stakeholders informed and involved in the development process
- Work through an understanding of prioritized industry and facilities for FEMA provided resources and funding after insurance has been expended, all as pre-disaster documented planning

Because of the valuable service and financial disaster preparedness experience EY provides, its vast relevant work with state, local and federal government and private sector industry coordination, and its working knowledge of the San Diego Unified Port District, a waiver of BPC Policy No. 110, Section II(D)(1) is requested to secure and maintain the best available Long-Term Recovery Planning consulting services.