



January-October 20122013

Bay Area Urban Areas  
Security Initiative (UASI)

DRAFT

~~Grants and Project~~  
~~Policies and~~  
~~Procedures Manual~~

Forms

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## I. INTRODUCTION

### A. Scope and Purpose

This manual provides the standards, policies, and processes that govern grant and project management and administration for the Bay Area UASI. Its purpose is to provide clarity and transparency around Bay Area UASI grant and project management, ensure efficiency and compliance in implementation, and ultimately to maximize the impact of federal funds to enhance the safety of Bay Area residents. This manual includes:

- Roles and responsibilities of the various entities participating in grant and project management;
- The lifecycle for Bay Area UASI projects, from identification through planning, execution, close out, and evaluation;
- Compliance requirements;
- Procurement processes; and
- Financial administration; and
- Required templates and forms.

Forms

This manual is mandated by the Bay Area UASI Approval Authority ~~Bylaws~~By-laws (July ~~August 2011~~–2013 Section 8.8) and was first provided in 2012. This updated version was presented to and approved by the Approval Authority on ~~August 18, 2011~~ October 10, 2013. In addition, the Department of Homeland Security requires documentation of grant management and administration in order to access funding from the Homeland Security Grant Program.

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The Bay Area UASI General Manager will review and update this manual ~~annually~~ on a regular basis to ensure compliance with federal and state grant guidelines and to incorporate policies and procedures approved by the Approval Authority ~~in the preceding year~~. The General Manager will present proposed changes to this manual to the Approval Authority for adoption.

### B. Affected Parties

The standards, policies, and processes contained herein apply to all participants in the Bay Area UASI—the Approval Authority, Advisory Group, Management Team, Working Groups, Member Jurisdictions, Contractors, Affiliated Non-Employees, and other similar individuals.

### C. Federal UASI Program Background

The Urban Areas Security Initiative (UASI) is administered at the federal level by the Department of Homeland Security through its Homeland Security Grant Program within the Federal Emergency Management Agency (FEMA). The Homeland Security Grant Program provides federal funding to help state and local agencies enhance their capabilities to prevent, deter, respond to, mitigate and recover from terrorist attacks, major disasters, and other emergencies. The Homeland Security Grant Program encompasses several interrelated federal grant programs, including UASI, that together fund a range of preparedness activities as well as management and administration costs.

Since its inception in 2003, the intent of the federal UASI program has been to enhance regional preparedness in major metropolitan areas in support of the National Preparedness Guidelines. The UASI grant program provides financial assistance to address the unique multi-discipline Planning, Organization, Equipment purchase, Training, and Exercise (POETE) needs of high-threat, high-density urban areas, and to assist these areas in building and sustaining capabilities to prevent, protect against, respond to, and recover from threats or acts of terrorism. Activities implemented with UASI funds must support terrorism preparedness, response, and recovery in order to be considered eligible. However, many capabilities which support terrorism preparedness simultaneously support preparedness for other hazards. Grantees must demonstrate the dual-use quality for any activities implemented that are not explicitly focused on terrorism preparedness.

Urban areas must use UASI funds to employ a regional approach to overall preparedness and adopt regional response structures whenever appropriate. UASI program implementation and governance must include regional partners and should have balanced representation among entities with operational responsibilities for prevention, protection, response, and recovery activities within the region.

### D. Bay Area UASI Background

The Bay Area UASI improves capacity to prevent, protect against, respond to, mitigate and recover from terrorist incidents or related catastrophic events by providing planning, training, equipment and exercises to the Bay Area UASI region. It enhances regional capability through regional collaboration and responsibly leverages funding to achieve optimal results with the dollars available. The Bay Area UASI also coordinates and administers risk management planning and regional strategy, as well as researches, learns from, and shares what works well and what does not to inform program/product development.

The Bay Area UASI's footprint is comprised of three major cities (Oakland, San Francisco, and San Jose); twelve counties (Alameda, Contra Costa, Marin, Napa, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz, Monterey, Solano, and Sonoma); and more than 100

incorporated cities. The primary source of funds comes from the Homeland Security Grant Program (UASI program) administered by the Department of Homeland Security.

## II. ROLES AND RESPONSIBILITIES

Governed by Memoranda of Understanding (MOUs) between participant jurisdictions, the Bay Area UASI is managed through a multi-layered governance structure. At the top level is the Approval Authority, which is supported by an Advisory Group. Working Groups provide subject matter expertise and regional input and help identify projects, and management and administration is handled by the Bay Area UASI Management Team. Project Leads are responsible for all aspects of project planning and management, and sub-recipient jurisdictions are key project team members and implement local procurement processes to expend grant funds.

A selected Urban Area shall establish an Urban Area Working Group (UAWG), which must provide direct or indirect representation for all the jurisdictions and response disciplines (including law enforcement) that comprises the defined Urban Area; local MMRS leadership and Citizen Corps Council representatives; and officials responsible for the administration of CDC and ASPR cooperative agreements. The Bay Area UASI Urban Area Working Group is called the Approval Authority.

### A. Approval Authority

#### Participants

The top tier of governance in the Bay Area UASI is the eleven-member Approval Authority (or "Authority") that includes representation from each of the three major cities of Oakland, San Francisco, and San Jose and each of the counties in which they are located (Alameda, San Francisco, and Santa Clara) in addition to as well as the counties of Contra Costa, Marin, Monterey, San Mateo, Santa Clara and Sonoma). The California Emergency Management Agency California Office of Emergency Services (Cal-EMACal OES) Deputy Director for Operations Assistant Secretary is a non-voting member.

#### Responsibilities

The Approval Authority provides policy direction and is responsible for final decisions regarding projects and funding grant investments. The role of the Approval Authority in grants and project management includes:

- **Regional Coordination and Strategy** – Coordinating a regional approach to prevention, protection, response, mitigation, and recovery to homeland security threats as well as approving the Bay Area Homeland Security Strategy.

- **Risk Management** – Adopting a regional risk management framework to administer the UASI Homeland Security Grant Program and related grants, consistent with grant guidelines and direction provided by the Department of Homeland Security and the California Emergency Management Agency California Office of Emergency Services (Cal-EMACal OES).
- **Grant Approval** – Approving UASI program and related grant applications and grant allocation methodologies, and the allocation and distribution of grant funds.
- **Management Team Budget** – Approving the annual budget for the Bay Area UASI Management Team, based on a July 1 – June 30 fiscal year.
- **Advisory and Working Groups** – Approving the establishment, purpose, and membership of any advisory bodies whose purpose is to advise the Approval Authority, as well as providing personnel with subject matter expertise to participate in such groups.
- **Participation in Implementation** – Participating in the implementation of regional initiatives that are consistent with the mission and decisions of the Approval Authority, including participation in the risk assessment process on an annual basis.

#### Meetings

Approval Authority meetings take place monthly. See the July-August 2013 2014 Approval Authority Bylaws and Memoranda of Understanding (MOU) for more information.

### B. Advisory Group

#### Participants

The second tier of governance of the Bay Area UASI is the Advisory Group. Advisory Group includes representation from membership includes one representative each from the ten twelve Bay Area county operational areas, the three major cities, the Northern California Regional Intelligence Center (NCRIC)/Fusion Center, as well as the Coastal Regional Administrator for the California Emergency Management Agency California Office of Emergency Services (Cal-EMACal OES). The Advisory Group may have a both a Chair and a Vice-Chair that are selected from among the membership. The Advisory Group is facilitated by the Management Team, which participates in the group as a non-voting member to provide technical input. both a Chair and a Vice-Chair that are selected from among the membership.

County/city administrators identify Advisory Group members on an annual basis. Members should be senior staff with appropriate subject matter expertise and decision making authority



who can provide a regional strategic perspective. Advisory Group members must have adequate time availability to carry out their responsibilities and must identify an alternate to attend meetings and perform functions for them when they are not available.

#### Responsibilities

• The primary role of the Advisory Group is to review proposed projects as well as how these projects are identified and prioritized. At the request of the General Manager, the Advisory Group recommends projects for approval to the Approval Authority. The Advisory Group also provides oversight to the Training and Exercise Program as well as reviews key risk management documents, such as the Threat Hazard Identification Risk Assessment (THIRA) and priority capability objectives. supports the UASI Approval Authority in making decisions, gathering information, analyzing information, having dialogue, and making policy and programmatic recommendations. Consistent with grant program requirements, the Advisory Group reviews, analyzes, discusses, and makes recommendations to the Approval Authority on:

- The Bay Area Homeland Security Strategy;
- Project identification process, including the risk and capability assessment;
- UASI program and related grant applications; and
- Allocation and distribution of grant funds under the jurisdiction of the Approval Authority, including a recommended list of proposals and amounts of funding for each.

The Advisory Group provides recommendations to the Bay Area UASI Management Team for subject matter expert participants in the Working Groups, receives updates from Management Team and Working Group representatives on their work, contributes technical input to the risk assessment process, and provides input on sub-recipient jurisdiction selection. An Advisory Group member or a Management Team Member also serves as Chair for each Working Group.

#### Meetings

Advisory Group meetings take place monthly at least quarterly and/or on an as-needed basis in advance of Approval Authority meetings and are facilitated by an elected Chairperson of the Advisory Group. Advisory Group members or their alternates are required to be prepared for and attend all meetings. If a member or designated alternate misses more than two meetings, the Advisory Group must take a majority vote on whether or not to remove that member, and if the member is removed, the Bay Area UASI General Manager will request another representative from that jurisdiction.

### C. Management Team

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#### Participants

The Bay Area UASI Management Team is comprised of a general manager, strategy and compliance director, assistant general manager, chief financial officer, as well as program/project, finance and grant, and administrative staff. The General Manager appoints members to the Management Team to implement the policies of the Approval Authority. The members of this Team are employees of or contractors with the member jurisdictions of the Approval Authority, are assigned to work full-time on the Management Team, and are paid salaries through grant funds.

The General Manager directs and manages the Management Team, including setting job duties and responsibilities and establishing performance goals and expectations. General office, staffing, and personnel policies and procedures for the Management Team staff will be documented in the Management Team Policies and Procedures Manual, documented in a manual issued in the spring of 2012.

#### Responsibilities

The Bay Area UASI Management Team is responsible for the administration and management of the projects that have been endorsed by the Approval Authority and all other administrative and legislative responsibilities associated with running the UASI. This includes regional capability assessment, planning and strategy development, resource allocation, implementation, and evaluation of the Bay Area UASI program. In addition, the team is responsible for the liaison role between the City and County of San Francisco, which serves as the fiscal agent for grant funds, and the grantors and sub-recipients. The Management Team also serves as the point of contact for all inquiries and issues from regional stakeholders and facilitates Approval Authority, Advisory Group, and other Work Group s, and other stakeholder meetings.

The Management Team is comprised of two units, Project Management and Grants Management.

The Project Management Unit is responsible for:

- **Needs Identification** – Working with any advisory and working groups, as well as appropriate Bay Area stakeholders, to obtain input and make recommendations to the Approval Authority on application for and allocation and distribution of grant funded projects and policy and programmatic objectives.
- **Coordination and Collaboration** – Coordinating and managing advisory and working groups and stakeholders to, including serving as the liaison between these groups to ensure regional coordination and collaboration.
- **Grants Administration** – Overseeing and executing all administrative tasks associated with application for and distribution of grant funds and programs, including maintaining records, negotiating deliverables and timelines for projects, and creating agreements

outlining contract amounts and terms. Administering federal grant awards to ensure compliance with federal laws, regulations, executive orders, Office of Management and Budget (OMB) circulars, departmental policy, award terms and conditions, and state and local requirements.

- **Project Management** – Providing regional coordination, monitoring, management, and oversight of grant-funded projects and programs.

The Grants Management Unit is responsible for:

- **Grants Administration** – Administering federal grant awards to ensure compliance with federal laws, regulations, executive orders, OMB circulars, departmental policy, award terms and conditions, and state and local requirements.
- **Procurement** – Developing contracts for projects and reviewing, and/or approving contract procurement for sub-recipient projects.
- **Accounting** – Reconciling financial records, responding to internal and external audits, reimbursement of sub-recipients, processing of cash requests, and ensuring all activities carried out under the Bay Area UASI grant program are reasonable and allowable.
- **Sub-recipient Partnerships** – Helping prepare and modify/preparing and modifying agreements between the Bay Area UASI and sub-recipients as well as monitoring sub-recipients to ensure compliance with grant requirements.

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#### D. Working Groups

##### Participants

Bay Area UASI Working Groups are comprised of regional stakeholders who are subject matter experts. The Bay Area UASI General Manager is empowered by the Approval Authority By law to create discipline-specific and/or functionally-determined work groups to make assessments and recommendations that address risk reduction, sustain mission critical initiatives, and enhance capabilities on a regional basis.

Members of the Approval Authority are ~~required~~ requested to provide personnel with subject matter expertise to participate in Working Groups. The General Manager may also solicit subject matter experts to include representatives from member counties and cities. In addition, members of the Approval Authority and the Advisory Group are encouraged to identify participants with

relevant subject matter expertise from outside government, including non-governmental and community-based organizations, who can participate in Working Groups, consistent with FEMA's "whole community" approach.

##### Responsibilities

The primary objective of the Working Groups is to provide a venue for subject matter experts to assess regional needs and capabilities based on risk, as well as ~~solicit~~ review and discuss, and make recommendations concerning homeland security regional grant projects to the Advisory Group. All Working Groups are project-focused and do not set policy. The role of the Working Groups ~~also~~ includes:

- **Risk Assessment** – Performing risk and capability assessments and reviewing regional strategy for risk and threat information.
- **Project Identification** – Developing proposals based on gap analyses and soliciting and gathering proposal information from each jurisdiction.
- **Proposal Review** – Reviewing and analyzing proposals and ensuring that they are aligned with state priorities and the National Preparedness Guidelines.
- **Proposal Scoring** – Developing criteria for the project proposal scoring process, ranking proposals based on these criteria, and providing this list to the Advisory Group.
- **Project Team Membership** – Providing recommendations on the assignment of sub-recipient jurisdictions.
- **Project Implementation Oversight** – Providing technical input and oversight during project implementation, applying.
- **Evaluation** – Documenting and applying lessons learned from project implementation, as well as ~~and~~ providing input for portfolio evaluation and performance metrics.

Currently, there are four Working Groups in the following areas, which are consistent with the Bay Area Homeland Security Strategy goals:

- Chemical, Biological, Radiological, Nuclear, and Explosive (CBRNE)/Training and Exercises;
- ~~Risk Management and~~
- Information Analysis and Infrastructure Protection; Sharing;
- Interoperable Communications; and
- ~~Health, Medical, Citizen Preparedness, and Recovery; and~~
- ~~Risk Management~~

## Meetings

Working Groups meet at least monthly and are chaired by                     . Members must be prepared for and attend all meetings, and could be disqualified by the Bay Area UASI General Manager from future participation if two meetings are missed. The General Manager will request the Approval Authority and Advisory Group to identify new personnel for Working Group participation if previously identified individuals are unable to regularly attend meetings or are otherwise unable to meet the responsibilities of the group.

### Working Group Leadership

For each Working Group, the Bay Area UASI General Manager requests a Management Team Member to be the Chair. A Co-Chair will be a person selected from within the group by the group.

The Bay Area UASI Management Team coordinates and manages the Working Groups. Each Working Group is supported by a program/project manager from the Bay Area UASI Management Team. The Program/Project Manager is a subject matter expert, participates in all meetings, ensures the Working Group has needed information on a timely basis to meet their responsibilities, maintains documents and records, and is responsible for contributing to regular reporting to the Advisory Group, General Manager and Approval Authority. In addition, the Program/Project Manager is required to work cooperatively, constructively, and efficiently with Working Group Co-Chairs and members to accomplish these tasks:

- Setting meeting times on a regular schedule;
- Ensuring that the Working Group has a core mission statement and identified projects;
- Setting relevant agendas and objectives;
- Maintaining documents and records;
- Providing technical assistance to ensure projects are consistent with local, state, and federal guidelines; and
- Identifying and inviting participation and input from non governmental and community based representatives that can provide subject matter expertise.

### E. Project Lead

#### Participants

The Project Lead may be either a jurisdiction or a staff member of the Bay Area UASI Management Team, typically a program/project manager with relevant subject matter technical expertise.

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If a staff member, the ~~the~~ Bay Area UASI General Manager or designee will appoint a Project Lead based ~~Lead based~~ on subject matter and project management expertise as well as availability.

#### Responsibilities

The Project Lead is the single point of contact for a project; is responsible for all aspects of project planning, execution, and close out; and coordinates with the Grants Management Unit to fulfill all required financial management and procurement processes.

The Project Lead works closely with technical experts in participating jurisdictions who contribute substantially to all phases of project management. The Project Lead also works closely with sub-recipients and helps ensure and support timely procurement and compliance. The Project Lead must participate actively in the associated technical Working Group, which provides technical oversight to the project, and will often also play the role as liaison for that Working Group to the Bay Area UASI Management Team.

The Bay Area UASI General Manager or designee is responsible for providing oversight and quality assurance to the work of the Project Lead. The standards laid out in this manual on grants and project management will form the basis for performance coaching and feedback for the Project Lead.

#### Jurisdiction Project Lead (Executive Sponsor)

Pursuant to the Approval Authority Bylaws (July 2011 Section 8.5), the Bay Area UASI General Manager conducts any selection process required by grant guidelines to identify an "executive sponsor" for funded initiatives, unless otherwise designated in the award. The term "executive sponsor" refers to a sub-recipient jurisdiction that commits to implementing required procurement processes of a project and fulfilling all the requirements of a sub-grant award (see Sections IV and V of this manual on financial management and procurement). Criteria used by the General Manager when making this selection includes:

- Availability and willingness of the proposed jurisdiction to play this role.
- Relevant subject matter expertise of the proposed jurisdictional representatives.
- Jurisdiction's proven track record of timely procurement and effective financial management of initiatives of similar scope and scale in the recent past and according to the standards laid out in Sections IV and V of this manual on procurement and financial management.
- Active membership of the proposed jurisdiction representatives in the relevant technical Working Group. Input from the relevant Working Group and Advisory Group on the proposed selection.
- Jurisdiction submits a regional project to the work group for review and evaluation or volunteers to take the lead on a regional project, e.g., the Metrics Project, as the person responsible is a subject matter expert.

- Work Group recommends the regional project to the Advisory Group for approval.
- Advisory Group prioritizes and recommends the regional project to the Approval Authority for approval.
- Approval Authority approves the regional project for inclusion in the grant application for the next grant cycle.
- With the approval of the grant award from FEMA, the Management Team will include the regional project in an MOU agreement with the jurisdiction.

The General Manager identifies the proposed jurisdiction to the Approval Authority for approval. The Bay Area UASI General Manager may at any time recommend to the Approval Authority the revocation of the role of sub-recipient jurisdiction due to a lack of adherence to policies and procedures laid out in this manual. If there are no jurisdictions that meet the criteria above, the General Manager will make this determination and recommend that project funds and procurement be directly managed by the Bay Area UASI Management Team.

#### Jurisdiction as Project Lead (Executor Sponsor) — Request for Proposal

A jurisdiction may become a Project Lead (executor sponsor) if there is a regional project such as the Regional Training and Exercise Project, through a Request for Proposal (RFP) process, which includes the following:

- The Regional Training and Exercise Work Group develops the scope of services for the RFP, evaluates the proposals, and recommends a jurisdiction to be the project lead.
- The Management Team facilitates the procurement process (posts the RFP, solicits proposals, facilitates the evaluation process, conducts negotiations and contract development, and executes an MOU).
- The Regional Training and Exercise Work Group recommends the proposed project lead to the Advisory Group for approval.
- The Advisory Group recommends the proposed project lead to the Approval Authority for approval.
- The Approval Authority approves the project lead for the regional project and directs the Management Team to initiate contract development.

#### F.E. Sub-recipients/recipient Jurisdictions

##### Participants

Sub-recipients are jurisdictions that receive grant funds from the City and County of San Francisco in its capacity as the fiscal agent and sub-grantee to the State of California for federal UASI awards.

##### Responsibilities

Sub-recipient jurisdictions are responsible for adhering to the project management, procurement, and financial management policies and procedures outlined in this manual. Among other things, responsibilities include:

- Active participation as a project team lead member;
- Helping to draft, approving, and following MOUs / LOAs (Memoranda of Understanding); Letters of Agreement) — the Bay Area UASI will not disburse grant funds to a sub-recipient until and unless such an agreement is finalized;
- Ensuring financial management systems are in place;
- Requesting modifications when necessary through the use of the change request form;
- Requesting reimbursements in a timely manner;
- Comply with the Fiscal Agent's Grants Management Policies and Procedures;
- Conducting sub-recipient monitoring, if applicable;
- Complying with performance milestones and completing projects within the grant performance period;
- Submitting quarterly reports to the Bay Area UASI Management Team documenting project progress; and
- Participating in risk and capabilities assessments and Bay Area Homeland Security Strategy updates, and as well as attending work group meetings.

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## G. Ethical and Conflicts of Interest Standards

### Ethical Standards

All members of the Bay Area UASI are required at all times to carry out their roles and responsibilities according to the highest ethical, professional, and quality standards. This includes conduct which is professional and competent, is cooperative with partners and stakeholders, and avoids bringing the Bay Area UASI into disrepute or negatively reflecting upon it. Members are bound by all of the rules, procedures, and specific requirements related to ethical and professional behaviors that are promulgated by their respective jurisdictions.

In addition, all Bay Area UASI members and sub-recipients understand and agree that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation, or policy, at any level of government, without the express prior written approval from FEMA. They will comply with provisions of the Hatch Act (5 U.S.C. Sections 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

### Conflicts of Interest

No member of the Bay Area UASI may use their position for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain for themselves or others, particularly those with whom they have family, business, or other ties. Personnel and other officials connected with Bay Area UASI funded programs must adhere to the following federal standards for avoiding conflict of interest in grants management and administration. Violations of conflict of interest standards may result in criminal, civil, or administrative penalties.

No official or employee of a state or unit of local government or a non-governmental recipient/sub-recipient shall participate personally through decisions, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise in any proceeding, application, request for a ruling or other determination, contract, award, cooperative agreement, claim, controversy, or other particular matter in which award funds (including program income or other funds generated by federally funded activities) are used, where to his/her knowledge, he/she or his/her immediate family, partners, organization other than a public agency in which he/she is serving as an officer, director, trustee, partner, or employee, or any person or organization with whom he/she is negotiating or has any arrangement concerning prospective employment, has a financial interest, or has less than an arms-length transaction.

In the use of Bay Area UASI funds, all officials, employees, and sub-recipients must avoid any action that might result in, or create the appearance of:

- Using his or her official position for private gain;

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- Giving preferential treatment to any person;
- Losing complete independence or impartiality;
- Making an official decision outside official channels; and
- Affecting adversely the confidence of the public in the integrity of the government or the program.

Where a recipient of federal funds makes sub-awards under any competitive process and an actual conflict or an appearance of a conflict of interest exists, the person for whom the actual or apparent conflict of interest exists should recuse himself or herself not only from reviewing the application for which the conflict exists, but also from the evaluation of all competing applications. As detailed in Section III of this manual (see "Approval of Solicitations and Contracts" under "C. Planning"), participants in RFP screening and evaluation processes for Bay Area UASI projects will be required to sign and adhere to impartiality/confidentiality statements.

The Approval Authority's conflict of interest procedure is detailed in the Memorandum of Understanding (July 2011 Section 20):

*If and when a Party identifies an actual or potential conflict of interest among one or more of the Parties, that Party shall send written notification to all Parties. The Party with the actual or potential conflict shall respond to the notice within three business days. The response shall indicate whether the Party agrees or disagrees that a conflict exists. If the Party agrees, that Party may take appropriate action to cure the conflict, if possible, and shall describe its corrective actions in its response. If a Party disagrees, or cannot cure an actual conflict, the Approval Authority shall meet on the conflict within not less than 30 calendar days of the initial notice, in an effort to resolve the conflict. The Approval Authority shall schedule a special meeting if necessary to meet this timeline.*

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4.1.1 Summary Matrix – Grant and Project Roles and Responsibilities

Steps in Project Cycle	Approval Authority	Management Team	Sub-recipient
Risk and Capability Assessment	Inform	Coordinate and approve	Implement/Inform
Homeland Security Strategy	Approve	Coordinate and implement	Inform
Allocation and Policy Priorities/Proposal Guidance	Approve	Inform/Implement	Inform – Advisory Group
Proposals and Scoring	–	Coordinate and approve	Implement
Project Prioritizing	Approve	Coordinate	Implement – hubs and Advisory Group
Project Approval	Approve	Coordinate	–
Investment Justifications	–	Implement	–
Grant Applications	Approve	Coordinate and implement	–
Project Lead Assignment	–	Implement	–
Sub-recipient Assignment	Approve	Recommend	Inform
MOUs/LOA	–	Implement and approve	Inform
Project Plan	Approve (over \$250K)/notified	Approve	Inform
Solicitations and Contracts	Approve (over \$250K)/notified	Approve	Implement
Reporting	Notified	Implement	Notified/Inform - workgroups

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Timeline and Scope Change	Notified (over \$250K and six months)/over \$250K	Approve	Inform	Inform
Budget Change	Approve (over \$250K)/notified	Approve	Inform	Inform
Deliverable Quality	–	Approve	Inform	Inform
Administrative Close Out/Monitoring	–	Approve/Implement	–	Inform/Implement
Lessons Learned/Close Out	–	Approve	Inform	Inform/Implement
Portfolio Evaluation Metrics	Notified	Coordinate and implement	Inform	Inform

## G. Ethical Standards

All members of the Bay Area UASI are required at all times to carry out their roles and responsibilities according to the highest ethical, professional, and quality standards. This includes conduct which is professional and competent, is cooperative with partners and stakeholders, and avoids bringing the Bay Area UASI into disrepute or negatively reflecting upon it. Members are bound by all of the rules, procedures, and specific requirements related to ethical and professional behaviors that are promulgated by their respective jurisdictions.

### Hatch Act Compliance

All Bay Area UASI members and sub-recipients understand and agree that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation, or policy, at any level of government, without the express prior written approval from FEMA. They will comply with provisions of the Hatch Act (5 U.S.C. Sections 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

### Conflicts of Interest

No member of the Bay Area UASI may use their position for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain for themselves or others, particularly those with whom they have family, business, or other ties. Personnel and other officials connected with Bay Area UASI funded programs must adhere to the following federal standards for avoiding conflict of interest in grants management and administration. Violations of conflict of interest standards may result in criminal, civil, or administrative penalties.

No official or employee of a state or unit of local government or a non-governmental recipient/sub-recipient shall participate personally through decisions, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise in any proceeding, application, request for a ruling or other determination, contract, award, cooperative agreement, claim, controversy, or other particular matter in which award funds (including program income or other funds generated by federally funded activities) are used, where to his/her knowledge, he/she or his/her immediate family, partners, organization other than a public agency in which he/she is serving as an officer, director, trustee, partner, or employee, or any person or organization with whom he/she is negotiating or has any arrangement concerning prospective employment, has a financial interest, or has less than an arms-length transaction.

In the use of Bay Area UASI funds, all officials, employees, and sub-recipients must avoid any action that might result in, or create the appearance of:

- Using his or her official position for private gain;
- Giving preferential treatment to any person;
- Losing complete independence or impartiality;

- Making an official decision outside official channels; and
- Affecting adversely the confidence of the public in the integrity of the government or the program.

Where a recipient of federal funds makes sub-awards under any competitive process and an actual conflict or an appearance of a conflict of interest exists, the person for whom the actual or apparent conflict of interest exists should recuse himself or herself not only from reviewing the application for which the conflict exists, but also from the evaluation of all competing applications. As detailed in Section III of this manual (see "Approval of Solicitations and Contracts" under "C. Planning"), participants in RFP screening and evaluation processes for Bay Area UASI projects will be required to sign and adhere to impartiality confidentiality statements.

The Approval Authority's conflict of interest procedure is detailed in the Memorandum of Understanding (August 2013 Section 19):

*If and when a Party identifies an actual or potential conflict of interest among one or more of the Parties, that Party shall send written notification to all Parties. The Party with the actual or potential conflict shall respond to the notice within three business days. The response shall indicate whether the Party agrees or disagrees that a conflict exists. If the Party agrees, that Party may take appropriate action to cure the conflict, if possible, and shall describe its corrective actions in its response. If a Party disagrees, or cannot cure an actual conflict, the Approval Authority shall meet on the conflict within not less than 30 calendar days of the initial notice, in an effort to resolve the conflict. The Approval Authority shall schedule a special meeting if necessary to meet this timeline.*

### Fraud

The fight against fraud is strongly endorsed and supported by the Bay Area UASI Approval Authority. All employees of local jurisdictions comprising the Bay Area UASI have a responsibility for fraud prevention and detection concerning the use of grant funds.

Most grant fraud includes conflicts of interest, failure to properly support the use of grant funds, and theft. More generally, fraud includes:

- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies or other assets
- Impropriety in the handling of money or financial transactions
- Profiteering as a result of insider knowledge of your organization's activities
- Disclosing confidential or proprietary information to outside parties
- Accepting or soliciting anything of material value from contractors, vendors, or persons providing services to the company
- Destruction, removal, or inappropriate use of business assets

Members should immediately report any suspicion of fraud directly to the appropriate authorities within their home jurisdiction, the Bay Area UASI Management Team Chief Financial Officer, and/or the FEMA Office of the Inspector General hotline (see FEMA website).

The Bay Area UASI Chief Financial Officer shall be responsible for investigating fraud in conjunction with local jurisdictions, Cal OES, FEMA, and/or other parties as appropriate. Actions taken in the event of fraud may include debarment from receipt of future grant awards, termination of employment, and/or legal recourse.

Given the City and County of San Francisco's role as the fiscal agent for the Bay Area UASI, the City and County of San Francisco Whistleblower Program is also available to the Bay Area UASI Management Team as a resource for reporting suspected fraud. Functioning as a division of the San Francisco Department of Emergency Management, this program is a resource available to City and County of San Francisco employees, contractors or vendors, and City residents who want to come forward with information about acts of waste, fraud or abuse. It can be accessed via [www.sfgov.org/whistleblower](http://www.sfgov.org/whistleblower).

### III. PROJECT CYCLE

The term "project cycle" includes the standard phases of the project management lifecycle which are: identification, planning, execution, and closure. The Project Management Unit of the Bay Area UASI Management Team is responsible for providing regional coordination, monitoring, management, and oversight of grant-funded projects. Stakeholders identify projects are identified through a risk assessment and scoring prioritization process, executed primarily by the technical working groups facilitated by the Management Team. The Management Team Project Lead is responsible for all aspects of the project planning phase, with significant support from project team members and the Bay Area UASI Management Team Project Manager, partner jurisdictions and subject matter experts. In execution, the Project Team carries out the project as defined in documented plans and agreements. Finally, in close out, lessons learned are documented and evaluation data is gathered.

#### A. Definition of Terms

**Project** – A project is a temporary endeavor undertaken to create a unique product, service or result. It has a defined beginning and end and is usually constrained by time and funding. In the Bay Area UASI context, projects are funded by sub-grant awards approved by the Approval Authority and made to participating UASI jurisdictions. Projects vary considerably in size and complexity, ranging in amounts from hundreds-tens of thousands to millions of dollars, and can include multiple sub-recipient jurisdictions. Each project has a high threat, high density urban area terrorism focus, is regional in nature, and is associated with an investment justification that is approved at the state and federal level.

**Project Management** – Project management is the discipline of planning, organizing, securing, and managing resources to achieve the specific goals of a project. In the Bay Area UASI context, the Bay Area UASI Management Team (Project Management Unit) is responsible for project management under the direction of the Approval Authority. Sub-recipient Project Leads are responsible for specific project funds allocated to them and for coordinating all aspects of project management, working closely with technical experts from and partner jurisdictions as appropriate.

**Grants Management** – Grants management is the management and administration of grants. In the Bay Area UASI context, this refers to grants from the federal governments which are then awarded to sub-recipients. Because projects are funded by sub-grant awards, the terms "grants management" and "project management" can often be used interchangeably. Typically, however, the term grants management is used to refer to the compliance, procurement, and financial management elements of federal sub-award funding. The Grants Management Unit of the Management Team has responsibility for Bay Area UASI grants management.



**Project Cycle** – The term “project cycle” includes the standard phases of the project management lifecycle which are identification (sometimes called initiation), planning, execution (sometimes called implementation), and closure.

**Project Identification** – Project identification is the process by which project scope, goals, budget, timeline, and deliverables are defined at a high level, vetted, and confirmed to go forward by the appropriate authorities. In the Bay Area UASI context, projects are identified through a risk assessment and scoring vetting process executed primarily by the technical Working Groups/stakeholders with support from the Management Team. Projects are then vetted and approved/reviewed by the Advisory Group and approved by the Approval Authority. T, respectively, and the UASI project identification process culminates in the Homeland Security Grant Program application.

**Risk and Capability Assessment** – A risk and capability assessment process begins with an understanding of threats, their consequences, and vulnerabilities, and assigning a value to them. This is then paired with an assessment of regional capabilities, such as readiness to accomplish a mission, function, or objective, under specified conditions, to target levels of performance. Once an understanding of risk is paired with that of capability, gaps can be identified, thus informing priorities, developing or comparing courses of action, and informing decision making. In the Bay Area UASI context, the risk and capability assessment is a critical step in the project identification phase and articulates the link between critical local needs and national priorities.

**Project Planning** – In the project planning phase, the Management Team/sub-recipient/Project Lead, working closely with a team of technical experts from participating jurisdictions as appropriate, defines the work tasks that are required to accomplish project deliverables and goals, and executes/supports required procurement processes. Depending on the complexity of the project, pProject planning refines understanding and estimates of timeline, budget, schedule, roles and responsibilities for the pProject Team/team and stakeholders, as well as project communication needs. Key documents of the planning stage in the Bay Area UASI context are the pProject plan, MOU/LOA Appendix A, RFP/Q solicitations, and vendor contracts. A project plan is a recommended document for complex project with multiple stakeholders.

**Project Execution** – In the project execution phase, the Project Lead carries out the project as defined in the plan/project documentation, supported by team members as applicable. The Lead also reports on the current status of the project, identifying and analyzing any variances between plan and actual. As necessary, the Project Lead takes corrective action to update time, scope, and budget. In the Bay Area UASI context, the oversight of project execution is carried out by the Management Team and, at a technical level, through the associated Working Group.

**Project Change Management** – Project change management is the practice of controlling and documenting changes to the baseline project plan/documentation. Managing the project during the execution phase means monitoring actual against planned (baseline) progress and making the necessary course changes in schedule, scope, and/or budget to meet user and stakeholder expectations. In the Bay Area UASI context, the Project Lead/the sub-recipient project lead makes change management requests to the Bay Area UASI Project Manager using the Project Change Request Form. Change requests are granted based on consistent criteria and processes General Manager or designee for approval. The General Manager then informs/seeks approval

from the Approval Authority, with higher dollar value projects having more specific reporting and approval requirements documented in this Manual.

**Project Close Out** – In the project closure phase, the Project Lead carries out administrative and contractual procedures to end the project, working with the Grants Management Unit/Management Team as necessary. This also includes defining lessons learned, which are key to improving similar projects in the future, as well as project and portfolio evaluation.

## B. Identification

### Responsibilities

The Bay Area UASI Management Team guides the project identification process is guided by the Bay Area UASI Management Team with input from the subject matter technical experts in the Working Groups. The process starts with asset updates to refine our regional understanding of risk, which is combined with complex risk and capabilities assessments that results in a gap analysis. This analysis feeds into the update of the Bay Area Homeland Security Strategy and allocation and policy priorities put forth by the Advisory Group. Working Groups/Regional stakeholders then identify projects to meet gaps and priorities and score vet proposals, which are vetted/reviewed by the Advisory Group and ultimately approved by the Approval Authority. The process culminates in the Management Team completing the Homeland Security Grant Program application for approval by the Approval Authority.

In the process detailed below, approximate dates are provided for each step. However, note that these dates may vary are highly variable based on changes in federal/state grant allocations and program schedules. The dates below reflect the FY14 grant cycle timeline. Note that for the FY15 grant cycle and subsequent years, we anticipate that the process will kick off in March rather than June as specified below. In addition, the timeline provided below is not accurate for fiscal year 2012 but represents our best estimate for the future process. Working with the Risk Management Working Group/relevant regional stakeholders, each year the Bay Area UASI Management Team will develop a project identification timeline and risk management cycle timeline for presentation to the Advisory Group and Approval Authority.

Risk and Capability Assessment

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WHAT?	Assessment of assets and capability in order to produce a risk-based gap analysis
WHEN?	Annually- Kicks off in May/June and extends through August- <ul style="list-style-type: none"> <li>• Conduct Risk Assessment – May 1<sup>st</sup> – June 15<sup>th</sup></li> <li>• Assess Regional Capabilities – June 15<sup>th</sup> – July 30<sup>th</sup></li> <li>• Conduct Gap Analysis – August 1<sup>st</sup> – August 31<sup>st</sup></li> </ul>
WHO?	Risk Management and Information Sharing Working Group.

The Approval Authority ~~By-laws~~ (July-August 2011-2013 Section 8.1) specify that the Approval Authority must use a risk and capability-based methodology to apply for and allocate grant funds. This is consistent with guidance from the Department of Homeland Security, that all levels of government establish a foundation to justify and guide preparedness activities and investments. In addition, as of 2011, the Department of Homeland Security requires all grantees to develop and maintain a Threat Hazard Identification and Risk Assessment (THIRA). The Bay Area UASI Management Team initiated such a regional collaborative planning, risk validation analysis, and capabilities assessment in 2010.

Using the Digital Sandbox software system, ~~t~~The risk and capability assessment process collects information and assigns a value to risks for the purpose of setting priorities, developing or comparing courses of action, and informing decision making. The determination of risk includes identification and characterization of threats, their consequences, and our vulnerabilities. Such an understanding of risk is paired with an assessment of regional capabilities. This includes assessing preparedness and levels of readiness to perform critical tasks to accomplish a mission, function, or objective, under specified conditions, to target levels of performance. A capability may be delivered with any combination of properly planned, organized, equipped, trained, and exercised personnel that achieves the desired outcome. Once an understanding of risk is paired with that of capability, gaps can be identified, and thus we can best understand how to establish priorities and make resources decisions to address the region's most critical needs.

To be eligible for funding, jurisdictions within the Bay Area UASI must participate in the risk and capability assessment process on an annual basis. ~~The Starting in June, the~~ risk assessment process lasts about ~~four~~ three months ~~starting in May/June~~ and includes the following steps, ~~3~~ conducted by the subject matter experts of the Working Groups and guided by the Bay Area UASI Management Team:

1. **Kick Off** – The Management Team, in conjunction with Digital Sandbox and the Northern California Regional Intelligence Center (NCRIC), develops data collection timelines, requirements, and avenues for receiving information on threats, vulnerabilities, and consequences of loss. The Management Team organizes a kick off meeting to provide an overview of the process, risk analysis tool (Digital Sandbox Risk Analysis Center (RAC) tool box), and Protected Critical Infrastructure Information (PCII)

requirements to Working Group participants/stakeholders. The Management Team provides follow up training as needed.

2. **Risk Data Collection and Validation** – Working Group Stakeholders – members gather, validate, and verify asset data in Digital Sandbox and an understanding of threat, vulnerabilities, and consequences for the region. The Northern California Regional Intelligence Center (NCRIC) conducts final review and validation, as well as provides information on threat, vulnerabilities, and consequences for the region, and then Digital Sandbox (risk management contractor) analyzes the asset data to prioritize target capability relevance.
3. **Capability Assessment and Gap Analysis** – The Management Team leads a process whereby stakeholders assess local and regional capabilities using the Department of Homeland Security's core capability list. This process typically cumulates in a one day regional workshop of subject matter experts. This information is added to the risk information in Digital Sandbox and y assessment is mapped to risk to produce a risk-based gap analysis. This includes reviewing the risk analysis and capability information and scheduling workshops, meetings, and webinars to engage Working Group technical subject matter experts and jurisdictional representatives to assist in the assessment process. The Management Team determines whether prior year investments have sustained, reduced, or enhanced capabilities. It also reports on progress and gains technical input from members of the Advisory Group.

~~3.~~  
Participants in the Bay Area UASI then use ~~t~~The risk and gap capability assessment analysis ensures that the Bay Area UASI directs its investments to the areas where the risks are greatest and the capabilities the weakest, and ensures that critical capabilities are sustained, as a guide to determine strategic investments that mitigate risks, build capabilities, and address deficiencies. The information is ~~The assessment is fundamental to the subsequent completion of the~~ the incorporated in subsequent stages of the project identification process, such as in the development of the Bay Area Homeland Security Strategy and THIRA, and serves to inform the annual allocation and policy priorities identified by the Advisory Group, planning meetings to identify project proposals, and the development of the UASI grant application approved by the Approval Authority.

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Bay Area Homeland Security Strategy

WHAT?	Comprehensive data driven document that outlines the Bay Area UASI's risks, capabilities, vision, structure, goals and objectives for homeland security
WHEN?	Required at least Updated every two years, informed by the results of the risk assessment (September 1 <sup>st</sup> —October 31 <sup>st</sup> ) to be completed as soon as possible after the risk and capability assessment and before project proposals are developed
WHO?	Working Groups provide input, Management Team implements, Approval Authority approves

Informed by the risk and capability assessment, the Bay Area Homeland Security Strategy is a comprehensive data driven document that outlines the Bay Area UASI's risks, capabilities, vision, structure, goals and objectives for homeland security. The goals and objectives are structured around closing identified risk and capability gaps. The associated implementation plan serves as a strategic guide for the region and jurisdictions to develop regional projects that will result in achievement of a particular objective.

The Strategy outlines a comprehensive system for enhancing regional capability that will guide the Bay Area UASI's efforts to:

- Prevent and disrupt terrorist attacks;
- Protect the people of the Bay Area, its critical infrastructure, and key resources;
- Respond to, and recover from, major incidents and all hazards that do occur;
- Continue to strengthen our preparedness foundation to ensure our long-term success; and
- Guide future investments, increase capabilities, and reduce risk.

Having such a strategy allows the Bay Area to clearly track and articulate its risks and capability needs to local leaders, the State of California, and Department of Homeland Security. Homeland security strategies are the basis for requesting funds from the Homeland Security Grant Program, of which UASI funding is a part. As required, the Strategy addresses all FEMA mission areas—prepare for, protect against, respond to, recover from, and mitigate all hazards.

The Bay Area's homeland security goals are directly aligned with National Homeland Security Priorities (and/or the State of California Homeland Security Strategy Priorities) and are as follows:

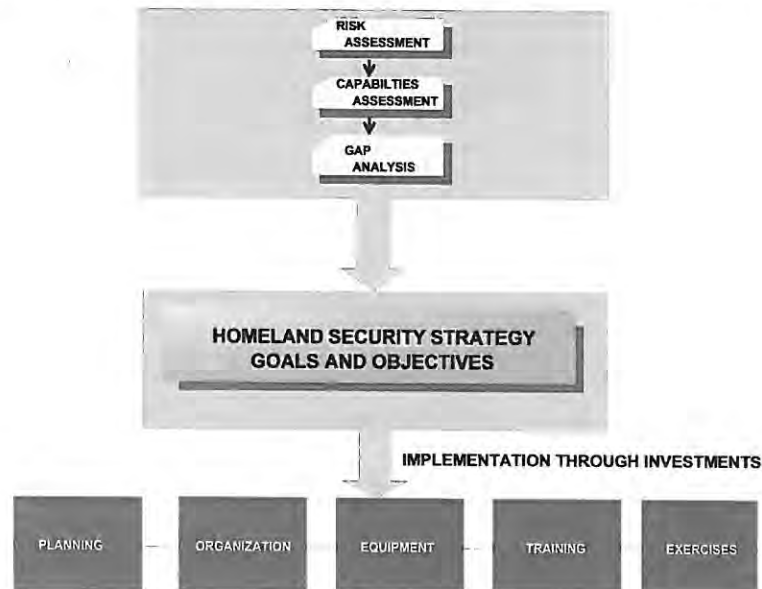
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- Develop a Regional Risk Management and Planning Program;
- Enhance Information Analysis and Infrastructure Protection Capabilities;
- Strengthen Communications and Interoperable Communications;
- Strengthen CBRNE Detection, Response, and Decontamination Capabilities;
- Enhance Medical, Public Health and Mass Care Preparedness;
- Strengthen Planning and Citizen Preparedness Capabilities;
- Enhance Recovery Capabilities; and
- Enhance Homeland Security Exercise, Evaluation and Training Programs.

The planning process used to develop the Strategy is shown below. From the risk and capability assessment process that culminates in a gap analysis, strategic goals and objectives are developed along with implementation steps to track objectives through a series of resource elements divided among the elements of capability: Planning, Organization, Equipment purchase, Training, and Exercises (POETE). The Bay Area UASI Management Team guides this process with technical input from subject matter experts in the Working Groups region.



The Bay Area Homeland Security Strategy was last updated in November 2011/2012. Goals and objectives are directed towards the next three years, but the Management Team will review and update them every two years per FEMA guidance. An update for 2013 is planned to incorporate new cyber security/cyber security objectives.

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The final Strategy is presented by the Management Team to the Approval Authority for approval in October. The Management Team is also responsible for managing and tracking implementation of the Strategy with input from technical experts in the Working Groups see "Portfolio Evaluation and Performance Metrics" under "E. Close Out" below.

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#### Allocation and Policy Priorities Proposal Guidance

WHAT?	Application criteria and steps for applying for Bay Area UASI funding. Allocation methodology and policy, based on the risk assessment, Bay Area Homeland Security Strategy, and funding levels.
WHEN?	Annually in November/September.
WHO?	Management Team Advisory Group proposes to Approval Authority.

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The Management Team develops a guidance document that includes the proposal template, criteria for funding (including priority capability objectives), the process for the funding of proposals, timeline, and allowable spending areas. The Management Team vets this document with regional stakeholders and presents it to the Approval Authority for approval. The FY14 Project Proposal Guidance, including the proposal template, is included in this document in Appendix A.

The Advisory Group determines allocation and policy priorities to provide guidance to the Working Groups in identifying and prioritizing project proposals. In determining annual allocation and policy priorities, the Advisory Group should incorporate the following:

- Gaps identified in the risk assessment process;
- Priorities highlighted in the Bay Area Homeland Security Strategy;
- Levels of funding available in the fiscal year;
- A fair and balanced regional and programmatic distribution;
- Opportunities to leverage and sustain existing investments;
- Annual overarching priorities for the State Homeland Security Program and UASI. This guidance is provided by Department of Homeland Security in their guidance and application kit issued in the spring; and
- Federal requirements for UASI funds, such as the mandate that 25% of allocations be dedicated to law enforcement terrorism prevention-oriented planning, organization, training, exercise, and equipment activities (LETPA).

The Bay Area UASI Management Team will provide to the Advisory Group allocation options for review and consideration. The Advisory Group determines the allocation and policy priorities and presents them to the Approval Authority for approval by November. The Bay Area UASI Management Team then incorporates this guidance into their proposal implementation guidance document and subsequent phases of the project identification process.

Proposals

WHAT?	Project proposals guided by allocation and policy priorities
WHEN?	Annually in November, November-January
WHO?	Working Groups implement and Management Team provides support, oversight, and approval. All UASI stakeholders
DOCUMENTS:	Proposal template, Management Team's Proposal Implementation

Regional projects may be developed from and/or solicited by operational areas, special districts, or sub-regions within the 12 county Bay Area UASI. Hub Planners, Bay Area UASI workgroups, and Management Team project managers will work with the UASI counties/major cities to engage in outreach to solicit proposals. Proposals are invited from government organizations within the UASI footprint, including all work group and hub participants. All proposals should be submitted by the person who will be primarily responsible for project implementation and should have the approval of the relevant department head. Community-based and nonprofit groups are welcome to submit a proposal, but must do so through a government sponsor/partner. Proposals must adhere to the criteria laid out in the Project Proposal Guidance. For the FY14 grant cycle, these criteria included:

- (1) The proposed project must enhance the region's priority capabilities – which are those capabilities most relevant and important based on the region's risk profile, and/or that have a low level of ability based upon the results of the 2013 Bay Area regional risk and capability assessment; and
- (2) The proposed project has a direct nexus to enhancing terrorism preparedness – either preventing, protecting against, mitigating the damage from, responding to or recovering from threats or acts of terrorism; and
- (3) Each project is regional insofar as it directly benefits two or more operational areas in the Bay Area region; and
- (4) The project budget is of a reasonable amount with each element of the project tied directly to a funding amount specified in the project budget section of the template.

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Guided by training, technical assistance, and support from the Bay Area UASI Management Team, Working Groups commence meetings in November to identify proposals based on the allocation and policy priorities provided by the Advisory Group as well as the gap analysis and Bay Area Homeland Security Strategy. The Working Groups are responsible for soliciting and gathering proposal information from each member jurisdiction.

Project proposals must meet the following criteria in order to be eligible for funding, per Department of Homeland Security guidelines:

- Have a high threat, high density urban area terrorism focus;
- Build regional capabilities, defined as capabilities for two or more counties;
- Enhance regional preparedness and directly support the national priority on expanding regional collaboration in the National Preparedness Guidelines;
- Align with the Bay Area Homeland Security Strategy and demonstrate a clear correlation between the goals, objectives, and priorities identified in the strategy;
- Support the federal investment strategy; and
- Incorporate Department of Homeland Security grant program funding priorities as well as other relevant national priorities.

Each year the Management Team produces a comprehensive "Proposal Implementation Guidance" tool in November to provide instructions to Working Group members, including information on allocations, relevant timelines, proposal criteria, allowable spending areas, and the proposal template. This guidance also encourages participants to seek and consider other sources of funding (e.g., State Homeland Security Program, Citizen Corps funding, etc.) in addition to UASI funds.

The proposal template includes information on:

- The requestor;
- Whether the proposal is for a new or continuing initiative;
- High-level goals, key milestones, dates, and outcomes;
- How the proposed maps to mission areas, identified gaps, and Bay Area Homeland Security Strategy;
- How the proposed builds upon existing capabilities;
- Funding needed along the Planning, Organization, Equipment purchase, Training, and Exercises (POETE) continuum;
- Funding that could be obligated towards law enforcement terrorism prevention-oriented planning, organization, training, exercise, and equipment activities (LETPA);
- Funding that is, or might be, leveraged from other sources besides UASI; and
- Contingencies for scaling back activities in the event of decreased funding.

See Section VII (Templates) of this manual for the proposal template and Appendix A for a copy of the Management Team's project proposal implementation guidance from February/September, 2013. In future iterations of the implementation guidance, the Management Team will instruct Working Groups on how to score and prioritize proposals (see next section).

The Management Team, and in particular the Working Group liaisons who are Management Team staff members, work closely with the Working Groups to develop proposals that meet the specified criteria and fulfill requirements of the proposal template. The process should be completed by each January.

Scoring/Prioritizing

WHAT?	Working Groups Hubs score and prioritize proposals
WHEN?	Annually in February/January
WHO?	Working Groups implement and Management Team provides support, oversight and approval. Voting hub members, as selected by the Approval Authority.

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Hubs are based on the geographical location of jurisdictions in the North, East, South and West Bay. These hubs meet to decide on the list of projects for recommendation to the Advisory Group for funding. Each hub develops a list of prioritized projects based on regional need and local capabilities based on the set of goals from the Bay Area Homeland Security Strategy. Hubs may also designate other criteria as mutually agreed (e.g., provide scalable solutions, leverage other funding sources, and benefit the most operational areas.) In the proposal implementation guidance provided by the Bay Area UASI Management Team, Working Groups are instructed to develop a finite number of proposals (approximately ten-twenty), score them using pre-determined criteria, and thus prioritize them. The end result is lists of proposals in order of priority that represent the collective thinking and recommendation of each Working Group. This process should be completed and approved by the Management Team by February.

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Working Groups should prioritize proposals with the strongest business cases using the following criteria:

- Impact on existing critical gaps;
- Urgency;
- Strategic regional importance;

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- Fostering sustainability of prior investments and/or providing critical support to projects already in progress;
- Best value for money, including the ability to leverage other funding streams;
- Greatest likelihood of success;
- Consistency with federal priorities and
- Balance of jurisdictional distribution.

Project Approval

WHAT?	Advisory Group reviews project proposals and makes recommendations to Approval Authority for final project approval
WHEN?	Final approval takes place Annually by in March
WHO?	Advisory Group and Approval Authority
DOCUMENTS:	List of projects by hub in order of priority, to be funded as funds become available, as well as regional "off the top" allocations.

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The Bay Area UASI Management Team reviews the prioritized proposals from the Working Groups and may combine like proposals into larger projects as appropriate. Once reviewed and approved, The Management Team forwards project proposals in priority order from each Working Group hub to the Advisory Group for final funding recommendations review. The Advisory Group also reviews sustainment projects regional projects.

The Advisory Group must have pre-identified criteria upon which they base final project recommendations for the Approval Authority, which should be consistent with the allocation and policy priorities they had developed at the beginning of the project identification process. In its final approval recommendations, the Advisory Group should also prioritize projects either in list order or in low, medium, high categories so that should funding levels change, new allocations can be swiftly made according to consistent criteria.

Upon review and additional analysis as needed, the Advisory Group forwards selected projects in prioritized order to the Approval Authority for final approval, which should take place by March.

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Investment Justifications

WHAT?	Investment justifications are required by Department of Homeland Security and demonstrate how projects link to federal priorities
WHEN?	Annually in <del>March</del> May
WHO?	Management Team prepares and submits to Cal-EMACal OES
DOCUMENTS	Investment Justification template/ user reference guide from Department of Homeland Security

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The Department of Homeland Security requires detailed investment justifications as part of the Homeland Security Grant application process. The investment justification must demonstrate how proposed projects address gaps and deficiencies in current capabilities. ~~Once the grant award is announced, and after~~ ~~Onee~~ projects are approved by the Approval Authority, the Bay Area UASI Management Team groups like projects together into investment categories. Typically, there are approximately ten investment categories that mirror the Bay Area Homeland Security Strategy (e.g., CBRNE, Information Analysis, Interoperability, etc.), and each investment category includes a range of associated ~~projects, projects~~ (approximately two to ten).

The Management Team prepares the Investment Justification document with guidance/~~templates~~ from the Department of Homeland Security, ~~and with technical input as needed from the Working Groups.~~ These documents are prepared ~~starting~~ in ~~March~~ May and submitted to the California Emergency Management Agency/California Office of Emergency Services (Cal-EMACal OES).

UASI Grant Application

WHAT?	Homeland Security Grant Program/UASI grant application
WHEN?	Application <del>s</del> Submitted to Cal-EMACal OES each year in May August <del>and to the federal level by June</del>
WHO?	Management Team prepares application for Approval Authority approval, <del>four weeks before</del> submits to <del>submission to</del> Cal-EMACal OES

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The Bay Area UASI Management Team completes the UASI grant application, ~~which includes projects and investment justifications, and submits it to the Advisory Group and Approval Authority for review in April. Upon approval, the Management Team and sends it to the California Emergency Management Agency/California Office of Emergency Services (Cal-EMACal OES), which ultimately forwards it to the Department of Homeland Security. The DHS deadline for final submission is in June.~~

Per the Approval Authority ~~Bylaws~~By-laws (July-August 2011-2013 Section 8.4), the General Manager reports to the Approval Authority on grant awards received from Cal-EMACal OES at the next regular meeting following the award. For the UASI grant, if the award is less than the application amount, the General Manager, after consulting with the Advisory Group, submits recommendations for reallocation to the Approval Authority for approval. The reallocation recommendation includes the grant projects, the amount of proposed funding for each project and the proposed breakdown of the funding for that project by category, and the jurisdictions proposed to receive the funding along with the amount of funding proposed for each jurisdiction.

**Project Identification Summary**

<b>Risk and Capability Assessment</b>	<b>WHAT?</b> Assessment of assets and capabilities in order to produce a risk based gap analysis	<b>WHEN?</b> Annually - kick off in June, extends through August	<b>WHO?</b> Stakeholders; Management Team, ITRC, Digital Sandbox
<b>Bay Area Homeland Security Strategy</b>	<b>WHAT?</b> Data driven document that outlines the Bay Area UASI's risks, capabilities, vision, structure, goals and objectives	<b>WHEN?</b> Updated every two years, informed by the results of the risk assessment	<b>WHO?</b> Working Groups input, Management Team implements, Approval Authority approves
<b>Project Proposal Guidance</b>	<b>WHAT?</b> Application criteria and steps for applying for Bay Area UASI funding	<b>WHEN?</b> Annually in September	<b>WHO?</b> Management Team provides to Approval Authority for Approval
<b>Proposals</b>	<b>WHAT?</b> Project proposals, guided by criteria laid out in the Project Proposal Guidance	<b>WHEN?</b> Annually in November	<b>WHO?</b> All Bay Area UASI stakeholders
<b>Prioritizing</b>	<b>WHAT?</b> Hubs prioritize proposals in numerical order to receive Advisory Group recommendations and prioritize regional projects	<b>WHEN?</b> Annually in February	<b>WHO?</b> Hubs and Advisory Group with support from the Management Team
<b>Project Approval</b>	<b>WHAT?</b> Advisory Group reviews project proposals and recommends requests to Approval Authority for final project approval	<b>WHEN?</b> Final approval takes place by March	<b>WHO?</b> Advisory Group and Approval Authority
<b>Investment Justifications</b>	<b>WHAT?</b> Investment justifications are required by Department of Homeland Security and demonstrate how projects link to federal priorities	<b>WHEN?</b> Annually in May	<b>WHO?</b> Management Team prepares and submits to Cal OES
<b>UASI Grant Application</b>	<b>WHAT?</b> Homeland Security Grant UASI grant application	<b>WHEN?</b> Application submitted to Cal OES each year in August	<b>WHO?</b> Management Team prepares application

*Note: Timelines may vary due to changes in federal/state grant allocation and program schedules*

**C. Planning**

Responsibilities

The sub-recipient Project Lead of the Bay Area UASI Management Team is responsible for all aspects of the project planning phase, with significant support from the Bay Area UASI Management Team Project Manager as well as partner jurisdictions and technical experts, as appropriate. Working with his or her team, the Project Lead defines the work tasks that are required to accomplish project deliverables and goals, and ensures required procurement processes are carried out, working with sub-recipient jurisdictions as necessary.

A Bay Area UASI project is documented in detail in the original project proposal that is selected by the hub and approved by the Approval Authority – see “Identification” above. The planning phase starts once the proposal is approved for funding. Planning produces a refined understanding and estimates of timeline, budget, schedule, and roles and responsibilities for the Project Team and stakeholders, as well as project communication needs. Key documents of the planning stage are the project plan and, if applicable, Memoranda of Understanding (MOU) Letters of Agreement (LOA), Request for Proposals (RFP)/Request for Qualifications (RFQ) solicitations, and vendor contracts. In addition, in cases of complex projects involving multiple stakeholders and significant investments, the Bay Area UASI Project Manager may request sub-recipient jurisdictions to participate in the development of a project plan document. Once the project plan and any required MOU/LOA documents are completed and approved, the project is ready to begin implementation.

MOU/LOA Appendix A

The Memorandum of Understanding (MOU) document outlines an agreement between the sub-recipient and the City and County of San Francisco, which serves as the fiscal agent for the Bay Area UASI, to procure goods and services needed in project implementation. A Letter of Agreement (LOA) is a very similar document between the Bay Area UASI (acting by and through the Bay Area UASI Management Team) and another department within the City and County of San Francisco.

The MOU/LOA document contains an Appendix A entitled “Authorized Expenditures and Timelines” in which project information is detailed by solution area (Planning, Organization, Equipment purchase, Training, and Exercises-POETE), program description, deliverable due date, and amount. In order to provide accurate information in the Appendix A, the Project Lead must work from the originally approved project proposal. The Project Lead works with the Bay Area UASI Project Manager and appropriate sub-recipient jurisdiction representatives, team members, and/or technical experts as needed to define and describe work tasks. MOU/LOAs must be completed, signed, and approved as part of the project planning phase. There are often multiple MOU/LOA agreements associated with a project, but in some cases, there may be none.



See Section IV of this manual on (p)Procurement for more information on executing and modifying MOU/LOA agreements. In particular, see "Appendix A – Authorized Expenditures and Timelines" for more information on allowable costs and requirements. In addition, the MOU/LOA Appendix A template can be found in Section VII (Templates).

#### Vendor Procurement

Many Most Bay Area UASI projects require contracts with outside vendors, and, in most cases, usually the contracting entity is a sub-recipient jurisdiction. Sub-recipients should use their own procurement procedures, regulations, and best practices, provided these conform to applicable federal law and standards. Sub-recipients are required to provide the Management Team's Grants Management Unit a copy of their procurement policies for review. The sub-recipient jurisdiction must also comply with all relevant guidelines laid out in this manual, including those in Section IV (Procurement), on procurement, as well as meet the approval requirements listed in the next section. Working with the Grant Management Unit, the Project Lead the sub-recipient project lead is responsible for oversight and support to sub-recipients on procurement processes as needed. The Management Team is available to support jurisdictions with best practices concerning vendor solicitation, selection, negotiation, and management.

In many cases sub-recipient jurisdictions may begin the vendor procurement process in advance of the finalization of the MOU. Such work can include doing market research and drafting the solicitation. In addition, some jurisdictions are able to post the solicitation as well as select a vendor and negotiate a contract. However, in no instances may a sub-recipient jurisdiction obligate the funds, incur costs, and submit a reimbursement request for work on a contract that is not consistent with the time period stated on an approved MOU document.

In cases when a project does not include sub-recipient jurisdiction funding, all procurement processes are the responsibility of the Bay Area UASI Management Team Project Lead Manager, working in partnership with the Grants Management Unit and under the guidance of the Regional Program Manager. Such procurement and should be conducted per the policies and procedures of the City and Country of San Francisco as the Bay Area UASI fiscal agent. Detail on this process is included in Section V on procurement below (see "San Francisco Procurement Process for Professional Services Contracts").

In all vendor contracting processes, the Project Lead should work closely with their team/subject matter experts to develop solicitations and contracts that are technically accurate and consistent with details in the project plan proposal and MOU/LOA agreements, if applicable.

#### Approval of Vendor Solicitations and Contracts

Jurisdictions issue a contract solicitation following a sub-grant award that has been reviewed by the Advisory Group and approved by the Approval Authority. (However, should there be any

instance in which the Approval Authority has not already approved the allocation, allocation; the General Manager is responsible for informing the Approval Authority about any contract solicitation in an amount above \$500,000).

All solicitations for contract services must be reviewed and approved by Bay Area UASI General Manager or designee. In addition, the General Manager or designee will share all contract solicitations in amounts above \$250,000 with the Advisory Group and Approval Authority for review before issuance by the Management Team or the sub-recipient jurisdiction. For solicitations below the \$250,000 threshold, the General Manager will inform the Advisory Group and Approval Authority of their issuance at their next scheduled meetings.

All contracts must be reviewed and approved by the Bay Area UASI Grants Management Unit and the General Manager or designee. In addition, the General Manager will share a draft contract that has been successfully negotiated with a selected proposer for projects in excess of \$250,000 with the Advisory Group and Approval Authority for approval.

To obtain approval by the Bay Area UASI Management Team and Approval Authority, all solicitation processes/contracts must, at a minimum include the following elements:

#### Solicitation phase:

- **Engage in a full and open competitive bidding process** or a sole source process as determined by local policy, provided that such a process is not in conflict with federal regulations which supersede it.
- **Obtain a state sole source approval** if there is only one bid or only one vendor that can perform the services required and the contract is \$100,000 or more. In such cases the contracting entity must transmit a sole source request to the Bay Area UASI Grants Management Unit for submission to the State.

#### Selection phase:

- **Include a selection panel that is comprised of subject matter experts** from among regional stakeholders. The Project Lead and any team members who worked on the Request for Proposals (RFP)/Request for Qualifications (RFQ) may not serve on the selection panel, but may coordinate selection panel logistics, provide technical input, and/or observe the process. The selection panel should consist of an odd number of people ranging from three to seven members.
- **Make a selection based on criteria that is published in the RFP/Q.** Evaluating proposals or making comments based on previous experiences or hearsay should be discouraged. Panelists should be directed to focus on the information in the proposals and base their evaluation and selection on those materials.
- **Observe confidentiality.** Panelists should not, under any circumstances, contact or communicate with any of the proposers or anyone outside of the selection panel process, including members of the Approval Authority and the Management Team. Names of the

proposed bidders should also be held in confidence. This lock-down of information is intended to preserve integrity and fairness.

- ***Include signed impartiality/conflict of interest statements for selection panel members.*** See template in Section VII. A panelist is prohibited from participating in an RFP/Q screening or evaluation process if he or she, or any member of his or her immediate family (including spouse/domestic partner and dependent children):
  - Has received income or gifts within the past year from any of the proposers;
  - Has any ownership interest or other direct or indirect investments, other than mutual funds, in any of the proposers;
  - Expects or intends to seek employment or any other relationship with any of the proposers; and/or
  - Has any other direct or indirect interest in any of the proposers that would prevent him or her from exercising fair and impartial judgment when participating in the RFP screening or evaluation process.

Where a recipient of federal funds makes sub-awards under any competitive process and an actual conflict or an appearance of a conflict of interest exists, the person for whom the actual or apparent conflict of interest exists should recuse himself or herself not only from reviewing the application for which the conflict exists, but also from the evaluation of all competing applications. See also Section II of this manual for more information on ethical and conflict of interest standards.

*Negotiation/ contract stage:*

- ~~Contain~~**Ensure costs that are reasonable and consistent** with the amount paid for similar services in the market place—a reasonable cost/price analysis must be conducted by the Project Team.
- **Include a clearly written scope of services**, tangible deliverables, clear performance periods, and a schedule of payments by deliverable.
- **Be performed and paid in entirety within the grant performance period.**

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Final Project Green Light

In the final project approval process, the Project Lead is required to present the completed project plan and, if applicable, MOU/LOA agreements. In addition, if applicable, possible, and appropriate to the timeline of the project, the Project Lead should provide vendor solicitations and contracts at the time of final approval as well.

The Bay Area UASI General Manager or designee approves the project, ensuring the documentation is complete, accurate, and consistent, and that the project approach is sound and in line with the high-level goals, outcomes, and timeline approved at the proposal stage. If a project meets these standards, the General Manager or designee provides the green light for implementation to begin. For projects with budgets less than \$250,000, the General Manager should notify the Advisory Group and Approval Authority of such approval at their next scheduled meetings. For projects with budgets in excess of \$250,000, which are most Bay Area UASI projects, the General Manager must first gain approval from the Approval Authority on the recommendation of the Advisory Group before the project may begin.

At his or her discretion, the Bay Area UASI General Manager or designee may approve the project and permit the project to launch with only a contract solicitation document and without a final, signed contract. However, the project plan and any MOU/LOA documents, if applicable, must be final and approved in all instances before a project may begin.

Project Plan

A project plan develops the details of a project that are further fleshed out and updated from the proposal stage. In special cases when projects are particularly complex and involve multiple stakeholders and significant investments, the Bay Area UASI Project Manager may request sub-recipient jurisdictions to participate in the development of a project plan document. The Project Lead is responsible for drafting a project plan for each of the projects in his or her portfolio. A project plan may also be required by the General Manager for special initiatives that are managed by the Management Team. A project plan develops the details of a project that are

further fleshed out and updated from the proposal stage, what was submitted and approved as part of the Investment Justification, and from the level of detail in MOU/LOA agreements, if applicable.

Project Leads should work with the Bay Area UASI Project Manager, their team members, Working Group, and other subject matter experts to develop the project plan, working from the required template (See Section IVII). In working collaboratively with team members, the Project Lead not only ensures that all technical bases are covered, but is also more likely to obtain the team's buy-in. The following elements are included in the project plan template. Note that the template also includes guidance which Project Leads should follow when completing the plan.

- Project goals and rationale;
- Project outcomes and requirements;
- Deliverables and requirements;
- Budget and timeline;
- Roles, responsibilities, and stakeholders;
- Communication;
- Risks and mitigation; and
- Approvals

The project plan is a key deliverable for the Project Lead, and it is the core governing document for the project to which the Project Lead and team members are held accountable. Information in the project plan must be consistent with that in the MOU/LOA agreements and vendor solicitations and contracts, if applicable. The length of time to prepare a project plan will vary due to the complexity, size, and number of stakeholders involved in the project, but this should usually range from a couple of days to a few weeks.

Project plans must be approved by the Bay Area UASI General Manager or designee and sub-recipient representatives, as appropriate.

The General Manager may only approve a project plan once MOU/LOA agreements are completed/updated and approved, if applicable. Projects with budgets greater than \$250,000 must first be approved by the Approval Authority on the recommendation of the Advisory Group (see "Final Project Green Light" below). If possible and appropriate to the timeline of the project, the Project Lead should provide vendor solicitations/contracts at the time of project plan approval as well. The approval of the project plan is the final step in the planning phase and once approved, project implementation may begin.

**D. Execution**

Responsibilities

The Project execution phase begins once the project plan and associated documents vendor contracts and the MOU document are approved/finalized. In execution, the Project Lead the sub-recipient project lead carries out the project as defined in the documented project proposal

~~document and refined in any vendor contract and plan. In addition, sub-recipient jurisdictions are responsible for carrying out all terms and conditions of their Memoranda of Understanding/Letters of Agreement (MOU/LOAs), in close communication with the Project Lead.~~

~~The Bay Area UASI Management Team Project Manager works closely with Project Lead the sub-recipient project lead reports during execution. The Project Manager is tasked to with ensuring the project is on time and on budget and to help follow up on deliverables and compliance as specified in the MOU, such as Environmental and Historic Preservation (EHP) approval, sole source approval, and performance bond acquisition. The Project Lead reports to the Project Manager on the on-the-current status of the project, identifying and analyzing any variances between the plan and actual project. As necessary, the Project Lead and Project Manager will seeks corrective actions to update project timeline, scope, and budget, and updates project documents accordingly. Oversight of project execution is carried out by the Bay Area UASI Management Team and, at a technical level, through the associated Working Group. The Bay Area UASI General Manager or designee is responsible for reporting on project progress and change management to the Advisory Group and Approval Authority.~~

#### Kick Off

A project kick off meeting organized by the Project Lead is often an appropriate way to begin work on a new project and is an identified best practice in project management. This meeting involves relevant team members and stakeholders, and could include the following activities:

- Senior managers demonstrating to the project participants their support for the effort;
- Review of the project plan;
- Relationship building among team members;
- Explanations of operating procedures; and
- Work on immediate first steps as laid out in the project plan.

#### Document and Records Management

~~Project Leads must maintain complete and accurate records on all program activities. This includes meeting agendas, meeting minutes, progress reports, project plans and agreements, and interim and final deliverables. They must also ensure project team members and stakeholders receive relevant documentation and communications in a timely manner.~~

~~Project Leads are responsible for adhering to office administrative policies related to document organization and management. They are required to store information in an organized fashion that is accessible to other members of the Project Team and the Bay Area UASI Management Team. They are also responsible for retaining documents and records related to their projects for a period of three years after the close of the grant.~~

~~Sub-recipient jurisdictions are required to adhere to their home office policies and procedures regarding document and records management, the terms and conditions of their MOU/LOA~~

agreements, as well as the provisions in the procurement and financial management sections of this manual. All sub-recipients are required to retain all documentation related to project implementation and expenses reimbursed under the Bay Area UASI for a period of three years after the close of the grant. All records associated with Bay Area UASI projects must be made available to the Bay Area UASI Management Team, and financial records are also subject to review by the ~~California Emergency Management Agency~~ California Office of Emergency Services (Cal-EMACal OES) and the Department of Homeland Security staff.

## Reporting

Successful project execution requires a variety of reporting at all levels of the Bay Area UASI; and in most instances the responsibility for this rests with the Project Lead. Reporting requirements include the following:

- **Project Team Status Check-In**— The sub-recipient Project Lead is responsible for checking in with his or her team, vendors, and/or ~~and~~ partner jurisdictions to make progress on deliverables as stated in the project proposal/plan/vendor contract. For more complex projects, regular project team meetings may need to occur weekly or biweekly. Meetings may occur by phone, email, or in person. The Project Lead should work with team members on an ongoing basis to ensure that expectations are synchronized with what has been accomplished, what needs to be accomplished, and the challenges being encountered. The Project Lead should facilitate the communication between team members who own dependent tasks so that successor tasks can begin as soon as possible after predecessor tasks are complete.
- **Working Group Check-In**— The sub-recipient Project Lead is responsible strongly urged to participate in the for regular reporting on project progress in the technical Working Group associated with the project. The subject matter experts in the Working Group play an important role in sharing lessons learned, developing regional cooperation, and providing technical oversight during project execution.  
— The frequency and detail of such reporting should be determined by the group.

• **Portfolio Meetings with the Bay Area UASI General Project Manager** — The Project Lead is responsible for regular project portfolio reporting to the Bay Area UASI General Project Manager or designee. These face to face meetings should take place at least biweekly, and discussion of higher risk/higher cost projects should take precedence. The Project Lead should discuss include the following in his or her reporting:

- Implementation accomplishments for the reporting period;
  - Implementation challenges for the period and how they are being addressed;
  - Progress on scope, schedule, and budget, and deviations from that agreed to in project plans; documentation.
  - Action plan for the next reporting period and input on key decisions as appropriate; and
- Discussion and decisions as appropriate on needed changes in project scope, schedule or budget.

- **Grants Compliance Reporting**— So that the Bay Area UASI may remain in compliance with federal and state policies and procedures, sub-recipient jurisdictions and Project Leads leads are responsible for program and financial reporting as directed by the Grants Management Unit. This includes quarterly reports during implementation. For more information on sub-recipient monitoring and reporting see Section VI (Financial Management) of this manual.

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- **Quarterly Advisory Group and Approval Authority Reporting**— The Bay Area UASI General Manager or designee is responsible for reporting on project progress to the Advisory Group and Approval Authority. The General Manager may single out high risk/high cost/ impact projects for regular progress reporting, as directed by the Approval Authority. On a quarterly-regular basis, the General Manager or designee will provide portfolio status and financial reports detailing progress by sub-recipient jurisdiction sub-recipient and grant source as well as technical subject matter area. The General Manager will develop and share templates for such reports with the Advisory Group and Approval Authority for feedback and approval.

## Change Management

### Procedures for Timeline and Scope

Project change management is the practice of controlling and documenting changes to the baseline project plan documentation. The baseline is the most recently approved version of the project plan. Most projects are dynamic in nature, and if the Project Lead doesn't keep the baseline plan up to date, it will soon become ineffective. Managing the project during the implementation stage means monitoring actual activity against planned (baseline) progress and making the necessary course changes in schedule, scope, and/or budget to meet user and stakeholder expectations. Section 8.6 of the August 2013 Approval Authority By-laws governs grant budget modifications for the Bay Area UASI. It is a project management best practice to document all approved changes to the baseline project plan. This is important in order to understand how the project changed over time and why, and in order to continue to have a clear and approved road map for implementation.

### Change Request Form

The Project Lead is responsible for project change management and must make requests for timeline, budget, and scope changes to the Bay Area UASI General Project Manager or designee in a timely manner during regular portfolio reporting meetings (see "Reporting" above) using the Project Change Request Form (see template in Section VII). This form is necessary to collect all of the required information at one time to evaluate the request at one time, share the information appropriately, as well as to maintain needed documentation. The form is intended for requested changes to timeline, scope, and/or budget, and it collects information on the nature of the request and why it is needed.

The General Manager will carefully review such requests for both consistency with the project goals and objectives stated in the project plan as well as the Bay Area Homeland Security Strategy.

**Project Timeline Change Requests:** The sub-recipient Project Lead s should immediately notify the Bay Area UASI Project Lead-Manager in the event they are unable to meet their deliverable due dates and specifications as approved in their MOU/LOA document. A request for an extension of the performance period should be at least 90 calendar days before the end date of the performance period, if not sooner. See "E. Modifications to MOU/LOAs" in Section IV on procurement below.

The General Manager is responsible for ensuring that significant changes in timeline and scope, and their associated rationale, are reported in the quarterly report to the Advisory Group and Approval Authority (see "Reporting" above). At a minimum, the General Manager must report to the Approval Authority any timeline and scope changes for projects with budgets over \$250,000 that in which:

Delay the final project completion date is delayed by more than six months. When a jurisdiction needs to extend the timeline of an approved project beyond the grant effectiveness date, that jurisdiction may request to "swap" funds with another approved project that can be completed by the jurisdiction within the grant effectiveness period. Such requests will be approved by the General Manager as long as there is a reasonable expectation that the funds can be spent as stated within the designated timelines. The Management Team will closely monitor projects per identified milestones. The General Manager will ask jurisdictions that are not on track towards timely completion to identify such "swapping" opportunities or return funds to the associated hub to fund the next-in-line project.

**Project Budget Change Requests:**

The General Manager must bring any budget change for a project that exceeds \$250,000 for a project to the Approval Authority for approval prior to the change. Within a grant project, the Bay Area UASI General Manager may reallocate funds up to a cumulative total of \$250,000. This authority allows the General Manager to add or subtract from the original allocation up to the total amount of \$250,000. Any changes must be consistent with the original project goals and objectives as stated in the project proposal, the Bay Area Homeland Security Strategy, and/or FEMA requirements. The General Manager will report such reallocations to the Approval Authority on a biannual basis.

- Result in modifications to MOUs/LOAs;
- Result in contract amendments; and/or;
- Lead to significant changes in key deliverables or project stakeholders.

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**Modification of Grant Allocations**

As with updates to timeline and scope, changes in budget are also part of project change management. The Project Lead must seek approval for needed grant allocation changes from the General Manager or designee during regular portfolio meetings and update the baseline project plan with approved changes. Sub-recipient jurisdictions are responsible for promptly notifying the Project Lead when spending potentially could or should diverge from budget amounts in MOU/LOA agreements.

A project may only expend on previously approved activities at previously approved levels, unless otherwise directed by the General Manager or designee. The General Manager may only make reallocations which are consistent with the original scope, goals, and purposes of the project as defined in the project plan and MOU/LOA agreements and vendor contracts, if applicable, and should also bear in mind jurisdictional balance.

Section 8.6 of the July 2011 Approval Authority Bylaws governs grant modifications. Within a grant project, the Bay Area UASI General Manager may reallocate funds up to a cumulative total of \$250,000. This authority allows the General Manager to modify the allocation by transferring funds between categories within a project, or among jurisdictions that have received grant funds for that project. This authority also allows the General Manager to modify allocations across grant years for a particular project, for the purpose of expending grant funds within applicable grant performance periods. The General Manager reports back any reallocations to the Approval Authority and Advisory Group at the next regularly scheduled meeting.

The General Manager should bring any modification that exceeds \$250,000 individually or cumulatively for a project to the Approval Authority and Advisory Group for approval prior to the modification. The General Manager must obtain appropriate approvals from the California Emergency Management Agency (Cal EMA) for such grant modifications. Once the Bay Area UASI receives approval from Cal EMA for the modification, the Grants Management Unit will notify sub-recipients, as appropriate. Sub-recipients should not expend funds until the modification has been approved. See "E. Modifications to MOU/LOAs" in Section IV on procurement below.

Should expenditures for a project be lower than originally budgeted but still have met the goals and purposes of the project, remaining funds should be used to fund additional incentives. In such a scenario, the Approval Authority should return to the prioritized list of projects received from the Advisory Group at the end of the project identification phase in order to identify new projects for funding.

**Project Scope Changes:** The General Manager will review project scope change requests for consistency with the original project goals and objectives as stated in the project proposal, the Bay Area Homeland Security Strategy, and FEMA grant requirements. Requested changes that are not consistent with the above criteria will be denied in order to maintain compliance and fidelity to previously vetted and approved spending. The General Manager must report to the Approval Authority any project scope change for projects with budgets over \$250,000 that results in significant changes in key deliverables or stakeholders.

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Funding of "Next-in-Line" Projects: During the project "Identification" phase, hubs are asked to identify projects to be funded if and when additional funding becomes available in the course of the grant period. Funding may become available if a jurisdiction is unable/no longer interested in implementing project goals and objectives as originally stated and approved by the Approval Authority; or expenditures for a project are lower than originally budgeted. In both of these instances, jurisdictions are required to return the funds to the hub to fund project/s "next-in-line" for funding. Projects should be funded in order of priority as funds become available. However, a hub may decide by mutual agreement to adjust the order or adjust the cost allocated to projects.

In special cases, unused funds may be allocated towards new purposes within that same project when all of the following conditions are met as determined by the General Manager, the original allocation was made to fund a part of a project and funding subsequently became available due to the fact that costs of the project were less than originally anticipated; and the new purposes are clearly defined in the original project proposal that had been vetted and approved by the Approval Authority; and at the time of the original project allocation approval, the Approval Authority clearly states that it would be permissible to allocate any project savings towards new purposes in the project.

Appeal Process: The General Manager is granted discretion in approving project change requests as specified above. If a sub-recipient jurisdiction believes such discretion has been applied in a way that is not consistent with these guidelines, or is not in the spirit of fairness or effectiveness, he or she may seek to appeal the decision. Such an appeal should first be made directly to the General Manager and then, if still not resolved to the parties' satisfaction, directly to the Approval Authority.

### Monitoring

Project Leads are responsible for monitoring the progress of their projects and meeting timeline, budget, and quality standards as specified in the project plan and other project documents, if applicable. A key tool in such monitoring is the project team status check in. The Bay Area UASI General Manager or designee provides oversight through regularly scheduled portfolio reporting meetings with Project Leads as well as provides regular reporting on project status to the Advisory Group and Approval Authority (see "Reporting" above).

The Bay Area UASI Management Team is Project Managers are responsible for monitoring sub-recipients to determine effectiveness and efficiency of operations, reliability of reporting and recordkeeping, and compliance level. Key concerns of the Project Managers are:

- The status of execution of the project (Is the project on time and on budget? Have the items been ordered? Are there any issues in the procurement process?)
- The status of reimbursement requests (Have they been submitted?)
- Have grant requirements been met? (EHPs, performance bonds, job descriptions, etc.)

The Grants Management Unit accomplishes monitoring through a combination of desk-based reviews and on-site monitoring visits. Monitoring involves review and analysis of financial,

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programmatic, performance and administrative issues, and identifies areas where technical assistance and other support may be needed. The sub-recipient is responsible for resolving any monitoring findings (i.e., findings of non-performance or non-compliance) in a timely manner by a corrective action plan and technical assistance in association with the Management Team. See "C. Sub-recipient Monitoring" in Section VI on financial management below for more information.

### Deliverable Quality Standards

The sub-recipient Project Lead is ultimately responsible for project quality and outcomes. He or she must ensure that project deliverables are of high quality and meet specifications in the project plan and other project documents, if applicable documentation. He or she is responsible for those projects that include sub-recipient award financing, the sub-recipient jurisdiction is responsible for achieving high quality and timely deliverables as specified in the MOU/LOA agreement, and the Project Lead provides support and oversight in this regard.

Project Leads and sub-recipient jurisdictions are responsible for providing oversight and management to professional services consultants and ensuring deliverable quality and timeliness. Payments to vendors should be structured by deliverable and should not be authorized by the contract holder until quality standards have been met by the vendor.

All written products associated with projects including Word, Excel, and PowerPoint documents as well as email communications should be clear, organized, accurate, to the point, and timely. The "second pair of eyes" standard should be applied as a general rule for final deliverables these should be reviewed by the General Manager or designee before being issued. Final deliverables should also be reviewed by the subject matter experts in the Working Group for technical accuracy.

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### E. Close Out

### Administrative Close Out

At project end, the Project Lead Bay Area UASI Project Manager is responsible for ensuring that electronic and hard copy project files are archived in an orderly and easily accessible fashion. To preserve storage space, unnecessary documentation should be deleted. Hard copies of final products should be retained.

The Management Team's Grants Management Unit will work with sub-recipient jurisdictions as needed to make sure all sub-grant allocations are properly closed out. Please see Section VI (Grant Close out) for information about the process. From a financial management perspective, the closeout of a grant is the process by which the California Emergency Management Agency California Office of Emergency Services (Cal EMACal OES) determines that all applicable administrative actions and all required work of the grant have been completed by the Bay Area UASI. Once the close-out process is achieved, revenues should match expenditures, and all general ledger accounts should be cleared in FAMIS, the City and County of San Francisco budget and accounting system.

Sub-recipient jurisdictions are required to retain all documentation related to project implementation and expenses reimbursed under the Bay Area UASI for a period of three years after the close of the grant. This retention period will commence upon receipt of the final close-out of the grant letter by Cal OES.

### Lessons Learned

Once a project is complete, the Project Lead Bay Area UASI Project Manager is responsible encouraged to prepare for preparing a "lessons learned" document or having have a lessons learned discussion in the technical Working Group associated with the project. This would be useful for projects involving multiple stakeholders and jurisdictions and is, which is key to improving similar work in the future. Some questions to consider include:

- Did the project achieve its outcomes/requirements as stated in the project plan documentation?
- What went well and why?
- What went wrong and why?
- What did we do about it?
- What else might we have done?
- What are lessons learned for future projects and teams?

### Portfolio Evaluation and Performance Metrics

In May of each year, the Bay Area UASI Management Team works with the Working Groups to evaluate progress and measure performance on the portfolio of Bay Area UASI projects. Using the Bay Area Homeland Security Strategy as a reference, the Management Team:

- Inventories projects based on each capability and strategic goal;
- Tracks whether implementation steps within each objective are complete, partially complete, or ongoing, which shows allocation of resources and improvement in capability along the Planning, Organization, Equipment purchase, Training, and Exercises (POETF) continuum;
- Updates the outcome for each objective. The Bay Area UASI analyzes the outcomes and effectiveness of its work is through the Effectiveness Report, which was last issued in January 2013. This report evaluates how investments better position the Bay Area region to prevent, protect against, mitigate, respond to and recover from acts of terrorism and other hazards.
- In addition, in June 2013 the Bay Area UASI introduced specific performance measures ("measures and metrics" project) within the Digital Sandbox software system that are tied to FEMA's core capabilities in June 2013. This allows the region to locally define the core capabilities and thus more concretely track progress at the regional as well as each Operational Area level.

Other efforts to evaluate the portfolio of Bay Area UASI projects include: reviewing and analyzing After Action Reports (AAR) and improvement plans to determine whether we are enhancing capabilities and overall preparedness, as well as identifying multi-year training and exercise plans to assess and test capabilities. Exercises should be designed around testing and evaluating the region's ability to prevent, protect against, mitigate, respond to and recover from the highest risk terrorism scenarios. See the Bay Area Homeland Security Strategy section on evaluation for more information on portfolio evaluation.

Drawing from this analysis, the Management Team identifies Bay Area specific performance measures based on FEMA's Target Capabilities List and National Incident Management System (NIMS) Standardized Emergency Management System (SEMS) resource types. Both the Target Capabilities List and the NIMS/SEMS lay out critical tasks, performance measures, targets and standards for resources that can serve as useful indicators regarding the current level of preparedness in a given capability area. However, these are not tailored to the specific needs of a given jurisdiction or region. Therefore, the Bay Area must define those targets, measures, and metrics specifically for the region and should do so according to federal standards in the near future.

The Management Team reports to the Advisory Group and Approval Authority on portfolio evaluation and performance metrics. Towards these ends, the Management Team:

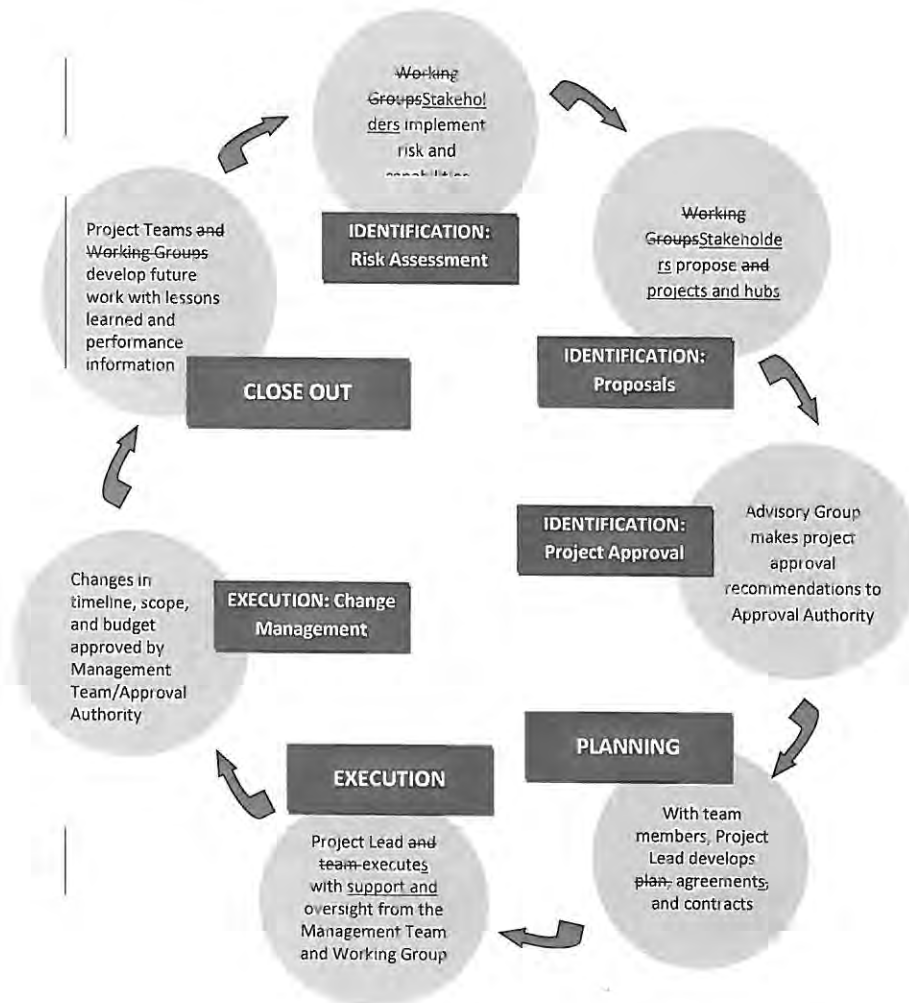
- Produces a Bay Area Annual Report that outlines the annual accomplishments and major activities so stakeholders are kept informed.
- Conducts grant effectiveness analysis and produces grant effectiveness reports to demonstrate the value of UASI and other homeland security grants to local, state, and national leaders.



The Bay Area UASI uses information on portfolio performance and metrics, as well as updates to the Bay Area Homeland Security Strategy, to inform the next cycle of needs, capabilities, and gap assessment, and thus the next cycle of project identification.

The Bay Area UASI evaluation process will also integrate with and support the State of California Metrics Project, which seeks to similarly measure the effectiveness of homeland security investments and capability levels across the State, as well as the DHS mandated State Preparedness Report (SPR) and the SPR survey tool.

### F. Summary of the Project Cycle



C. Summary of the Project Team

	Project Lead	Working Group
<b>Planning</b>	<p>The Project Lead is the person in charge of the project from the sub-recipient jurisdictions                      Program/Project Manager with the Bay Area UASI Management Team</p> <p>With team members, the Lead is responsible for all aspects of project planning, including inputting into the MOU/LOA agreement, the project phase, and vendor solicitations and contracts.</p>	<p>Each project is associated with a technical Working Group, which is comprised of regional subject matter experts</p> <p>The Working Group guides may guide the Project Team in developing the project plan and the scope of work for any vendor solicitations and contracts.</p>
<b>Execution</b>	<p>With team members, the Lead is responsible for all aspects of the project execution phase, including managing changes in budget, timeline, and scope. The Lead reports regularly on progress to the Bay Area UASI Project Manager and Working Group.</p>	<p>The Working Group hears progress updates from the Lead and provides technical oversight input during project execution.</p>

<b>Close Out</b>	<p>With team members, the Lead is encouraged to responsible for document, and discussing project lessons learned with the Working Group. Works with the Management Team to close out sub-grant allocations per Cal OES specifications.</p>	<p>With the Project Lead, encouraged to document and discuss project lessons learned with the Working Group. Sub-recipients work with the Grants Management Unit to close out sub-grant allocations per Cal-EMA specifications.</p> <p>The Working Group applies lessons learned and inputs into portfolio evaluation and performance metrics to improve future project outcomes.</p>
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#### IV. COMPLIANCE

To successfully complete the grant process, every jurisdiction and agency receiving federal homeland security program funds must comply with the rules, laws, and guidelines that govern federal grant awards. The Bay Area UASI Management Team Grants Management Unit provides oversight of grant activities through a review of an organization's processes and supporting documentation to ensure compliance. This section includes a list of compliance requirements and forms.

##### A. Policies and Procedures

The *Code of Federal Regulations Title 44 (44 CFR) 13.20 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments* describes post award requirements for grantees and sub-recipients. These requirements include: financial reporting, the maintenance of accounting records, and internal controls (among others). In order to ensure compliance with grant guidelines, each Bay Area UASI sub-recipient agency is required to develop and maintain a written policies and procedures manual that can be provided upon request to the Grants Management Unit. This manual should describe in detail the requirements as well as monetary thresholds for obtaining approvals to expend grant funds. All local policies and procedures are to be followed as long as they do not conflict with federal regulations or guidelines.

In addition to a Policies and Procedures manual, all sub-recipient jurisdictions should develop and maintain a written fraud policy. In Section II (Roles and Responsibilities) of this document, Item G defines fraud and provides information on what should be included in this policy.

##### B. Required Forms

Under certain circumstances, sub-recipients may be required to submit forms to the Bay Area UASI Management Team and receive state and/or federal approval prior to beginning the purchasing process. The following forms – Environmental and Historic Preservation, Aircraft, Watercraft, EOC, and Sole Source – can all be downloaded from the Bay Area UASI website ([www.bayareauasi.org](http://www.bayareauasi.org)) and are to be completed and submitted to the pertinent Bay Area UASI Project Manager for submission to the Cal OES. The Bay Area UASI Project Manager will support the sub-recipient jurisdiction in identifying and completing required compliance requirements.

##### Environmental & Historic Preservation (EHP)

Federal environmental and historic preservation laws and executive orders provide the basis and direction for the implementation of EHP review requirements for FEMA-funded projects. As

described below, the purchase of certain equipment and the conduct of field-based training or exercises trigger the need for an EHP review. Moreover, EHP approval is required prior to either the ordering of equipment or the conduct of any training or exercise.

- All equipment must have an Authorized Equipment List (AEL) number in order to be eligible for grant funding. Using the Responder Knowledge Base website ([www.rkb.us](http://www.rkb.us)), sub-recipients must check the AEL number of the equipment item in question. Each item that may have an EHP requirement has a green box with the following language: "*Certain products in this category have been identified as requiring an Environmental and Historic Preservation (EHP) review. This does not apply to mobile and portable equipment, however all other items must be submitted for review. Please contact your assigned GPD Program Analyst or the Centralized Scheduling and Information Desk (CSID) at 1-800-368-6498 for further information.*" As indicated, if there is no green box or if the item is mobile or portable, no EHP is required.
- For training classes, only field-based training classes require the submission of an EHP.
- For exercises, only field-based exercises require the submission of an EHP.

In order to complete the EHP Form, sub-recipient project leads will work with their respective Bay Area UASI Project Manager to answer the pertinent questions. The form must include a brief, clear description of the project. If equipment is being purchased, the equipment quantity must be included and if the equipment is to be installed, aerial and ground level photographs are also required. If the EHP is for training or exercise, the physical location of the site (including longitude and latitude) must be provided.

##### Aircraft Form

If a sub-recipient jurisdiction is purchasing an aircraft or any equipment item that attaches to an aircraft, the Aircraft Form must be completed, submitted, and approved prior to ordering the equipment. To complete this form, the sub-recipient project lead works with their respective Bay Area UASI Project Manager. The Aircraft Form requires:

- A brief, clear description of the area that will be served by the requested equipment;
- A description of the equipment, quantities, and AEL numbers;
- A justification of need and how this purchase compares to other options;
- Identification of the applicable goals and objectives in the Bay Area UASI Strategy;
- How this equipment fits into the State Urban Area's integrated operational plans;
- An explanation of the types of terrorism incident response and prevention equipment included
- A description of how the aircraft will be used operationally;
- A description of the use of the aircraft on a regular, non-emergency basis; and
- A signed letter on agency letterhead certifying that an existing aviation unit is operating and will continue to operate independent of the requested funding; including: a description of the active, operating aviation unit and certification that no expenses will be charged against the grant award for the operation of such aviation unit; and certification

that licensing, registration fees, insurance, and all ongoing operational expenses are the agency's responsibility and are not allowable under the grant.

#### Watercraft Form

If a sub-recipient is purchasing a watercraft or any equipment item that attaches to the watercraft, the Watercraft Form must be completed, submitted, and approved prior to ordering the equipment. To complete this form, the sub-recipient project lead works with their respective Bay Area UASI Project Manager. The Watercraft Form requires the following elements:

- Brief, clear description of the area that will be served by the requested equipment;
- Description of the equipment, quantities, and AEL numbers;
- Justification of need and how this purchase compares to other options;
- A description of the active, operating waterway patrol unit;
- Identification of the applicable goals and objectives in the Bay Area UASI Strategy;
- How this equipment fits into the State/Urban Area's integrated operational plans;
- How the waterway has been identified as a critical asset requiring state and/or local prevention and response capabilities;
- How the requested watercraft fits into the State/Urban Area's integrated operational plans and vulnerability assessment;
- Types of terrorism incident response and prevention equipment (including any specialized navigational, communications, safety, and operational equipment);
- How the watercraft will be used operationally;
- The use of the watercraft on a regular, non-emergency basis.
- A signed letter on agency letterhead certifying that licensing, registration fees, insurance, and all ongoing operational expenses are the responsibility of the grantee or the local units of government and are not allowable under this grant.

#### Emergency Operation Center (EOC) Form

If a sub-recipient is establishing or enhancing either its primary EOC or an alternate EOC, the EOC Request Form must be completed, submitted, and approved prior to ordering the equipment. To complete this form, the sub-recipient project lead works with their respective Bay Area UASI Project Manager. The EOC Form has the following required elements:

- Physical address of the facility;
- How the establishment/enhancement of this EOC improves the organization's ability to prevent, plan for, respond to, and recover from a terrorism event;
- All sources and uses of additional funds that are assisting the project in any way;
- Itemized breakdown of equipment by AEL number and cost; and
- Justification that the costs requested for the EOC are reasonable.

#### Sole Source Request Form

The Code of Federal Regulations Title 44 (44 CFR) 13.36 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments provides guidance for procurement using federal funds. In the case of sole source procurement, sub-recipient jurisdictions may follow their local requirements for procurement under \$100,000 as long as they do not violate any federal regulation.

However, if a sub-recipient jurisdiction wishes to make a sole source purchase over \$100,000, the Sole Source Request Form must be completed, submitted, and approved prior to expending funds. To complete this form, the sub-recipient project lead works with their respective Bay Area UASI Project Manager to complete the form. The Sole Source Request Form requires the following elements:

- Brief, clear description of the proposed project or activity to be provided by the sole source vendor/contractor;
- Vendor's contact information;
- A list and description of the equipment as well as the AEL number and the cost if the proposed sole source is for equipment;
- Description of their agency's standard procedures when sole source contracting is considered;
- Why a sole source is needed (i.e., only available from one source, a public urgency or emergency, or only one bid received);
- Assurance that the contractor is not suspended or debarred;
- Guarantee that the funds can be spent prior to the end of the grant performance period; and
- Justification that costs are reasonable.

In addition, the sub-recipient jurisdiction must submit a cost benefit analysis as part of the Sole Source Request Form. This should include specific financial information and analysis that shows the financial benefit of the purchase to the agency. Examples of pertinent information in a cost benefit analysis may include information such as: savings involving personnel and staffing requirements; training cost savings as a result of interoperable equipment; or needing to make multiple purchases to otherwise obtain the same result with the requested item. The cost benefit analysis should not include information that is not pertinent to the financial analysis (i.e. safety benefits to the staff).

#### C. Performance Bonds

Many sub-recipient jurisdictions are unable to procure large equipment items with homeland security grant funds due to the fact that vendors are frequently unable to deliver such items within the federal grant period. To help address this issue and allow sub-recipients to be able to procure large equipment items with homeland security grant funds, FEMA allows sub-recipients to obtain a "performance bond."

To obtain a performance bond, the sub-recipient jurisdiction pays for the equipment item up front (upon receiving a valid vendor invoice prior to the stipulated delivery date) and receives an assurance from the vendor that the item will be delivered within 90 days of the state's performance period. The performance bond, therefore, acts as an insurance policy for the sub-recipient jurisdiction. Upon payment of the equipment cost and the performance bond, the sub-recipient jurisdiction may seek reimbursement from the Bay Area UASI Management Team, rather than having to wait to seek reimbursement until after the delivery of the equipment.

Per the California State Supplemental Guidance, sub-recipients must obtain a performance bond for any equipment item over \$250,000 or any vehicle, aircraft, or watercraft financed with homeland security dollars. Sub-recipient project leads should work with their respective Bay Area UASI Project Managers to determine the exact date that must be used in the performance bond. The cost of a Performance Bond is typically 1-3 % of the cost of the item.

#### **D. Travel**

If a sub-recipient jurisdiction requests funding for travel, the Bay Area UASI Travel Policies and Procedures Manual is to be followed (See Section VIII of this Manual). Sub-recipient project leads should consult with their Bay Area UASI Project Manager and must provide adequate written justification and documentation. All travel must fall within the intent of the overall travel policy. To be in compliance with the Bay Area UASI Travel policy, all travel requires a written request and approval by the requestor's direct supervisor and the Bay Area UASI General Manager. If the request is for travel for a national association or board, a written request must be submitted to, and approved by, the Bay Area UASI Approval Authority. Lastly, if the request is for travel to a non-continental US destination or for international travel, a written request and approval must be submitted to, and approved by, the Bay Area UASI Approval Authority, the Bay Area UASI General Manager, Cal OES, and FEMA. The international travel process takes over six months and requires extensive documentation.

#### **E. Match**

Cost sharing or matching means that a portion of the costs of a federally assisted project or program is borne by the sub-recipient and not by the federal government. In order to meet a cost share or match requirement, sub-recipient jurisdictions must provide either cash or in-kind contributions. In order for matching funds to be eligible, only allocable and allowable costs under the appropriate costs principles and program eligibility requirements are allowed. Further, they must have been expended within the performance period of the award and provide direct support for the program or project for which the funds were awarded. All matching funds must be supported by source documentation and cannot have been included as a cost or used to meet cost share or match requirements for another federal award unless authorized by statute. Lastly, any matching funds must be treated on a consistent basis by the sub-recipient.

#### **F. Grant Extensions**

Congressional concerns over unspent federal homeland security grant funds have led to shortened grant performance periods and stricter adherence to grant timelines. FEMA approves extension requests only due to compelling legal, policy, or operational challenges. Such requests are approved infrequently, on a case by case basis, and typically not until the very end of the performance period.

If an extension request is warranted, sub-recipient jurisdictions should first contact their Bay Area UASI Project Manager. If approved at the Bay Area UASI level, a request will be sent by the UASI Management Team to Cal OES for approval. Sub-recipients will be notified of the state's decision when it has been received by the UASI Management Team.

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## V. PROCUREMENT

Procurement includes hiring, purchasing of supplies, and soliciting for professional services. The Bay Area UASI Management Team has responsibility for oversight of procurement processes that utilize federal funds received by the Approval Authority. The Grants Management Unit of the Management Team ensures compliance with federal laws, regulations, executive orders, ~~Office of Management and Budget (OMB)~~ circulars, departmental policy, award terms and conditions, and state and local requirements.

When a jurisdiction is the sub-recipient of award funds, the sub-recipient is responsible for procurement processes and should use procurement procedures and regulations from that jurisdiction, provided these procurement procedures and regulations conform to applicable federal law and standards. ~~Working with the Grant Management Unit, the Bay Area UASI Management Team Project Lead is responsible for oversight and support to sub-recipients on procurement processes as needed.~~

In cases when a project does not include sub-recipient funding, all procurement processes are the responsibility of the Bay Area UASI Project Lead/Manager, working in partnership with the Grants Management Unit. ~~Such procurements, and~~ are conducted per the policies and procedures of the City and County of San Francisco as the Bay Area UASI fiscal agent.

### **A. Types of Agreements**

The Bay Area UASI Program, through the Grants Management Unit, administers three types of contracting agreements:

- **Memoranda of Understanding (MOU)** – This is an agreement between the City and County of San Francisco, in its capacity as the fiscal agent for the Bay Area UASI Approval Authority, and a sub-recipient jurisdiction. This document is a requirement when a jurisdiction is a sub-recipient of federal award funds.
- **Letters of Agreement (LOA)** – This is an agreement between the Bay Area UASI, acting by and through the Bay Area UASI Management Team, and another department within the City and County of San Francisco.
- **Professional Services Contracts** – This is an agreement between the City and County of San Francisco and a vendor for services that require advanced specialized knowledge or expertise.

## B. Content of the MOU/LOA

MOUs and LOAs consist of the following sections:

- **Boilerplate Agreement**

The boilerplate of an MOU contains the following twelve articles:

- Article 1 – Definitions
- Article 2 – Allocation and Certification of Grant Funds; Limitation on San Francisco's Obligations
- Article 3 – Performance of the Agreement
- Article 4 – Reporting Requirements; Audits
- Article 5 – Representations and Warranties
- Article 6 – Indemnification and General Liability
- Article 7 – Events of Default and Remedies; Termination for Convenience
- Article 8 – Assignments
- Article 9 – Notice and Other Communications
- Article 10 – Miscellaneous
- Article 11 – Insurance
- Article 12 – Compliance

The boilerplate of an LOA contains the following two articles:

- Article 1 – Performance of the Agreement
  - Article 2 – Notices and Other Communications
- **Appendix A** – “Authorized Expenditures and Timelines,” which details information by solution area (Planning, Organization, Equipment purchase, Training, and Exercises-POETE), program description, deliverable due date, and amount. See next section, “C. Appendix A – Authorized Expenditures and Timelines,” for more information on allowable costs and requirements for reimbursement.
  - **Appendix B** – “Grant Assurances,” which outlines compliance requirements and the sub-recipient’s obligations under the grant. Each page of this document must be initialed and signed by an authorized agent. See the template in Section VII.
  - **Appendix C** – “Form of Reimbursement Request,” which must be submitted to the Bay Area UASI Management Team when requesting reimbursement along with Schedule 1 (list of authorized expenditures) and Schedule 2 (grant match documentation, if applicable). See the template in Section VII. Grant match documentation must include all cash appropriations of non-federal funds and all in-kind services (in dollar values) that the sub-recipient intends to use for its grant match. The sub-recipient may not submit a reimbursement request until the Grants Management Unit approves the grant match plan.

## C. MOU/LOA Appendix A - Authorized Expenditures and Timelines

All allowable UASI sub-grant award expenditures must fall into one of six solution areas. ~~The solutions areas are:~~ Planning, Organization, Equipment purchase, Training, and Exercise (POETE). The MOU/LOA Appendix A template can be found in Section VII of this manual.

### Planning

The MOU/LOA obligations regarding planning include:

- **Personnel** – Prior to any sub-recipient expenditures for personnel, sub-recipients must submit completed job descriptions to the ~~Bay Area UASI Management Team Project Lead-Manager~~ detailing the planning activities the personnel will complete and the deliverables that will be produced. Prior to reimbursement, the sub-recipient must submit the following: all functional time sheets or allocation plans, payroll documentation or cancelled checks showing payment of salaries and benefits, and work product or certification that work was completed.
- **Contracts** – ~~All contracts must be pre-approved by the Bay Area UASI General Manager or designee and Grants Management Unit prior to execution.~~ All contracts must comply with the contracting laws and best practices of their jurisdictions, ~~and sub-recipients are required to provide the Grants Management Unit a copy of their procurement policies for review.~~ See “Approval of Vendor Solicitations and Contracts” under “C. Planning” in Section III on the project cycle above for more information on criteria that ~~must should~~ be met and Section IV (Sole Source Request Form) as appropriate. ~~for contracts to be approved.~~
- **Travel** – Travel for planning activities must be pre-approved by the ~~Bay Area UASI~~ General Manager or designee prior to scheduling, per the Bay Area UASI Travel Policy (see Appendix B) and Section IV (Travel) above. Invoices must include all backup documentation, including conference agendas, programs, brochures, lodging receipts, per diem calculations, airfare receipts/boarding passes, mileage calculations, and proof of payment.

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### Organization

Eligible organization expenses that must be documented in the MOU/LOA include:

- Responding to an increase in the threat level under the Homeland Security Advisory System, ~~System~~ or needs resulting from a National Special Security Event;
- Establishing, enhancing, and staffing State and Major Urban Area fusion Centers;

- Paying salaries and benefits for personnel to serve as qualified intelligence Analysts; and
- Paying related Overtime and Operational Overtime costs.

Equipment

The MOU/LOA obligations for equipment include:

- As allowable under federal guidelines, procurement of equipment must follow local policies and procedures for competitive purchasing.
- At a minimum, more than one quote or bid must be obtained, unless a sole source is justified (see Section IV- Sole Source Request Form- above). If sole source approval is needed because the amount exceeds \$100,000, the sub-recipient Project Lead the sub-recipient project lead must transmit the request to the Grants Management Unit Project Manager for submission request to the State. Such approval must be received prior to the purchase of the equipment.
- EHP approval, if required (see Section IV- EHP Form- above). If not previously identified, such a requirement will be conveyed by the Project Manager to the sub-recipient Project Lead the sub-recipient project lead during the project planning stage. When such an approval is required, the Project Manager will work with the sub-recipient jurisdiction Project Lead to complete the form.
- A performance bond for any aircraft, watercraft, or vehicle as well as any individual equipment item in excess of \$250,000 is required.
- Prior to reimbursement, the sub-recipient must submit to the Grants Management Unit all invoices, Authorized Equipment List (AEL) numbers, EHP or Sole Source approval letters, and a list of all equipment identification numbers and the deployed locations.
- A performance bond for any aircraft, water craft, or vehicle as well as any individual equipment item in excess of \$250,000.
- FEMA Environmental and Historic Preservation (EHP) approval, if required. Such a requirement will be conveyed by the Bay Area UASI Management Team Project Lead Manager to the sub-recipient during the project identification planning stage, if not already identified. When such an approval is required, the Bay Area UASI Project Manager will work with the sub-recipient jurisdiction to submit a FEMA Environmental and Historic Preservation Screening Memo (EHPSM).

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Training

The MOU/LOA obligations for training include:

- All training courses must be pre-approved by the California Emergency Management Agency California Office of Emergency Services (Cal EMACal OES. If the training should be field-based, ) and require an approved FEMA Environmental and Historic Preservation Screening Memo (EHP approval is requiredSM) (see Section IV- EHP Form- above) if such training is conducted in the field,
- All expenses must be pre-approved by the Bay Area UASI Management Team Project Lead Manager prior to scheduling.
- Training course expenses may include backfill/overtime, travel, tuition, per diem or other grant eligible expenses.
- When seeking reimbursement for grant eligible expenses, the sub-recipient must submit the following:
  - Completed financial management workbook training ledger page indicating course title, feedback number, and sub category (e.g., overtime, backfill, course development);
  - Copy of the approved EHP approval letter (as applicable);
  - Registration receipts and agendas; and
  - Copies of participant sign in sheets and certificate of completion with supervisor's signature.

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Exercise

The MOU/LOA obligations for exercise include:

- All field-based exercises and associated sites require an approved FEMA Environmental and Historic Preservation Screening Memo (EHPSM) EHP approval.
- All expenses must be pre-approved by the Bay Area UASI Management Team Project Lead Manager prior to scheduling.
- Exercise expenses may include backfill/overtime, travel, tuition, per diem or other grant eligible expenses.
- When seeking reimbursement for grant eligible expenses, sub-recipients must submit the following:
  - Completed financial management workbook exercise ledger page indicating exercise title and sub category (e.g., overtime, backfill, course development);

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- Copy of EHP approval letter (as applicable);
- Copy of After Action Report (due to Cal EMA/Cal OES no later than 60 days after the exercise; and
- Copies of participant sign in sheets with supervisor's signature.

#### D. Executing the MOU/LOA

It takes approximately two-three months for an MOU/LOA to be drafted and approved, but this can be longer depending on the workload of the participating parties, and the complexity of the workdocument, and especially the length of time it takes to get the agreement calendared for approval at local boards and city councils. The following is a sample process and timeline for MOU/LOA agreements. This applies both to MOUs/LOAs drafted for the first time as well as modifications to existing agreements.

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1. **Drafting of Appendix A** – The Bay Area UASI Management Team Project Lead drafts the Appendix A of the agreement in close cooperation with both the sub-recipient jurisdiction (MOU) or City and County of San Francisco Department (LOA), and with assistance as needed from the Grants Management Unit (as needed) – (5 working days).
2. **Grants Management Unit Review** – The Grants Management Unit reviews and approves the Appendix A from a compliance perspective as well as compiles required documentation for the agreement, such as the boilerplate language and other appendices – (5 working days).
3. **City Attorney Review** – Once approved by the Grants Management Unit, the Grants Management Unit forwards the agreement to the City and County of San Francisco City Attorney for review – (10 working days).
4. **Sub-recipient Signature** – Once approved by the City Attorney, the Grants Management Unit PDFs the document and sends it to the sub-recipient jurisdiction/City department for signature. Typically, jurisdictions will calendar the MOU for approval at a board or city council meeting, which can take several weeks – (45-30 working days).
5. **City Attorney Signature** – Once two (2) original MOUs, signed by the sub-recipient are returned, the Grants Management Unit sends the documents to the City and County of San Francisco City Attorney for signature – (5 working days).
6. **DEM Signature** – Once signed by the City Attorney, the Grants Management Unit sends the agreement to the Director of the City and County of San Francisco Department of Emergency Management (DEM) for signature – (5 working days).

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7. **Final Project Approval** – The agreement is now finalized, and projects may now be reimbursed for expenses incurred during the time period specified in the MOU agreement. Projects may not begin implementation until all relevant MOU/LOA documents and the project plan is finalized, and project approval is provided by the General Manager and/or the Approval Authority. See “Final Project Green Light” under “C. Planning” in Section III on the project cycle above.

#### E. Modifications to the MOU/LOA

Sub-recipients should immediately notify the Bay Area UASI Project Manager in the event they may not be able to meet their deliverable due dates and specifications as approved in their MOU document. Sub-recipient jurisdictions must request changes to project timeline, scope, and budget via the Project Change Request Form (see “Change Management” under “Execution” in Section III above). When such changes are approved and effect the final end date or overall amount of funding included in the MOU, the MOU must go through a formal amendment process, detailed in the section above. In all other instances of changes to the MOU, an approved the Project Change Request Form will generate a Modification Notice detailing the approved revisions in the MOU, which must be signed by the General Manager or designee, City and County of San Francisco City Attorney, and the relevant sub-recipient jurisdiction to indicate agreement to the adjustment/revisions.

make requests for budget, programmatic, and/or administrative changes to MOUs/LOAs to the Bay Area UASI Management Team Project Lead. In particular, sub-recipients should immediately notify the Project Lead in the event they may not be able to meet their deliverable due dates and specifications as approved in their MOU/LOA document. Sub-recipients are encouraged to request modifications early in order to facilitate timely performance and close-out of the grant. A request for an extension of the performance period should be made at least 90 calendar days before the end date of the performance period if not sooner. Per the timeline above, an MOU modification request takes roughly two-three months to process and could take more longer depending on the workload of applicable parties, and the complexity of the work document, and the proposed changes, and length of time needed to calendar the approval before local boards and city councils. Sub-recipients should not expend funds until the MOU/LOA agreement has been formally updated and signed.

F. Cal OES Assurances and Certifications

The Project Lead is ultimately responsible for all project change management, including updates to MOU/LOA agreements. The Project Lead must make requests for changes to the Bay Area UASI General Manager during regular portfolio reporting meetings and gain approval for such changes. The General Manager reports to the Advisory Group and Approval Authority on any modifications to MOUs/LOAs for projects with budgets above \$250,000. In addition, budget modifications in excess of \$250,000 must be approved in advance by the Advisory Group and Approval Authority, and also require approval from the California Emergency Management Agency (Cal EMA). See information on change management and modifications under "D. Execution" in Section III on the project cycle above for more information.

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F. Assurances and Certifications

The California Emergency Management Agency/California Office of Emergency Services (Cal EMACal OES) is required by law to obtain written certification of compliance. It requires the Bay Area UASI to submit the Certification of Assurance of Compliance Form. This form is a binding affirmation to comply with:

- State and federal civil rights laws;
- Drug Free Workplace Program;
- California Environmental Quality Act;
- Federal grant fund requirements;
- Lobbying restrictions;
- Debarment/suspension requirements; and
- Proof of Authority from the city council/governing board.

Similarly, the Bay Area UASI Management Team requires sub-recipient jurisdictions to sign grant assurances for the items listed above and other statements as outlined in the Appendix B (Grant Assurances) of the MOU/LOA. See template in Section VII.

G. San Francisco Procurement Process for Professional Services Contracts

In cases in which a project does not include sub-recipient funding, all procurement processes are the responsibility of the Bay Area UASI Management Team Project Lead Manager, working in

partnership with the Grants Management Unit. In such instances, procurement is conducted per according to the policies and procedures of the City and County of San Francisco as the Bay Area UASI fiscal agent. The procurement policies and procedures of the City and County of San Francisco must also be followed when the sub-recipient of a grant award is the City and County of San Francisco.

These general rules apply under San Francisco's procurement process for professional services contracts:

- **Contract amount of \$0 - \$10,000** – No solicitation is required. However, grant guidelines require some type of comparative pricing.
- **Contract amount over \$10,000 but less than \$100,000** – Informal solicitation required. The Project Lead Manager must informally solicit for bids. Ideally, at least three bids should be collected and evaluated by the Project Lead Manager.
- **Contract amount of \$100,000 or more** – Formal solicitation is required. The Project Lead Manager must follow the rules and procedures of a formal solicitation process as described next.

In addition, in cases in which a project is following San Francisco procurement policies and procedures, when and a contract amount is \$50,000 or more, the Bay Area UASI Management Team must seek review and approval from the San Francisco Civil Service Commission.

There are two main instruments used in the procurement of professional service contracts:

- **RFP (Request for Proposals)** – An RFP process evaluates specific proposals that perform a specific service. The highest scoring proposal wins the opportunity to negotiate a contract.
- **RFQ (Request for Qualifications)** – An RFQ evaluates qualifications (e.g., resumes, references, etc.) to establish whether proposers are qualified to perform the requested services and establishes such qualifications for a limited duration of limited to two years. During this time, the City and County of San Francisco may enter into contract negotiations with any qualified firm for services specified within the original RFQ.

The Bay Area UASI Management Team, on behalf of the City and County of San Francisco, will advertise the RFP/RFQ opportunity on the San Francisco Office of Contract Administration website (<http://mission.sfgov.org/OCABidPublication/>) and the Bay Area UASI website, and once the proposals are submission deadline has occurred, the Management Team will convene a panel review and rank panel comprised of regional subject matter experts to evaluate and vet the proposals. The panel will choose the best respondent and then the Project Lead Manager will lead negotiations with the winning respondent to develop the professional services contract. See "Approval of Vendor Solicitations and Contracts" under "C. Planning" in Section

III on the project cycle above for details on requirements that must be met in the solicitation, selection, and negotiation/contract stage of contract development.

All vendors who do business with the City and County of San Francisco must also obtain a vendor number, submit a federal W-9 form, and provide a San Francisco P-25 Business Tax Declaration. They must also meet the City's Equal Benefits Ordinance, Minimum Compensation Ordinance, and Healthcare Accountability Ordinance.

In the City and County of San Francisco, a sole source request ~~can~~ must be made to the Office of Contract Administration/Purchaser's Office if any of the following apply:

- The commodity or service is only available from one source;
- There is only one vendor willing to enter into a contract with San Francisco;
- The item has design and/or performance features that are unique and essential to San Francisco's needs; and/or
- The product is a licensed or patented good or service that limits its availability.

An approval from the State Cal OES is also required for sole source processes using federal funds administered by the Bay Area UASI in amounts over \$100,000.

## H. Federal Procurement Guidelines

When a jurisdiction is the sub-recipient of award funds, the sub-recipient is responsible for procurement processes and ~~should~~ may use their own procurement procedures and regulations, provided these conform to applicable federal law and standards. Sub-recipient jurisdictions are responsible for reviewing Title 44 on Emergency Management and Assistance in the Code of Federal Regulations (CFR) to confirm consistency.

Section 13.36 of Title 44 highlights the following due diligence requirements when procuring commodities/services with federal funds:

- Conduct ~~r~~Reasonable cost/price analysis must be conducted;
- Encourages the use of federal excess and surplus property;
- Reach out to Minority/Women Enterprise;
- No geographical preference allowed;
- Maintain full and open competition;
- Do not preclude vendors or conduct restrictive competition;
- Maintain written code of contracting standards;
- Include ~~p~~Processes for hearing protests and disputes;
- No conflict of interest in selection process; and
- Maintain records to detail the history of procurement.

Section 13.36 also identifies four different types of procurement processes:

- 1) Procurement by small purchase procedures ~~are~~ is a relatively simple and informal procurement methods for securing services, supplies, or other property that ~~doesn't~~ net-cost more than \$100,000.
- 2) Procurement by sealed bids ~~are~~ is when bids are publicly solicited and awarded to the responsible bidder whose bid, conforming ~~with~~ to all the material terms and conditions of the invitation for bids, is the lowest in prices.
- 3) -Procurement by competitive proposals involves a method for evaluating all proposals and awarding to the firm whose proposal is most advantageous to the program, ~~with~~ when price and other factors are considered.
- 4) -Procurement by non-competitive proposals (sole source) may be used when the item is only available from a single source, is a public emergency, the grantor authorizes a noncompetitive process, or, after solicitation from a number of sources, competition is determined inadequate.

Form

## VI. FINANCIAL MANAGEMENT

The City and County of San Francisco serves as the fiscal agent for the Bay Area UASI—A through a resolution, passed by the Board of Supervisors of the City and County of San Francisco, recognizing this role as fiduciary role. San Francisco's Board of Supervisors is responsible for approving the formal "accept and spend/pend" processes for the grants managed under the UASI governance structure. This role allows the Bay Area UASI Management Team, functioning as a separate arm of the San Francisco Department of Emergency Management, to execute projects with the upfront financial support of the City and County of San Francisco with reimbursement coming back to the City and County. The San Francisco Controller's Office, City Attorney's Office, and Office of Contracts Administration provide fiscal, legal, and contract program support to the Bay Area UASI.

The Bay Area UASI Management Team's Grants Management Unit has responsibility for financial management of federal funds received by the Approval Authority. The Grants Management Unit is responsible for the administration of federal grant awards to ensure compliance with federal laws, regulations, executive orders, OMBOMB circulars, departmental policy, award terms and conditions, and state and local requirements. The Grants Management Unit must also make certain all activities carried out under the Bay Area UASI grant program are reasonable and allowable, and maintain complete and accurate records of all program activities.

### A. Grant Award

A grant award letter, when signed by the Director or designee of the California Emergency Management Agency California Office of Emergency Services (Cal-EMACal OES), becomes a "Grant Award" which contains the terms and conditions of the grant. The Grant Award Letter is an agreement between Cal-EMACal OES and the Bay Area UASI. All projects funded from the Grant Award must conform to the agreement as specified. Failure to do so may result in the withholding or disallowance of grant payments on current or future Cal-EMACal OES grants, the reduction or termination of the Grant Award, and/or the denial of future Grant Awards. The Bay Area UASI must comply with all applicable federal/state laws and regulations.

### B. Post-Award

As a condition of accepting federal funding, the Bay Area UASI is required to maintain an accounting system and financial records to accurately account for awarded funds. These records include both federal funds and all appropriate matching funds. The Bay Area UASI Management Team, through its Grants Management Unit, is responsible for all aspects of this, including proper accounting and financial recordkeeping by all sub-recipients. Responsibilities include: the accounting of receipts and expenditures, cash management, maintenance of adequate financial records, and refunding expenditures disallowed by audits.

#### Accounting Responsibilities

The Bay Area UASI Grants Management Unit and sub-recipient jurisdictions have the following accounting responsibilities:

- **Reviewing Financial Operations** – The Grants Management Unit must be familiar with, and periodically monitor, its sub-recipients' financial operations, records, systems, and procedures. Particular attention is directed to the maintenance of current financial data.
- **Recording Financial Activities** – The Grants Management Unit and sub-recipients must record in summary form the sub-recipient's award or contractual obligation as well as cash advances and other financial activities. Sub-recipients should record expenditures or evidence them by report forms duly filed to the Grants Management Unit. Non-federal contributions applied to programs or projects by sub-recipients should likewise be recorded by sub-recipients, as should any program income resulting from program operations. All financial records must validate expenditures related to the respective sub-recipient grant(s).
- **Budgeting and Budget Review** – The Grants Management Unit must ensure that each sub-recipient prepares an adequate budget on which its award commitment will be based. The detail of each project budget should be maintained on file by both the sub-recipient and the Grants Management Unit.
- **Accounting for Non-federal Contributions** – The Grants Management Unit and sub-recipients must ensure that the requirements, limitations, and regulations pertinent to non-federal contributions are applied.
- **Audit Requirements** – The Grants Management Unit must ensure that sub-recipients have met necessary audit requirements.
- **Reporting Irregularities** – Sub-recipients must promptly notify the Bay Area UASI Management Team, who in turn will notify the state and the federal cognizant audit agency, of any illegal acts or irregularities and of proposed and actual actions, if any.

Illegal acts and irregularities include conflicts of interest, falsification of records or reports, and misappropriation of funds or other assets. Should the Bay Area UASI Management Team become aware of any criminal activity related to federal assistance, these criminal acts should be reported to the appropriate law enforcement agency. Please see the fraud policy included in Section II of this Manual for more information.

- **Debarred and Suspended Organizations** – The Bay Area UASI and its sub-recipients must not award or permit any award at any level to any party that is debarred or suspended from participation in federal assistance programs.
- **Bonding** – The Bay Area UASI may require adequate fidelity bond coverage where the sub-recipient lacks sufficient coverage to protect the federal government interest (see OMB Circular A-110, Subpart C, paragraph 21© and OMB Circular A-122).

#### Grant Accept and Expend

For grants that are not included in the City and County of San Francisco's Annual Appropriation Ordinance (AAO) or gifts in amounts of \$100,000 or greater, special grant accept and expend processes must be followed in order to obtain spending authority from the San Francisco Board of Supervisors. In such circumstances, the Bay Area UASI must submit an Accept and Expend Resolution. Legislation in the form of an ordinance amending the San Francisco Annual Salary Ordinance (ASO) must be submitted if new positions are being created.

#### Financial System and Structure

The City and County of San Francisco's Financial Accounting and Management Information System (FAMIS) provides an accounting and internal administrative control system for Bay Area UASI funds. It includes a general ledger accounting structure, subsidiary accounting records, and procedures that define how, and by whom, the funds are handled. Accounting records identify the receipt and the expenditure of all ~~California Emergency Management Agency~~ California Office of Emergency Services (Cal EMA/Cal OES) funds. The system also conforms to Generally Accepted Accounting Principles (GAAP), provides a record of the amount and disposition of all project funds, shows receipt of funds and expenditures by source (e.g., federal, state, or local), and separately identifies match funds and related expenditures.

#### Budgetary Controls

The Bay Area UASI Management Team utilizes the budgetary control features found in FAMIS ~~(the City and County of San Francisco's accounting system of record)~~ to facilitate analysis of the budget and to ensure that separate tracking and reporting are properly performed. The system also allows accurate accounting of funds by project, sub-recipients, and categories/solution areas. These categories/solution areas are: Planning, Organization, Equipment purchase, Training, Exercises, ~~(POETE)~~, and Management and Administration.

### Obligation of Funds (Encumbrance)

Obligations (encumbrances) are a legal liability to pay, under a grant and/or contract, determinable sums for services or goods incurred during a period of performance. An encumbrance occurs when funds are set aside to pay for a particular expense. This includes, but is not limited to, ~~amounts of orders placed, contracts and grants awarded, services received, and similar transactions that require payment during the same or a future period.~~ The Bay Area UASI Grants Management Unit enters these into the FAMIS accounting system based on documents such as approved service contracts, Memoranda of Understanding (MOU), Letters of Agreement (LOA), or requisitions for supplies and services.

Once an encumbrance is made in the FAMIS system, the funds are committed to a specific use and are no longer available for other expenditures. However, since the goods or services have not yet been received, legally, the project does not yet owe anything to the vendor or supplier.

An encumbrance is defined by the following three characteristics:

- The expenditure is approved in the original MOU/LOA budget or a subsequent sub-grant award modification;
- A formal written order or request (i.e., requisition) is approved by the Bay Area UASI Management Team prior to the end of the grant period; and
- A purchase order/contract has been submitted to the vendor or supplier of goods or services.

### Expenditure of Funds

The Bay Area UASI Grants Management Unit must make certain all activities carried out under the Bay Area UASI grant program are reasonable and allowable. All allowable UASI grant expenditures fall into one of six categories/solution areas, must support the eight National Priorities and the Bay Area and State homeland security strategies, as well as enhance regional capabilities. Typically, the Bay Area UASI Management Team has 90 days after the end of the award period ~~MOU/LOA terms~~ to liquidate obligated funds.

To be allowable, costs must meet the following general criteria:

- Be necessary and reasonable for proper and efficient performance and administration of the sub-grant award;
- Be allocable under federal and/or state provisions;
- Be authorized or not prohibited under federal, state or local laws or regulations;
- Conform to any limitations or exclusions set forth in applicable federal cost principles, federal laws, terms and conditions of the award, or other governing regulations as to types or amounts of cost items;
- Be consistent with policies, regulations, and procedures that apply uniformly to both federal awards and other activities of the governmental unit;
- Be accorded consistent treatment;

- Be determined in accordance with Generally Accepted Accounting Principles (GAAP);
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior period, except as specifically provided by federal law or regulation;
- Be the net of all applicable credits; and
- Be adequately documented.

### Personnel Costs and Functional Timesheets

Salaries and benefits of personnel involved in more than one sub-recipient grant award ~~project~~ ~~grant project~~ must be charged to each based on the actual percentage of time spent. The annualized actual percentage charged for a particular position (e.g., Exercises Director) cannot exceed the annual percentage approved in the award ~~stated in the MOU~~. Similarly, the dollar amount charged for a particular position also must not exceed the approved dollar amount in the ~~approved award MOU~~ or any subsequent award modifications.

Functional timesheets ~~or an allocation plan~~ must be maintained which support the time charged to grants. All grant-funded personnel must maintain time cards/sheets that indicate, on a daily basis, the actual time worked on each project and account for all the time worked by the employee during the pay period. Time cards/sheets must be signed by the employee and their supervisor ~~on a monthly basis~~. An allocation plan may also be used to allocate salaries and benefits for individuals who work on more than one project/sub-recipient grant.

### Reimbursement

The UASI grant program is a reimbursement-based grant, meaning the grantee (State), sub-grantee (Bay Area UASI), and sub-recipient (~~regional and~~ local jurisdictions) must first expend their funds prior to seeking reimbursement. The sub-recipient will first expend their local general funds to pay for pre-approved and allowable UASI grants program expenses and then submit a request for reimbursement ~~from to~~ the Bay Area UASI Grants Management Unit. ~~The Grants Management Unit reimburses the~~ ~~Once the sub-recipients have been paid, the Grants Management Unit will and then may~~ seek reimbursement from ~~the California Emergency Management Agency~~ ~~California Office of Emergency Services (Cal EMAC)~~ ~~OES~~.

The Grants Management Unit will reimburse sub-recipients within 30 business days as long as supporting documentation is complete and compliant. Partial reimbursements will be remitted if for supporting documentation is ~~not~~ that is sufficient. The sub-recipient must submit requested supporting documentation within 45 business days of the final deadline for claims. The sub-recipient will not be reimbursed ~~if~~ if the documentation is not submitted within this period. Sub-recipients are encouraged to submit claims when significant milestones are met and/or project completion areis accomplished in advance of the deadlines (subject to the documentation requirements). ~~the sub-recipient may not be reimbursed. See Section V above on authorized expenditures and timelines for details on documentation that sub-recipients must submit with their claims for reimbursement. See also Section VII for a reimbursement template for sub-~~

recipients. Although reimbursement requirements vary by grant source, generally, the following documentation is required of sub-recipients for a claim to be accepted and processed:

- Invoice from sub-recipient which summarizes expenses by solution area. Forma
- Copies of all invoices received and paid by sub-recipient. Forma
- Copies of all payments made by sub-recipient (canceled checks issued, electronic payment). Forma
- Copies of all requisitions and purchase orders. Forma
- A list of the serial number or local ID tag numbers for all equipment items and their deployed location. Forma
- *For personnel costs*—copies of payroll records verifying hourly rate, overtime/backfill rate, and benefits. All hours worked and charged to the sub-recipient grant award must be recorded on a functional timesheet. In addition, sample work product must be submitted with each request for reimbursement. Forma
- *For training expenses*—copies of certificate of completion or class roster signed by the instructor to verify attendance and copies of all receipts for tuition, travel, lodging, and per diem expenses. Forma
- *For exercise expenses*—copies of the After Action Report (AAR) and verification that it was posted on the portal within 60 days of the exercise, if applicable. Forma
- *If applicable*—copies of quotes, proposals, contracts and contract amendments, procurement history, deliverables, and photographs of equipment with serial numbers pre and post installation. Forma
- Final reimbursement requests must be accompanied by the work product developed using the funds. Forma

See Section VI for a reimbursement template for sub-recipients.

## Reporting

Reporting requirements must be met throughout the life of all sub-grant awards. The California Emergency Management Agency California Office of Emergency Services (Cal EMACal OES) utilizes grant tools such as the Financial Management Forms Workbook (FMTFW) (FMTFW) and Biannual Strategy Implementation Reports (BSIR) to accomplish reimbursement requests and other reporting requirements from the Bay Area UASI.

The Financial Management Form Workbook FMTFW is a living document used for different grant programs as a resource for completing the Grants Reporting Tool required by the Federal Emergency Management Agency (FEMA). It also serves as a tool for the Bay Area UASI Management Team's portfolio analysis and tracking. This form consists of equipment inventory and organization, training, planning, exercise, and match rosters.

The Bay Area UASI is responsible for providing updated obligation and expenditure information on a semi-annual basis to Cal EMACal OES for the Semi Annual Progress Report, or SAPR. Cal OES, as the applicable State Administrative Agents (SAAs), is responsible for completing and submitting the final BSIR reports which are a component of the SAPR. The BSIR submission satisfies the narrative requirement of the SAPR. The BSIR is due within 30 days after the end of the reporting period (July 30 for the reporting period of January 1 through June 30; and January 30 for the reporting period of July 1 through December 31). The Bay Area UASI Grants Management Unit must provide updated obligations and expenditure information with the BSIR to show progress made toward meeting strategic goals and objectives. Failure to submit a single BSIR report may result in a notification letter of delinquency to the San Francisco Board of Supervisors and the possible reduction of future funding awards by 10%. Additionally, the UASI risks having a hold placed on pending reimbursements.

## Grants Reconciliation

Reconciliation is the process of bringing invoices, reports, and cash requests into balance with revenue and expenditure as of a particular period of time in FAMIS (the City and County of San Francisco's accounting system of record). The Bay Area UASI Grants Management Unit staff performs procedures that verify balances and transactions in FAMIS against supporting documentation such as vouchers, invoices, payroll records, etc. to comply with grant fiscal requirements. In addition to reviewing the Financial Management Forms Workbook and analyzing grant budgets, grants staff is also responsible for:

- Quarterly reconciliation of grants and responding to inquiries from the City and County of San Francisco Controller's Office; and
- Annual reconciliation of federal expenditures by Catalog of Federal Domestic Assistance CFDA (Catalog of Federal Domestic Assistance CFDA) number in compliance with Single Audit requirements.

#### Audit

~~Each year~~ The Controller's Office of the City and County of San Francisco is responsible ~~infor~~ producing ~~conducts an annual~~ Single Audit Report by ~~an independent CPA firm~~ in which select major UASI sub-grant awards are audited by an independent CPA firm reviewed. This is in accordance with the requirements for auditors established by the Federal Office of Management and Budget (OMB) Circular A-133, to safeguard California Emergency Management Agency California Office of Emergency Services (Cal-EMACal OES) assets, and to ensure accounting for all grant funds. The Management Team is required to forward a copy of the audit report to Cal-EMACal OES within nine months after the fiscal year of the grant ending date. All sub-recipients of UASI sub-grant awards must maintain appropriate records to document grant compliance and are subject to audit by representatives of Cal-EMACal OES, the State of California, and the United States Government.

#### **C. Sub-recipient Financial Monitoring**

A key component of post award financial management is sub-recipient monitoring. The Bay Area UASI Grants Management Unit is responsible for monitoring sub-recipients ~~on an annual basis~~ to determine:

- Effectiveness and efficiency of operations;
- Reliability of reporting and recordkeeping; and
- Compliance level.

The Grants Management Unit utilizes both desk-based reviews and annual on-site visits to monitor sub-recipients. Monitoring involves review and analysis of financial, programmatic, performance and administrative issues relative to sub-grant awards, and identifies areas where technical assistance and other support may be needed.

#### Desk-based

The Grants Management Unit reviews all transactions through a desk review prior to processing reimbursement requests to ensure compliance with federal regulations and the terms and conditions of the Memoranda of Understanding (MOU) with sub-recipient jurisdictions. Desk-based financial monitoring can result in the identification of exceptions and potential issues related to a sub-recipient's administration of grant funds. Examples of potential issues include financial reporting anomalies, inaccurate expenditure reporting, or a misunderstanding of or non-compliance with federal cash management requirements. Desk reviews provide high-level assurance for grants financial monitoring in which the Grants Management Unit can centrally collect and analyze information to assess a sub-recipient's capacity to manage federal funds.



#### On-site

The Bay Area UASI Grants Management Unit conducts site visits ~~visits led by grants managers, in some times~~ in conjunction with Management Team ~~project~~ Project Leads Managers. The purpose of these visits is to assess the sub-recipient's capability, performance, and compliance in regards to the applicable elements that make up each sub-recipient grant. This includes administrative regulations and public policy requirements, as well as terms and conditions contained in the MOU with recipient jurisdictions. The goal of on-site financial monitoring activities is to ensure that sub-recipients possess adequate policies, processes, and systems to manage federal grant awards and to guard against fraud, waste, or mismanagement of funds. On-site financial monitoring activities involve collecting and analyzing information on the business functions and grant administration practices of the sub-recipients, including verification of equipment purchased with grant funds. Through these reviews, the Grants Management Unit assesses the sub-recipients' capacity to administer grants in compliance with federal regulations and evaluate sub-recipient performance in grant administration areas. Please see the Financial Monitoring Checklist in Section VII below.

#### Sub-recipient Responsibilities

In terms of sub-recipient financial monitoring, sub-recipient responsibilities include carrying out all terms and conditions of their MOU and maintaining complete and accurate records of all program activities. These records must be made available to the Bay Area UASI Management Team for monitoring purposes. The sub-recipient jurisdiction is also responsible for cooperating ~~in~~ with monitoring processes, including resolving any monitoring findings (i.e., findings of non-performance or non-compliance) in a timely manner by a corrective action plan and/or technical assistance in association with Grants Management Unit staff.

#### Steps in the On-Site Financial Monitoring Review

To assist the sub-recipient in preparing for the monitoring visit, the Grants Management Unit provides ~~to the sub-recipient jurisdiction~~ with a list of documents that will be reviewed, a description of the process, and the standards to which they must comply.

There are seven steps to an on-site financial monitoring review:

- 1) ***Pre-visit Notification Letter*** – The Grants Management Unit begins the monitoring process by emailing the sub-recipient jurisdiction a formal pre-visit notification letter informing ~~them~~ the sub-recipient when the monitoring visit will take place, and the length of it which is (usually ~~done over~~ a period of one to four days depending on the period(s) being monitored). The pre-visit letter explains the purpose of the visit, the process that will take place during the visit, and includes a document request list highlighting items that the sub-recipient must have available ~~for the Grants Manager~~ at the start of the visit. The letter also includes the name and contact information for the Grants Manager(s) who will conduct the monitoring.

- 2) **Field Document** – The Grants Manager emails the sub-recipient a field document at least four weeks prior to the monitoring visit. This field document reflects the scope of the monitoring review and guides the Grants Manager in deeming the level of compliance.
- 3) **Entrance Conference** – The Grants Manager conducts an entrance conference at the beginning of the monitoring visit with the Authorized Agent or other top official of the organization to make sure the sub-recipient has a clear understanding of the purpose, scope, and schedule of the monitoring.
- 4) **Documentation Review and Data Analysis** – The Grants Manager keeps a record of the information reviewed and conversations held with the sub-recipient during the monitoring visit. The documentation reviewed and obtained serves as the basis for conclusions drawn from the visit.
- 5) **Exit Conference** – The Grants Manager meets again with key representatives of the sub-recipient at the conclusion of the monitoring visit to:
  - Present preliminary results of the monitoring visit;
  - Provide an opportunity for the sub-recipient to secure any additional, requested documentation;
  - Explain the Monitoring Report, which may include areas of non-compliance or non-performance noted during the visit; and
  - Explain the corrective action plan process or provide technical assistance (if applicable).
- 6) **Monitoring Report** – Within four to six weeks after the monitoring visit, the Grants Manager provides the sub-recipient with a formal narrative report of the results of the monitoring review. The Monitoring Report creates a permanent record of what was found during the review. It points out areas for improvement as well as recognizes successes. In addition, the letter outlines any findings of non-compliance identified during the visit and the corrective action required to be in compliance.
- 7) **Corrective Action Plan** – If the Monitoring Report notes findings and corrective action requirements, the sub-recipient must provide to the Grants Management Unit a detailed corrective action plan within 180-30 days of the date of the Monitoring Report. The Plan must detail the corrective action steps the sub-recipient has undertaken, or will undertake, in addressing the noted areas of non-compliance or non-performance. If additional time is needed, a request for an extension must be submitted in writing 15 business days prior to the end of the 180-30 day period and approved by the Grants Manager.

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#### D. Grant Closeout

The Grants Management Unit will work with sub-recipient jurisdictions and the Management Team Project Lead-Managers to make sure grant closeout is timely and complete. From a financial management perspective, the closeout of a grant is the process by which the Cal OES notifies the Bay Area UASI that all applicable administrative actions and all required work of the grant have been completed through a grant closeout letter. Once the close out process is achieved, revenues must match expenditures, and all general ledger accounts must be cleared in FAMIS, the City and County of San Francisco's budget and accounting system. The closeout of a grant is the process by which the California Emergency Management Agency/California Office of Emergency Services (Cal EMA/Cal OES) determines that all applicable administrative actions and all required work of the grant have been completed by the Bay Area UASI. Once the close out process is achieved, revenues should match expenditures and all general ledger accounts should be cleared in FAMIS, the City and County of San Francisco budget and accounting system. Sub-recipient jurisdictions are required to retain all documentation related to project implementation and expenses reimbursed under the Bay Area UASI for a period of three years after the close of the grant. This retention period commences upon state notification of the final close out of the grant.