

FOR CONSIDERATION

September 25, 2024

TO: The Board of Trustees

FROM: John Rhodes

SUBJECT: Consideration of Approval of Firm to Provide Hazard Mitigation Support Consulting Services

Requested Action

The Board of Trustees (the “Board”) of the Lone Island Power Authority (“LIPA”) is being requested to approve a resolution authorizing the Acting Chief Executive Officer or his designee, to engage a firm to provide Hazard Mitigation Support Consulting Services to LIPA for a period of 5 years.

Background

Over the past several years LIPA has incurred substantial storm costs as result of Tropical Storm Isaias, Hurricane Ida and Winter Storm Elliot for which it is entitled to and has collected up to 90% reimbursement from the Federal Emergency Management Agency’s (“FEMA”) Public Assistance (“PA”) Program. Due to the considerable financial reimbursement at stake, it would be of significant benefit to LIPA to engage an experienced consultant to strategically manage claims development and administration to maximize eligibility of incurred costs for which LIPA is entitled to reimbursement. Other public authorities and municipalities entitled to FEMA reimbursement have similarly sought such professional assistance. LIPA currently has a contract for these services that is scheduled to expire at the end of 2024. Separately, LIPA has such professional services that are limited to activities that were the result of Hurricane Sandy.

On May 22, 2024, LIPA issued a request for proposals (“RFP”) for these services pursuant to the Disaster Recovery Purchasing Program of the U.S. General Services Administration (“GSA”), which is eligible for use by State and local governments and allows for a streamlined competition to procure products and services for recovery activities resulting from a major disaster declared by the President. The RFP was distributed to six widely known firms, advertised in the New York State Contract Reporter (“NYSCR”) and posted to LIPA’s website.

On or about July 18, 2024, LIPA received responses from three firms. LIPA Staff formed a selection committee to review the responses. The selection committee performed a technical evaluation by scoring each proposal, while LIPA’s procurement staff evaluated the cost and the Minority and Women-Owned Business Enterprises and Service-Disabled Veteran-Owned Business criteria. Since the technical scores for the top two vendors were less than 15 points apart the technical team conducted interviews of the three vendors to further learn about the proposals.

After the interview process, the vendor with the highest overall score is Ernst & Young (“E&Y”). E&Y has years of experience serving public sector clients and utilities in providing Hazard Mitigation Support Consulting Services. They are familiar with local disaster recovery activities unique to New York, requirements imposed by FEMA and the law and regulations governing the receipt and disbursement of disaster funds. The proposed hourly rates are the same rates used for LIPA’s current contract with E&Y for similar type services and represent a discount off their rates on the GSA contract.

Recommendation

Based on the foregoing, I recommend the approval of the above requested action by adoption of a resolution in the form of the draft resolution.

Attachments

Exhibit “A” Resolution

Exhibit “A”

**RESOLUTION AUTHORIZING THE ENGAGEMENT OF A FIRM TO PROVIDE
HAZARD MITIGATION SUPPORTCONSULTING SERVICES**

NOW, THEREFORE, BE IT RESOLVED, that consistent with the attached Memorandum, the Acting Chief Executive Officer or his designee be, and hereby is, authorized to engage Ernst & Young to provide Hazard Mitigation Support Consulting Services to the Long Island Power Authority and its subsidiary the Long Island Lighting Company d/b/a LIPA (collectively, “LIPA” or the “Authority”) with a contract for a period of five years.

Dated: September 25, 2024