

## **Guidance for Making Changes to Project Worksheets Hurricanes Katrina and Rita DR-1603-LA and DR-1607-LA**

*A project worksheet is a federal grant application that allows grantees and sub grantees to receive funding for projects in accordance with the Stafford Act and related policy and guidance. In order for applicants to recoup all eligible costs resulting from a declared event, a project worksheet must state what was damaged, the work necessary to repair those damages, and the cost or estimated cost to complete this work in its entirety. FEMA allows for changes to project worksheets through versions, which are written to include variations in “Scope of Work” for obligated, large projects. Hurricane Katrina and Rita have presented unique situations for grant processing that have made it necessary to expand the circumstances under which we make changes to project worksheets to include large and, **in certain instances**, small projects. In most disasters, the grant process allows for changes to small project claims through the closeout process. However, the burden on the applicant to “float” small project cost overruns can collectively cause significant financial distress considering the scope of these two disasters. Generally, the following guidance should be implemented when making changes to project worksheets.*

### **1) Check for duplication of benefits and ensure that the original PW has been entered into NEMIS.**

Scan other project worksheets for this applicant to see if the damages have been claimed already. Duplicating benefits will only create further hardships to the applicant at closeout.

The original project worksheet does not have to be obligated, but it must have a PW number which will be used as part of the reference number for a version. The reference number for the version will be the PW number in NEMIS for the original PW followed by the letter “V” and the number of the version. If the PW is not obligated, it will be referred to as an amendment in NEMIS.

Example - The original PW is in NEMIS as PW #123. This is the first version written for this grant application; therefore, version reference number is 123V1.

See attached examples for further reference.

### **2) Coordinate communication with both the sub grantee and the Grantee during the process of modifying or documenting additional claims.**

Participation of all concerned parties should be coordinated by the PO/PAC during the process of any adjustments made to damage description, scope of work, or costs. This includes representatives of FEMA, the State, and the applicants.

### **3) Determine what type of change needs to be made and write the version if applicable.**

#### **Change in Scope of Work**

##### ***Is additional work necessary to repair the damages described on the original PW?***

If a change in the scope of work is/will be required to complete repairs to the damages described in the original PW, a version should be written to capture this change. This may occur as the result of discovering that additional materials will be needed to restore the damages described in the original PW or from an oversight of some element necessary to repair to pre-disaster function and capacity in the original estimate (this is not an exhaustive list, only examples).

When making a change, the following details should always be included:

- Reference to the original NEMIS PW #.
- Brief description of the overall project that is comprehensive of any and all previous versions, to include if applicable, the agreed upon language from contract documents that satisfy the full spirit and intent of the project scope of work.
- Specific reference to what part of the scope of work is changing.

If there is an additional cost related to the change in scope of work, the version should demonstrate that the additional expense is associated with eligible work and cost. All special considerations should be re-evaluated due to potential impacts of the change in scope. You do not need to copy the entire original PW into the version. Since you are only changing the scope of work and the resulting cost, you will not enter anything into the “Damage Description and Dimension” section of the PW. Sample versions are attached.

#### **Change in Cost**

##### ***Are additional funds necessary to complete repairs of the damages described in the original PW?***

When damage description and scope of work are correctly identified in the original PW, but the applicant is claiming changes in cost (a difference between the cost estimate and the actual cost), corrections generally occur at closeout. Changes to cost can be considered prior to closeout based on a determination by the PAC (the concept being that versions will not be written unless they meet the common sense rule). In the case that you do make a change of this type, you should *thoroughly* describe the circumstances that have created the change in cost. The version should demonstrate that the additional expense is associated with eligible work and cost. Reasonableness of cost is still a factor for determining eligibility.

***Is there a change in eligible cost due to cost share issues?***

Versions will be written to adjust funding due to incorrect cost share previously applied to any portion of category A & B work. However, project officers do not need to prepare versions related to this item as they will be reconciled and written by a separate team of individuals within the operation.

**Change in Damage Description**

***Are there additional damages related to the original project?***

If the additional damages can be written as a stand alone project, a new project worksheet should be written. Amendments to project worksheets through versions should only address damages that are related to the original structure or type of emergency work.

In cases where the damages described in the original project worksheet do not accurately represent the damages sustained, the standard process is to de-obligate the project worksheet and write a new project worksheet. However, given the unique circumstances presented by Hurricanes Katrina and Rita, a version should be written to address any change in damage description and resulting changes in the scope of work and cost. Again, you will not enter anything into the “Damage Description and Dimension” section of the PW, as NEMIS will not allow changes to be made in that section; however, it must be stated in the first sentence of the scope of work section that the PW is amending the original damage description. The changes that are being made to the damage description and the reasoning for the change must be fully articulated in the “Scope of Work” section. This should be followed by the work necessary to complete the repairs to the additional damages.

<p><b>Note:</b> All additional damages need to be verified through a site visit by the project officer and documented with photographs and actual measurements. Insurance adjustor’s estimates are not sufficient evidence to support damage claims under the FEMA Public Assistance Program.</p>
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***4) Re-evaluate supporting documentation.***

Submit a Special Considerations Form, completely filled in, addressing the entire project. Make sure that all necessary supporting documentation is submitted with the version including invoices, applicant generated documents (e.g. pay policy, emergency operations plans, local codes and standards), bid proposals, etc.

**All changes made to Project Worksheets must be communicated to both the grantee and the sub grantee prior to submittal.**