

Emergency Procurement procedures

Ensuring there is a mechanism to be able to quickly address emergency situations while providing procedures that ensure transparency and clear communication

The problem

- Background
 - Code/charter require that spending happen against an assembly-approved budget. In the case of fixed and capital assets the budget is to be approved for a particular purpose.
 - The code does provide for a formal emergency declaration; however this is a higher-level emergency than the situation the we are addressing (more far-reaching such a landslide, earthquake, pandemic, or tsunami vs. something like a waterline break).
 - Historically smaller-scale emergencies create a situation in which the CBS needs to act quickly to minimize the impact of the situation, but in many cases there may not be an appropriation in place (and particularly, not an appropriation which is the right flavor—capital/fixed vs. operating).
 - Code specifies that emergency situations may be exempt from a competitive process, however, there still needs to be an appropriation in place to spend. As by nature, an emergency situation is unanticipated, there is not always a budget that can be drawn on to initiate work.

3.16.020 Limitation on administrator's authority.  SHARE 

The administrator may not make an acquisition or contract authorized by Section [3.16.010](#) if the value of the property, service or contract exceeds the assembly approved appropriation without first obtaining assembly approval of the increased appropriation.

Example—Failure of the Thomsen Lift Station

- This situation had raw sewage flowing directly into the harbor creating a life/safety threat as well as the risk of potentially significant fines. Emergency repairs needed to be initiated immediately.
- The nature of the repairs were ones that were largely classified as capital (there was staff labor and ultimately the life of the asset was extended).
- We did not have an appropriation in place, but we needed to mobilize staff/contractors immediately.
- Staff were left in the uncomfortable position of having to move rapidly to address the situation but had no formal appropriation to fund the work.





The proposed solution

- Provide a mechanism—as proposed and included in the draft FY24 budget—where there is pool of funding that can be used to fund critical and time-sensitive work in an emergency situation. This funding source would only be used until an appropriate supplemental appropriation can be put in place (and then the full expense would be moved against that appropriation).
- Following are proposed steps to ensure that the CBS can appropriately react to emergency situations while following a clear process to ensure that there is agreement that the situation constitutes an emergency and that there is clear communication that an emergency appropriation is being used.

Proposed procedures

1. If a situation in which an unanticipated repair is needed and time permits, the administrator/designee will seek a supplemental appropriation from the Assembly to complete the repair.



2. If time does not permit seeking a supplemental appropriation, the administrator/designee may determine that an emergency situation exists and will take the following steps:

a. Obtain agreement of both the department head responsible for the asset and the finance director that an emergency situation requiring immediate action exists;

b. Inform the assembly of the emergency situation and that the Emergency Unanticipated Repair appropriation in the capital project fund will be used and authorize any needed procurements (which may be exempt from the competitive process, as authorized by SGC 3.16.060 (3));

c. Assess the full cost of the repair and move as quickly as possible to put forward a supplemental appropriation for Assembly approval; and

d. Provide regular updates to the Assembly.