

March 6, 2025

LETTER OF ENGAGEMENT FOR PROFESSIONAL SERVICES

RE: City of Roswell, NM
Insurance and FEMA Claims Recovery Consulting Services
Loss event of New Mexico Severe Storm and Flooding: DR-4843
Declaration Date: November 1, 2024
Incident Period: October 19-20, 2024

Disaster Recovery Services, a division of Specialty Program Group LLC (DRS) is pleased to present this Letter of Engagement (LOE) to the City of Roswell, New Mexico (CLIENT) for insurance and FEMA claims recovery consulting services resulting from the October 2024 severe storm and flooding event that resulted in a major declaration under FEMA, DR-4843). This LOE will address the Phase II services to be performed by DRS on behalf of CLIENT and acknowledges that the Phase I services were concluded under a separate letter of engagement through the Southeastern New Mexico Economic Development District (SNMEDD).

Scope of Work

DRS proposes the following general claims management approach and scope of work, with the understanding that the lifecycle of FEMA and commercial insurance claims typically evolves in multiple phases:

Phase II (6 months) – Insurance and FEMA Claims Consulting

- Continue to coordinate, develop and finalize the FEMA Damage Inventory Listing that is under a time extension and is currently due on or about April 10, 2025.
- Conduct individual department meetings with key stakeholders and recovery team members to:
 - Finalize each department's damage inventory listing
 - Identify projects that are over 75% complete
 - Identify projects that are between 0% and 75% complete

- Prepare long-term recovery plan for remaining FEMA projects including logical grouping plan for small project certifications.
- Prepare Damage, Description and Dimensions for all locations where work has not been completed (as directed by CLIENT) including, but not limited to, locations that may or may not be substantially damaged and/or exceed FEMA's 50% rule to support project worksheet version zero (0) and subsequent versions.
- Prepare RS Means pricing for all locations where work has not been completed (as directed by CLIENT) including, but not limited to, locations that may or may not be substantially damaged and/or exceed FEMA's 50% rule to support project worksheet version zero (0) and subsequent versions.
- Conduct site inspections with FEMA and DHSEM/NM for locations where work is not yet completed.
- Draft and submit debris removal projects (Category A) – simplified procedure applications (SPAs) for activities performed by CLIENT and its respective departments, as required.
 - Assist in documenting the immediate threat
 - Confirm proper debris monitoring activities are in place
 - Quantify debris measurement units in cubic yards or tons
 - Confirm proper permitting for temporary reduction sites
 - Develop a system for tracking and reporting load tickets
 - Discuss strategy for right-of-way private debris options
 - Discuss strategy for broken limb, tree removal and stump removal plans
 - Tell the “cradle to grave” story, including final disposition associated with all debris activities
 - If waterway debris is involved, establish specific plans to address debris removal actions in accordance with state laws and federal rules and regulations
- Draft and submit emergency work projects (Category B) – simplified procedure applications (SPAs) for activities performed by CLIENT and its respective departments, as required.
 - Assist in documenting the immediate threat
 - Capture eligible Category B costs and build justification support linking back to FEMA policy
 - Explore fine art restoration eligibility with FEMA
- Draft and submit permanent work projects (Categories C, D, E, F, and G) for damage sustained by CLIENT and its respective departments, as required. Prepare projects in FEMA's Grants Portal for completed projects in order to secure obligation and funding. This will include prioritizing small, completed (100%) projects.

- Maintain a Master Tracker of documents submitted by CLIENT and its departments.
- Review CLIENT record keeping procedures and provide suggestions on how to capture loss-related expenditures separately and apart from normal operating expenses.
- Review and recommend cost tracking protocols and procedures to improve claim data documentation for third party vendors, force account labor, materials, and equipment.
- Review CLIENT insurance policies (both Property and Fine Arts) to determine insured versus uninsured exposures and develop an initial roadmap on where to focus insurance adjustment team and/or FEMA.
- Review CLIENT procurement policy and provide suggestions on how to prepare for immediate / emergency procurement in order to comply with long term Federal Code 2CFR procurement requirements. This will include an immediate assessment of all emergency contracts that have been executed since October 19, 2024.
 - Conduct a comparison of Federal, State, and Local procurement policies to determine application of the most restrictive rules.
 - Review of CLIENT's current procurement processes including the use of cooperative purchasing, interlocal government agreements (ILA), and memoranda of understanding (MOU).
 - Create FEMA procurement packages for emergency post event contracts.
 - Review current process for conducting independent cost estimates and cost/price analyses required for all federal purchases over the Simplified Acquisition Threshold.
 - Recommendations for the inclusion of MBE/WBE firms in compliance with the award of federal contracts over the micro-purchase threshold.
- Review CLIENT personnel pay policy and fringe benefit calculations to establish eligibility criteria to claim labor incurred in response to the flood event.
- Monitor progress with property and fine arts insurance carriers and ensure proper tracking of all funding sources to avoid duplication of benefits.
- Participate in meetings with FEMA (including task force meetings) and insurance representatives.
- Manage and coordinate projects in FEMA's Grants Portal.
- Review and respond to FEMA Request for Information (RFIs) and/or any determination memos that may require appeal responses (first or second appeals).
- Support recovery needs of CLIENT, as directed.

Please note that this LOE does not provide legal advice or interpretation of commercial insurance coverages.



It is understood and agreed that DRS's services may include advice and recommendations; however, all decisions in connection with the implementation of such advice and recommendations are the sole responsibility of and made by CLIENT. Any analysis, correspondence, or documents prepared by DRS are to be used only for the purposes of this Agreement and may not be published or used for any other purpose without DRS's written consent.

Project Timing

DRS will provide timely presentation of claims submissions utilizing all claim and financial information as soon as it becomes available. Project timing is contingent upon a number of factors, including:

- The time it takes to stabilize after the flood event;
- The time required to repair, restore, and replace damaged property;
- The period over which CLIENT must incur temporary, emergency, or extra expenses;
- The period of interruption sustained due to the loss event;
- Insurance carrier's claim (property and fine art) review and response time;
- FEMA project formulation, review, and response time;
- CLIENT's accounting closing cycle and production of documents required to document the loss.

Confidentiality

DRS anticipates that CLIENT will disclose certain technical, financial, strategic, and other proprietary and confidential information relating to its business operations and properties ("Confidential Information") to DRS for the purposes of this Agreement. DRS agrees to keep this information confidential and neither DRS nor any of its employees or agents directly or indirectly shall use any Confidential Information furnished by or on behalf of CLIENT for any purpose except in furtherance of services to be rendered by DRS pursuant to this Agreement.

Pricing and Payment

DRS suggests completion of this project in the phases below with not-to-exceed amounts listed for each phase.

Phase II (6 Months) – Not to Exceed Budget \$750,000

Phase II (post 6 Months) – Budget beyond 6 months from the date of this LOE is TBD.



The actual fees charged to CLIENT will be based solely upon the hours of service provided, at the rates described below. This LOE and any subsequent contract amendments are not reliant or contingent upon any third-party funding source.

DRS will be entitled to receive payment from CLIENT for services performed by DRS in accordance with HGAC-Contract #HP08-21 per the rates shown below.

Senior Managing Consultant	\$250	to	\$295
Managing Consultant	\$195	to	\$245
FEMA Consultant	\$175	to	\$225
Senior Consultant	\$165	to	\$190
Consultant	\$140	to	\$160
Associate Consultant	\$95	to	\$135
Senior Construction Project Manager	\$230	to	\$265
Senior Building and Equipment Professionals	\$190	to	\$225
Area Construction Manager	\$125	to	\$185
Design Specialist	\$125	to	\$185
Support			\$75

- In addition to the professional fees set forth above, DRS may also bill monthly for any travel expenses required. Reasonable and customary travel expenses will be tracked to the specific engagement, if necessary. If other costs originate from outside vendors, they will be passed on at their cost to us.
- DRS will provide consultants who have specialized knowledge to address the required scope of work. In some instances, these professionals will not be local to New Mexico and their project involvement will require travel to the project site(s).
- Invoices will be sent monthly and are due upon receipt.
- DRS reserves the right to halt or terminate its service entirely until payment is received on past due invoices.
- CLIENT or DRS may terminate this Agreement, with or without cause, effective immediately upon written notice at which time DRS's obligation to render services terminates immediately and DRS is entitled to receive payment for services rendered through the date of termination.



This Agreement represents the full and complete understanding and agreement of CLIENT and DRS. Upon signed acceptance, this Letter of Engagement will govern DRS’s provision of services for the City of Roswell, New Mexico (CLIENT).

CITY OF ROSWELL, NEW MEXICO	DISASTER RECOVERY SERVICES, A DIVISION OF SPECIALTY PROGRAM GROUP LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____