Executive Summary

EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager

FROM: Scott Fraser, FEMA/CRS Coordinator

DATE: January 8, 2018

SUBJECT: CRS Consultant System Upgrade

ACTION ITEM: Review and Approve the expenditure of $43,200 for CRS consultant services from Lori Lehr Inc., as being in the best interest of the City.

BACKGROUND: The City's participation in the Community Rating System (CRS) garners most flood insurance policy holders throughout the city a 15% discount; which translates to an annual savings of approximately $1.6 million.

Prior to the impact from Hurricane Irma during September 2017, a Purchase Order had been approved in the amount of $15,000.00 for the City's CRS Consultant to shepherd a CRS ranking improvement to increase the citywide 15% discount to as much as 25% ($2.6m annual savings).

That agreement was based upon the City's FEMA/CRS Coordinator shouldering a great deal of the work necessary to achieve the increased discount.

Funds approved under that Purchase Order were never expended, due to extensive and ongoing hurricane recovery efforts.

PURPOSE AND JUSTIFICATION: These disaster recovery efforts will extend well into 2018, depriving City Staff of opportunities to pursue an enhanced discount for flood insurance policies.

The same CRS consultant, Lori Lehr Inc., has agreed to pursue this increased discount, and shoulder nearly the entire burden of this year-long effort at a cost of $43,200.00

Lehr is not only the best qualified person to pursue this increased discount, but has specialized experience with directing Monroe County's CRS efforts, from which the City's CRS ranking will directly benefit.

Formerly, as an eight-year member of CRS evaluation team for the Insurance Services Office (ISO), Lori Lehr was instrumental in educating our Keys communities on how best to prepare for CRS evaluations to obtain the highest rating possible and thus the greatest communitywide discounts for flood insurance.

She was instrumental in the composition of the current 2013 CRS manual and forthcoming 2017 updated version. As a CRS evaluator for ISO, she oversaw some 120 community evaluations. Working now as a CRS consultant, Lehr is uniquely qualified to assemble approval-ready CRS applications/modifications for communities such as Key West.

Beyond her ISO experience, Lehr has strong knowledge and experience within Monroe County and the communities within. The County hired her - in a consultant capacity - as its Floodplain Administrator for the purpose of compiling and defending the County's first CRS application in nearly two decades, resulting in a three-step discount class increase from a Class 10 to a Class 6; and more recently in the County's Upgraded Class 5 ranking. In this capacity, she worked closely with the individual communities within Monroe County, as many of the County CRS scoring efforts were dependent upon countywide activities, from which both the county and its individual communities benefited.

Having guided Monroe County though it's most recent improved CRS rating, Lehr created for the County a number of crossover CRS credits that communities such as Key West may piggyback upon to increase its discount.

In some instances, Lohr created whole CRS activity credits for the County, which can be modified to be incorporated within the City's CRS modification application.

For these reasons and more, Lohr is best suited to shepherd the City's CRS modification application and worthy of a purchasing exception as being the best qualified, most knowledgeable and experienced, all in the best interest of the City.

Options/Advantages/Disadvantages:

Option 1: Approve

Advantages:

- Increases the existing $1.6m discount to an expected annual community savings of $2.6m.

Disadvantages:

- None

Financial Impact:

- These funds are within the approved 2017-2018 operating budget for CRS Professional Services. [001-2401-524.3100]
- At a one-time cost of $43,200, the anticipated additional annual discount to flood insurance policy holders will be upwards of $1m.

Recommendation:

Staff recommends option 1.