

# **Hope for the best, plan for the worst:**

Building and managing a  
disaster recovery office



# Introduction

Lives lost, homes destroyed, businesses shuttered, family and community life disrupted – this is a scene no government leader hopes to face. And yet, with the rise of ‘once in a hundred years’ disasters, we can no longer say, ‘Nobody could have predicted,’ when confronted with cataclysmic events.

Natural disasters are becoming more frequent and severe, with enormous human and economic impacts. According to the International Monetary Fund, estimated annual damages from natural disasters rose from an average of \$20 billion in the 1990s to \$100 billion in the first decade of the millennium – a fivefold increase. As a result of climate change and greater population density in areas at risk of natural disasters, this trend is likely to continue.<sup>1</sup> When the storm clouds lift and the tides abate, many citizens are forced to seek short-term shelter outside of their communities. What begins as temporary displacement all too often becomes permanent as storm-ravaged communities struggle to repair decimated social infrastructure such as housing, schools and hospitals.

Some residents who cannot or choose not to leave their damaged communities then become highly concerned citizens, turning to their state and local governments to help them survive and recover. To serve constituents in their times of greatest need, leaders must plan for the worst, even while hoping for the best. It is the obligation of responsible policy makers to draw upon available data and expertise to predict and prepare for what we now know is the new normal.

After a disaster strikes, mounting a robust emergency response is the top priority, as the media puts a spotlight on immediate threats to life and property, and as politicians and the general public clamor for relief. But in the ensuing weeks and months, after the last camera crews have departed, the complex and less visible task of long-term recovery remains. Restoring communities and populations, encouraging businesses to return and thrive, and rebuilding critical infrastructure takes time, patience and diligence. How effectively state and local governments respond to this challenge will have a lasting impact on the future quality of life for residents and the economic health of the community. Until full restoration is achieved, the City or State’s economic, cultural, environmental and social engines will not be running at full capacity.

Unfortunately, due to a lack of experience and resources, many governments are not well equipped to manage long-term recovery efforts, which pose a number of unique challenges. Government officials must balance the desire for a quick response with the need to minimize potential problems such as fraud, waste, and abuse. There may be missed opportunities for resiliency and mitigation efforts when reacting more to immediate response and recovery needs. They must navigate the complex maze of rules governing grant money for housing, infrastructure, and other

needs, to ensure compliance. They must negotiate jurisdictional turf wars and respond to immense political pressure to speed recovery efforts. And above all else, they must seek to retain the faith and confidence of the citizenry they serve. Every encounter with the public is an opportunity to demonstrate that the government values its citizens and their recovery. Efficiency, Customer Service and Integrity must be the guiding principles of recovery efforts.

Developing a recovery strategy and plan before disaster strikes is not just smart governance; it can be the difference between a languishing and a robust recovery. Each day in the aftermath of a tragedy is critical; a failure to plan effectively can drive up recovery costs, depress the state or local economic outlook, and tarnish the reputations of government officials.

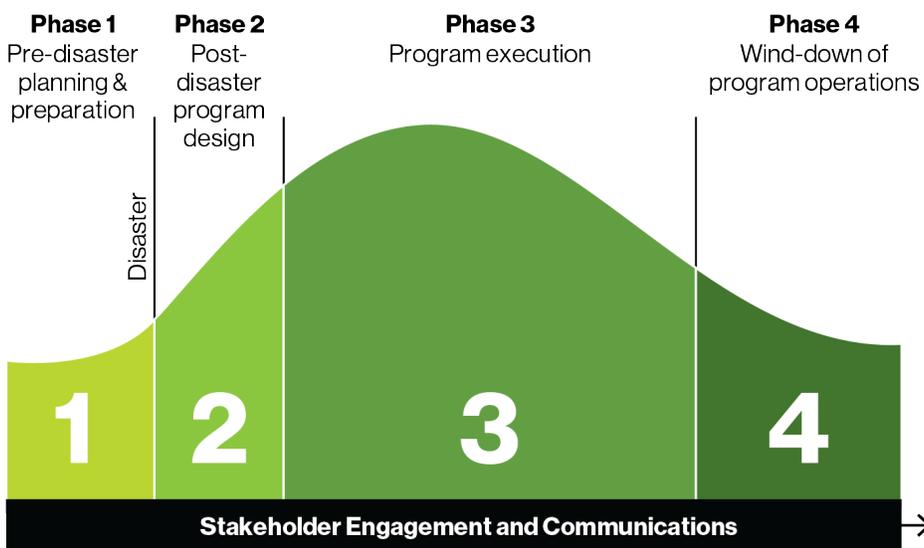
We believe that by planning ahead and laying the strategic groundwork for a disaster recovery office, state and local governments can help to minimize the disruption caused by disasters, manage the costs involved, accelerate the recovery process, promote long-term resiliency, and build the loyalty of constituents.



<sup>1</sup> “Natural Disasters Hitting More People, Becoming More Costly,” IMF Survey, October 10, 2012. <http://www.imf.org/external/pubs/ft/survey/so/2012/new101012a.htm/>

## Framework for a disaster recovery office

Guidehouse has designed a framework for dealing with disaster that divides the lifecycle of the recovery process into four distinct phases. This framework can be applied by any state or local disaster recovery office, whether an independent office or department within a government agency:



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**Government officials should consider how they will navigate the myriad of challenges that will arise in the event of a disaster and begin disaster planning now, long before they find themselves in the midst of a crisis.**

Our approach emphasizes pre-disaster planning and immediate post-disaster program design because we believe that these phases are critical to the overall success of long-term recovery efforts. Without early planning and preparation, and rapid design of a tailored recovery program immediately after a disaster occurs, recovery costs are likely to escalate and timelines to expand. Developing a strategic and scalable plan pre-disaster, and quickly deploying the right people and resources in its immediate aftermath will smooth the way toward the true goal: successful and

timely program execution that serves the needs of those who need it most.

Stakeholder engagement must be an integral component of the recovery effort from planning through execution. Disasters involve a long list of stakeholders, including many government agencies, the media, politicians, vendors, the general public, and the aid recipients whose lives have been disrupted. To be effective, the disaster recovery office will have to communicate clearly and frequently with these key stakeholders to ensure their needs are being addressed.

# Phase

# 1

## Pre-disaster planning and preparation

The importance of pre-disaster planning and preparation cannot be overstated. Devoting time and resources today to disaster planning can greatly reduce the costs, accelerate progress, and minimize the challenges of recovery. While it's not possible to know the specifics of a disaster until it occurs, many challenges that state and local governments will face and decisions they must make are common to all disasters. Government officials can plan to address the broad needs and high level requirements that will emerge in the wake of any disaster.

### Identify key stakeholders, establish roles and governance structure

- Identify and engage the key agencies and personnel required to implement recovery efforts, scope out roles and responsibilities at a high level, and determine who will assume leadership positions. Government officials should also reach out to local nonprofit partners to solicit their support, and request their input to ensure that community needs will be met.
- Develop a strong interagency governance structure, with the right mix of people who have appropriate authority and decision making power. A sound governance structure helps to clarify responsibilities, foster accountability, and ensures that relevant information, such as critical decisions and updates on recovery efforts, is communicated to and from stakeholders when it's needed.
- Determine whether a single agency/department or multiple entities should be responsible for overseeing recovery efforts and decide whether to form a new entity to govern recovery efforts or assign responsibility to an existing department or agency. In making such decisions, government officials should keep in mind the ultimate goal of creating an organization that can move swiftly while governing effectively.

### Develop an organizational structure and staffing plan

- Develop the outlines of an organizational structure for the disaster recovery office, with clear lines of authority for decision making. It should be designed to minimize redundancy to the extent possible, for instance, by identifying opportunities for shared services between agencies/departments.
- Create a preliminary staffing plan, anticipating the type, number, and level of personnel that will be needed for different recovery scenarios. An effective disaster recovery office requires staff members with a range of expertise—in policy, project management, and program management. A common mistake is adding disaster recovery responsibilities onto staff's existing day jobs; to be effective, governments need to plan to staff up with dedicated staff or vendors.
- Put contracting vehicles in place so that in the event of a disaster, it is possible to ramp up staffing quickly. Often, state and local governments do not have employees on staff with the requisite skills required to immediately fill all needed roles, so the staffing plan should consider which roles can be filled by vendors and external consultants, including temporary roles and those requiring specialized expertise.

- Address how the recovery office will communicate and coordinate with internal staff, external consultants, nonprofit partners, government agencies, and vendors. In our experience, strong communications are critical to ensuring that the disaster recovery team operates efficiently and effectively.

**Define and document policies and procedures**

- Define high-level policies and procedures, based on best practices, known regulations, anticipated recovery efforts, and potential funding sources. Begin to make decisions related to general issues, such as whether the government will contract directly with general contractors for repairs or applicants will manage their own repair work. The goal is to create processes and policies that can be leveraged and tweaked for different types of disasters; to avoid reinventing the wheel while steering a post-disaster recovery effort.
- Understand the programs and funding streams that exist to assist governments after a disaster and the requirements for accessing these programs. Federal regulations can be complex and vague. Working with regulators to understand their requirements, and creating policies

that are both compliant and realistic to implement will help to minimize problems during the execution phase while maximizing funding available across multiple grant sources.

- Create policy documents that cover federal requirements, agency/ department policies for complying with requirements, and procedures to implement the disaster recovery program. It's a good idea to hire dedicated policy personnel, with experience in translating Federal regulations into policy, to assist in this process.

**Develop a program operations plan**

- Develop a multi-grant program operations plan that identifies the broad need categories to be addressed by the disaster recovery office (e.g., housing, business, and infrastructure repairs, and future mitigation and resiliency efforts), and focuses on how to build out program delivery, finance, procurement, HR, legal, and vendor management tailored for multiple grant sources.
- Address how to set up the IT systems and procedures required to securely capture, manage, and leverage the massive amounts of data related to recovery efforts. This might include, for instance, a plan for installing a grants management system of record for disaster recovery offices.

- Set up a risk assessment framework and monitoring plan to identify key risk areas across the program elements and an approach to compliance and monitoring efforts. This framework and plan will serve as the baseline and should be modified based when projects and priorities are defined to mitigate risks throughout the recovery lifecycle and ensuring compliance with developed policies and procedures, and applicable regulations.

**Leading Practice**

**Understand and plan for broad need categories, such as housing, infrastructure, and social services, that are common to most disasters. Making key high-level decisions in advance will pay dividends if a disaster hits.**

Top Things to Consider in **Phase 1**



Identify key stakeholders, establish roles and governance structure



Develop an organizational structure and staffing plan



Define and document policies and procedures



Develop a program operations plan

# Phase

# 2

Once a disaster strikes, the disaster recovery office should be prepared to respond rapidly while recognizing that the post-disaster program is likely to be a multi-year effort. The team should design a program tailored to the nature and scale of the disaster and needs of stakeholders, fleshing out the high-level plans developed in advance.

If the appropriate plans have been put in place in advance, the disaster recovery office will be able to quickly assemble a team, create a detailed organizational chart, with job titles and clearly defined responsibilities, refine policies and procedures, and begin deploying resources on the ground.

## Plan for the first 90 days

- Create a 90-day plan to enable the recovery office to address urgent needs while developing and refining the long-term recovery and resilience plan. The 90-day plan should address how to meet immediate staffing and equipment needs. For instance, the recovery office might utilize existing vendor contracts or emergency procurement vehicles for the first two or three months, while refining the staffing plan and scaling up for long-term recovery efforts.
- Begin to set up the IT infrastructure and data management systems required to develop and manage applications

## Post-disaster program design

Once a disaster strikes, the disaster recovery office should be prepared to respond rapidly while recognizing that the post-disaster program is likely to be a multi-year effort. The team should design a program tailored to the nature and scale of the disaster and needs of stakeholders, fleshing out the high-level plans developed in advance.

to assist individuals, businesses, and government entities requesting financial assistance.

- Engage with the public early and often during the first 90-days after a disaster. Solicit information about what residents need to keep them from leaving communities while seeking immediate assistance, and communicate when and how they can apply for funding to support efforts so they may maintain their residence in the recovery zone.

## Assemble the key teams

- Staff up housing, economic development, and infrastructure teams, with the goal of redeveloping a vibrant, resilient community that has the opportunity to thrive even more than its pre-disaster economies. Keep in mind that infrastructure is likely to be the largest cost and the longest duration of the recovery effort, acting as a 'wrapper' to other community restoration activities.
- Begin to staff the long-term recovery team and define the roles and responsibilities of team members in more detail. At this point the importance of the pre-disaster staffing plan becomes clear. If a thoughtful plan, built on clearly defined processes, was not developed in advance, staffing post-disaster is

likely to be ad hoc, and processes may be driven by the unique skills and preferences of those hired, making it difficult to ensure long-term continuity.

## Refine communications plans

- Finalize plans for communicating with internal staff and external stakeholders. Internal communications will ensure that all staff are updated on recovery efforts and informed of any changing responsibilities or priorities. External communications will help to keep partners updated on recovery efforts and will alleviate the concerns of the many stakeholders impacted by a disaster—homeowners, business owners, politicians, vendors, the media, and more. Every day following a disaster, the public will continue to grow impatient and the scrutiny on expenditures will escalate. Frequent and transparent communications will be critical to maintaining trust with the public.
- Plan to communicate with politicians, who will want updates on recovery efforts that affect their constituents, and with the press, which will report on the progress of the recovery program, for better or worse. Keeping the media updated will help to avoid misinformation and may result in more positive news coverage.



## **Strengthening disaster recovery planning in the wake of Hurricane Harvey**

Following the devastating effects of Hurricane Harvey in Texas, Harris County engaged Guidehouse on several fronts to assist in planning, managing, and administering its disaster recovery. Harris County, the most populous county in the US with over 4.5 million residents and over 1,700 square miles, experienced unprecedented damages during the hurricane. Guidehouse is providing expertise in the management and application of +\$1B of grant funding related to disaster recovery infrastructure, housing, community development, and economic development projects from planning to completion.

Guidehouse's ability to respond proactively to Harris County's needs and add capabilities where needed gave the County the flexibility to plan and program their disaster recovery efforts quickly and efficiently.

## Phase

# 3

### Program execution

With stable policies and procedures in place, and the recovery office fully staffed, the recovery team should shift its focus to program execution and the Project Management Office (PMO). Failure to transition effectively to execution can cause delays in processing applicants' awards, increase delivery costs, and sow frustration and confusion among those the agency seeks to help.

It is critical to document compliance at every step of the way during execution. Shortcuts in complying with the requirements of funding agencies and with relevant federal, state and local regulations can lead to problems and delays, and could potentially jeopardize certain funding streams.

### Leading Practice

**In delivering a disaster recovery program, follow the 80/20 rule. Focus processes on meeting the common needs that 80% of applicants share, then address the unique needs that arise among the remaining 20%.**

#### Manage performance

- Establish and monitor key performance indicators (KPIs) throughout the execution phase, to communicate and drive progress throughout the organization, make course corrections as needed, and ensure accountability. What gets measured gets done.
- Provide strong vendor oversight to manage costs, scope, and risk while ensuring quality delivery. Developing a dedicated vendor management system can make it easier to monitor the performance of vendors, ensure they comply with relevant state and federal regulations as well as the agency's policies, and prevent excessive spending.
- Utilize data and analytics to inform decision making throughout execution. Analytics can highlight trends in data and identify improvement opportunities so that problems can be addressed before they become larger issues that are more difficult to manage.
- Conduct on-going monitoring to reduce risk exposure, increase overall risk mitigation, and encourage preparedness for potential audits from external stakeholders.

#### Continue to engage with key stakeholders

- Don't neglect stakeholder engagement as attention from the media and general public begins to wane. Without an intense spotlight on their efforts, it's easy for a disaster recovery team to forget the importance of follow-up and communication. At this point, many community members may still be suffering, and they will require ongoing communication and assurance that the government is delivering on its promises.
- Continue to refine and implement the communications plans. It's particularly important to provide clear, accessible information and guidance to applicants for aid. If requirements are communicated piecemeal or they change, affected residents—already under a great deal of stress due to damage to their homes or businesses—may become frustrated by the process and give up, complain to politicians, and/or withdraw from the recovery program.
- Stay in close contact with vendors and with any field offices to ensure that execution doesn't falter and that resources and costs are being managed effectively.



## Leading Practice

**As implementation of the recovery program proceeds, communicate key decisions and priorities to all vendors, to prevent bottlenecks and maintain high-levels of customer service. This is especially critical if operations are run out of multiple field offices.**

## Delivering projects after devastating tornado

Guidehouse is engaged as the project administrator and project manager for the City of Joplin's HUD Community Development Block Grant – Disaster Recovery (CDBG-DR) funds received following the EF-5 strength tornado, which devastated the City in 2011. Guidehouse is providing grant management and program management support on the City's infrastructure and economic development projects that include rebuild of the sanitary sewers, storm water drainage, roads, sidewalks, utilities, and streetscapes, throughout the project's lifecycle, from planning through execution. The team reviews the compliance of each project based on the CDBG-DR requirements, assists with the development of environmental assessments and performs reviews of environmental documents to assess potential environmental hazards and risks, suggests mitigation measures for unavoidable impacts, and determine compliance with various other State and Federal agency requirements. Guidehouse is also assisting the City in maintaining their records management procedures/processes. Guidehouse's work helped to accelerate the delivery of projects while maintaining the integrity of compliance with regulations.

## Phase

# 4

### Wind-down of program operations

During Phase 4, the operations of the disaster recovery office wind down. Staff review all program files and apply a systematic approach to closing out all applicants, ensuring that compliance with federal requirements has been achieved and that money has been disbursed appropriately. During this final phase, the PMO is disbanded, field offices are closed, and staff leave the organization or return to their usual government positions.

As program operations wind down, some level of monitoring for compliance is still required. In addition, while the disaster recovery office and program will be closed down, certain projects may still be in place, and the recovery team is responsible for ensuring that any ongoing projects are successful.

### Are you prepared?

**The success of a long-term recovery effort will depend in large part on how well state and local governments are prepared to deal with disaster. For government agencies that require assistance in developing or implementing a disaster recovery program, Guidehouse can help. While every disaster is unique, there are precedents that we can learn from. Following natural disasters such as Hurricanes Katrina and Rita in Louisiana, to Superstorm Sandy in New York/New Jersey, the recent floods in Colorado and ‘tornado valley’ in the Midwest, as well as challenging programs such as 9/11 victims fund and the ‘Big Dig’ tunneling program in Boston, Guidehouse professionals brought together critical expertise to help. Our experience includes crisis response, damages valuation, infrastructure capital planning and construction management, risk management and compliance, data analytics, claims management, grants management and integrity monitoring as well as strategic long-term recovery just to name a few. An investment in planning today to prepare for disaster can pay major dividends down the line.**

### Focus on customer service and lessons learned

- Engage with aid applicants and ensure that they understand the requirements to successfully close-out of the program.
- Document and share lessons learned from recovery efforts, to strengthen the response to potential future disasters.
- Do not minimize this phase. In some cases, state or local governments do not understand the scope of work required to close-out their disaster recovery programs successfully. As a result, they may fail to budget adequately for wind-down and run out of funds before all required work is completed.

## Supporting lifecycle of recovery efforts following Superstorm Sandy

For the past five years, Guidehouse has been assisting the Governor's Office of Storm Recovery (GOSR) in administering its \$4.4 billion CDBG-DR program for its Infrastructure, Housing, Buyout and Acquisitions and Small Business Programs, helping to provide strategic management support, design and review processes, evaluating resources and technology tools and providing compliance and monitoring and quality assurance services. All these activities and the deadlines associated with them were critical to the effective implementation of an important program to the State's recovery post Superstorm Sandy. With the depth of understanding of GOSR and its recovery program, Guidehouse is assisting the agency with its transition to closeout of grant-related tasks as the programs are moving towards completion.



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## About Guidehouse

Following our recent merger with Navigant, we proudly serve both the public sector and commercial markets, with a focus on supporting client needs in Healthcare, Financial Services, Energy, Environment, National Security, and Aerospace & Defense.

Our unwavering passion for excellence influences all aspects of our business from our core competencies of leadership, quality, and ethical behavior to our cutting-edge, customized solutions.

Our Vision at Guidehouse is to earn a seat at the table for our clients' most complex issues, creating limitless value and meaningful impact for societies and our world. We are committed to leading the industry in driving effectiveness across federal, state, and local governments and agencies.

If you would like to learn more about the Guidehouse, please visit:  
[guidehouse.com](http://guidehouse.com)