

CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS
BUDGET ANALYST**

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April 23, 2007

TO: Supervisor Ammiano

FROM: Budget Analyst

SUBJECT: Updated Status Report on Implementation of the Recommendations in
the Management Audit of the Office of Emergency Services

Introduction

At the request of the Board of Supervisors (Motion No. 05-119), on May 15, 2006, the Budget Analyst completed a Management Audit of the Office of Emergency Services, now known as the Division of Emergency Services (DES)¹. The purpose of this Management Audit was to evaluate the efficiency, economy and effectiveness of DES' programs, activities and functions. Specifically, the Budget Analyst reviewed DES' activities related to legislative authority, communication and coordination, strategic planning, grants and budget, financial management, emergency plans, pre-disaster mitigation and recovery planning, emergency response, training, exercises, equipment, as well as management, organization and staffing. This Management Audit contained 72 recommendations for improvement in the above described areas.

The Board of Supervisors Budget and Finance Committee scheduled an initial hearing on the Office of Emergency Services Management Audit on May 17, 2006. Following the initial hearing, the Government Audit and Oversight Committee held a hearing on the implementation of the Budget Analyst's Management Audit recommendations on September 11, 2006. At this September 11, 2006 meeting, the

¹ On October 3, 2006, the Board of Supervisors approved an ordinance (File 06-1116; Ordinance No. 261-06) renaming the Department of Emergency Communications (DEC) as the Department of Emergency Management (DEM) and renaming the Office of Emergency Services (OES) as the Division of Emergency Services (DES).

Government Audit and Oversight Committee requested that the Budget Analyst report back regarding the implementation status of the Management Audit recommendations.

This report summarizes the implementation status of the 72 recommendations contained in the Budget Analyst's Management Audit of the Office of Emergency Services. The findings in this report are based on information provided by the Division of Emergency Services, in response to the Budget Analyst's request that the Division of Emergency Services provide documentation demonstrating the implementation status of each recommendation. Other than follow-up discussions with select City department and Division of Emergency Services staff, the Budget Analyst did not conduct additional independent research into the efficiency, economy and effectiveness of the Division.

The Budget Analyst notes that this report is a snapshot of the implementation status of the recommendations, as of February and March of 2007, or approximately ten months after the issuance of the Management Audit. However, many of the recommendations contained in the audit, such as maintaining effective communication with departments or issuing advance notices of meetings, require on-going efforts to successfully implement. Therefore, the implementation status of many of the recommendations in the Management Audit will continue to change.

Implementation of the Audit Recommendations

As previously stated, the Budget Analyst's Management Audit of the Office of Emergency Services contained 72 recommendations for improving the efficiency, economy and effectiveness of the Office. The Management Audit assigned each of the 72 recommendations a priority of either 1, 2 or 3 based on the following criteria:

Priority 1: Implementation of Priority 1 recommendations should begin within six months of the release of the audit. Implementation of these recommendations is fundamental to addressing key issues identified in the audit and is an essential first step that must occur prior to the implementation of other recommendations.

Priority 2: Implementation of Priority 2 recommendations should begin between seven months and one year of the release of the audit. Implementation of these recommendations follows logically after the implementation of Priority 1 recommendations.

Priority 3: Implementation of Priority 3 recommendations should begin one year from the release of the audit. While these recommendations address serious issues identified in the audit, Priority 3 recommendations are either long-term goals or are dependent upon the completion of Priority 1 and 2 recommendations.

The Management Audit included 34 Priority 1 (47 percent) recommendations, to be initiated in the first six months following the audit, 20 Priority 2 (28 percent) recommendations, to be implemented seven months to one year following the audit, and 18 Priority 3 (25 percent) recommendations, to be implemented approximately one year following the audit. As this status report is being completed approximately ten months after the completion of the management audit report, DES should have begun implementation of the Priority 1 and Priority 2 recommendations.

Attachment I contains each of the Budget Analyst recommendations that were included in the May 15, 2006 Management Audit. The Attachment identifies (a) each recommendation by Section number, (b) a brief description of the recommendation, (c) the party responsible for implementation of each recommendation, (d) the assigned Priority of 1, 2 or 3 as discussed above, (e) DES's general response on their status in implementing each recommendation, (f) the supporting evidence that the Budget Analyst used to confirm or verify the status of implementation of each recommendation, and (g) the Budget Analyst's overall assessment of the status of each recommendation. The Budget Analyst's overall assessment identifies each recommendation according to the following six criteria: Disagree with the recommendation (x), No Progress (0), Planning Stages (1), Significant Progress (2), Substantially Complete (3) and Complete (4).

Table 1 below summarizes the implementation status of the 72 recommendations based on the priority of each recommendation and these overall assessments by number of recommendations and percent of all the recommendations.

**Table 1:
 Implementation Status of Budget Analyst's
 Management Audit Recommendations
 (Number/%)**

	Disagree (x)		No Progress (0)		Planning Stages (1)		Significant Progress (2)		Substantially Complete (3)		Complete (4)		Total	
Priority 1	3	4%	0	0%	8	11%	4	6%	10	14%	9	13%	34	47%
Priority 2	2	3%	0	0%	8	11%	4	6%	1	1%	5	7%	20	28%
Priority 3	2	3%	2	3%	7	10%	1	1%	2	3%	4	6%	18	25%
Percent	7	10%	2	3%	23	32%	9	13%	13	18%	18	25%	72	100%

As shown above, DES has completed implementation of 18 recommendations or 25 percent of the Budget Analyst's 72 recommendations, and has substantially completed the implementation of another 13 recommendations or another 18 percent of the 72 recommendations. In addition, DES has made significant progress on implementing 9 recommendations or 13 percent and is in the planning stages for another 23 recommendations or another 32 percent of all the recommendations. Overall, DES has therefore at least begun implementation of 63 recommendations or 88 percent of the 72 total recommendations.

As noted above, there is disagreement with portions of seven of the recommendations. Of the two recommendations that DES has not made any progress on implementing, both were identified as Priority 3, or not needing to be implemented until at least one year after completion of the audit, which would not occur until at least May 15, 2007. Therefore, DES has begun implementation on all of the recommendations, that DES agrees with implementing.

Areas of Continued Concern

The Budget Analyst notes that there are several recommendations that the Budget Analyst included that have still not been completed, substantially completed or made any significant progress. The most significant recommendations in this Priority 1 category address the need for DES to conduct a strategic planning process, as contained in Recommendations 3.1 and 3.2.

Recommendation 3.1: Senior Management of the Division of Emergency Services should conduct a robust strategic planning process. This process should include appropriate stakeholders, such as the Mayor and the members of the Board of Supervisors, leaders of City Departments, and private and non-profit organizations. The Division of Emergency Services should utilize any resources produced by previous administrations in carrying out this process. The strategic plan should address and prioritize planning, response, mitigation, and recovery activities based on the risk and capabilities assessment, as well as organizational goals and capacity. The Office of Emergency Services should review plans for other jurisdictions to help guide this process.

Recommendation 3.2: Senior management of the Division of Emergency Services should move forward with a thorough assessment of the City's emergency services capabilities. The Division of Emergency Services should use the identified gaps in capabilities to help prioritize efforts, such as training, within the strategic plan.

Strategic planning, including the identification of goals, objectives and performance measures, is an essential responsibility of an organizations' senior management, which helps to direct programmatic efforts appropriately, accomplish results, ensure accountability and properly manage financial resources. However, the Management Audit found that the Division of Emergency Services had yet to conduct a robust strategic planning effort that was consistent with generally accepted strategic planning guidance. As such, DES had not identified any goals for emergency services in San Francisco that were independent of the grant goals, nor identified any specific goals for DES itself. Furthermore, DES had not fully identified and prioritized the City's risks and needed response capabilities, and had not sought out input from policy-makers or stakeholders on the long-term goals and objectives of the City's emergency services.

When conducting the Management Audit, the Budget Analyst considered these recommendations addressing the need to undertake a robust strategic planning process to be the most important immediate priority for the Division of Emergency Services and central to the findings in the overall Management Audit report. From the strategic planning process, many of the other Management Audit recommendations, related to performance measures, staffing, planning, training, equipment, and sustainability would follow. In fact, many of the other recommendations were specifically intended to be addressed in the strategic plan, as identified goals, objectives and priorities, which would then establish a course of action for the Division of Emergency Services to follow.

Unfortunately, the commencement of the strategic planning process has been delayed for almost a year, from the time of the issuance of the Management Audit report in May of 2006. Based on a Request for Proposal process that was begun during the Fall of 2006, DES selected the consulting firm of ICF in December of 2006 to lead the strategic planning process at a cost of \$750,000. This contract will be fully funded with Federal Homeland Security Grant Funds.

DES advises that due to a change in the leadership in the Department, a loss of several key staff and the City's cumbersome contracting requirements, the contracting process has taken significantly longer than anticipated. DES states that ICF is scheduled to complete the strategic planning work 34 weeks after project initiation, which should begin in early April of 2007. The Strategic Plan should therefore be completed in late November of 2007. As indicated in the audit report, strategic planning is a key component to many of the areas of improvement highlighted through the audit. Because of this, the delay in initiating the strategic planning process remains a significant area of concern.

Other Priority 1 recommendations that are still in the planning stages include: (a) the establishment of performance measures (Recommendation 3.3), (b) the participation of the Department of Emergency Management in SFStat (Recommendation 3.4), (c) expedited grant reimbursements (Recommendation 5.2), (d) annual State of the City's Disaster Preparedness (Recommendation 6.10), (e) emergency recovery efforts (Recommendation 9.1), and (f) corrective actions for future improvements (Recommendation 11.6), as individually discussed below.

Recommendation 3.3: Senior management of the Division of Emergency Services should establish appropriate performance measures. The Division of Emergency Services should seek help in this effort from the Controller's Office, as appropriate, as the City's lead agency for performance measure development. The Division of Emergency Services should use any existing tools, such as After Action Reports, as a foundation for these measures.

The Department of Emergency Management (DEM) has improved its performance measures in response to the audit recommendations. In particular, DEM has included performance measures related to current activities and has worked with the Controller's Office to establish new measures. However, DEM can improve these measures further by addressing the audits recommendation to use more *outcome-oriented* rather than *output-oriented* measures. In some areas, DEM made an effort to do this. For example, DEM combined the measures of "Assessment of training program quality from attendee's perspective" and "Number of training courses" to enumerate the number of courses and understand the impact of these courses. However, many performance measures are still output-oriented. For example, DEM uses "Number of functional exercises conducted" to measure "Emergency Response Capabilities." DEM can take further steps to improve its overall approach to performance measurement by extending an outcome-oriented approach to all DES goals. As noted above, DES officials intend for ICF to enhance the existing performance measures through the strategic planning process by developing a solid capabilities assessment, and formally linking exercise evaluation guidelines to regularly assess the same identified capabilities.

Recommendation 3.4: The Division of Emergency Services should participate in the SFstat process. As part of its participation, the Division of Emergency Services should establish performance measures to help hold other City Departments accountable for carrying out emergency preparedness activities.

As indicated in the Management Audit report, DES' participation in the SFstat program would help to ensure continual improvement and public accountability of the Division's efforts. Although this had not previously occurred, the Mayor's Office has invited the Department of Emergency Management to participate in SFstat

beginning on April 16, 2007. The Department will be included in SFstat as part of the Public Safety group.

Recommendation 5.2: The Grants Division of the Office of Emergency Services should develop and follow clear financial policies and procedures to ensure expedited grant reimbursement for future expenditures. In doing so, the Grants Division of the Office of Emergency Services should claim reimbursement-eligible expenditures as frequently as possible, but at least more frequently than on a quarterly basis.

The Management Audit found numerous problems with the Division of Emergency Services grant reimbursement procedures, resulting in over \$7 million of unclaimed General Fund reimbursements and over \$1,000 per day losses of interest earnings to the City's General Fund. To partially address this issue, the Management Audit recommended the implementation of new financial management controls. In addition, the Management Audit cited examples of other jurisdictions that claim reimbursements on a more frequent basis than San Francisco's quarterly claims for reimbursement.

DES advises that FAMIS (the City's Financial Accounting and Management Information System) is now set up to correspond to the specific project and solution areas that are funded and approved by the State. Therefore, DES advises that they can identify and reconcile expenditure information more easily and prepare reimbursement claims more quickly because FAMIS and the claim template have the same format. In addition, DES reports submitting a total of 47 claims for grant reimbursements on nine grants in calendar year 2006. While the Budget Analyst acknowledges that DES has implemented a new system in FAMIS to facilitate the claiming process, and has submitted numerous claims reimbursement requests, without a detailed comparison with data identifying when the expenditures were incurred by the City, the Budget Analyst cannot verify that the City's General Fund is not continuing to lose revenues due to delays in the preparation and submittal of such claims reimbursements.

Recommendation 6.10: The Division of Emergency Services should report on the status of functional, hazard-specific and City Department Emergency Plans during the annual Board of Supervisors State of the City's Disaster Preparedness Hearing.

In accordance with the City's Administrative Code Section 7.19, the Division of Emergency Services is to make an annual presentation to the Board of Supervisors on the State of the City's Disaster Preparedness. Mayoral Directive recommendation 5.2 issued in May of 2006 directed the Division of Emergency Services to make such an annual presentation to the Board of Supervisors on the

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status of emergency services in San Francisco. This hearing (File 06-0504) was introduced in April of 2006, but was never calendared. In conjunction with a hearing on the proposed update on the status of the Management Audit, the Board of Supervisors should calendar a hearing on the overall status of emergency planning in San Francisco, in accordance with Section 7.19 of the Administrative Code.

Recommendation 9.1: As required by the Mayor's January 9, 2004 *Directive for Emergency Preparedness*, the Division of Emergency Services should develop plans to mobilize key City departments such as Public Health, Human Services and Building Inspection for Phase II recovery of critical infrastructure and services.

On December 15, 2006, the City's Administrative Officer, Planning Department and DES convened a Task Force on Updating Seismic Safety Standards and Updating the Community Safety Element of the City's Master Plan. The updated Community Safety Element is intended to provide guidelines for rebuilding the City. This Plan is currently under review, which is expected to be completed by May 1, 2007, with environmental review completed by June 1, 2007. The Planning Department anticipates submitting the final revised Community Safety Element of the City's Master Plan to the Board of Supervisors for adoption in July of 2007. DES advises they plan to hire a consultant to prepare a recovery plan beginning in May of 2007.

Recommendation 11.6: Following corrective action, City Departments tasked with making improvements should report back on their progress in a public forum so that all Departments can be aware of changes and improvements City-wide.

DES's role is to facilitate and coordinate various departments in disaster planning, response, training, exercises and recovery. As part of this role, DES is responsible for evaluating emergency responses, providing feedback to other City departments and for keeping track of corrective actions related to emergency services. While some issues are insignificant, requiring minor adjustments, others may require more attention. DES is asking City departments to report back on their progress on corrective actions during the Disaster Preparedness Coordinators meetings. DES advises they are also currently using the areas identified as needing improvement for attention in future training and/or exercises. The Budget Analyst notes that follow-up by DES on such corrective action reports and trainings may also be necessary.

Areas of Disagreement

Regarding the remaining six recommendations, DES disagrees with implementing five of these recommendations and the Department of Human Resources (DHR) disagrees with implementing one recommendation. Each of these six recommendations, including the five recommendations which DES disagrees with and the one recommendation which DHR disagrees with are individually discussed below.

Recommendation 1.3: The Disaster Council should review each City emergency plan, annex, mutual-aid agreement, or report and should determine which plan, annexes, agreements, and reports to forward to the Board of Supervisors for public hearing and implementation.

Section 7.4 of the City's Administrative Code provides that the Disaster Council is responsible for developing plans for meeting any emergency, with the effective mobilization of all public and private resources and for recommending appropriate legislation to the Board of Supervisors, as necessary to implement such plans. The Disaster Council, which meets quarterly, is chaired by the Mayor and composed of numerous City department representatives and other private and nonprofit representatives. While numerous emergency plans are being developed by City departments, outside consultants and the Division of Emergency Services, our review during the audit found that other than Emergency Operations Plan 1, the Disaster Council was not reviewing or approving any emergency plans for the City. Furthermore, we found that the Disaster Council had not forwarded any ordinances, resolutions, rules or regulations to the Board of Supervisors for adoption.

During our follow-up status review, the Budget Analyst found that the process for reviewing and approving plans and protocols remains unclear. The City's Administrative Code has not been amended and therefore continues to require that plans and protocols be approved by the Disaster Council. However, a DES memo dated September 14, 2006 addressing the preparation and review of emergency plans did not include a review or approval role for the Disaster Council. Yet contradictory to this memo, the Disaster Council specifically approved the Earthquake Plan on December 6, 2006.

DES advises that taking each item to the Disaster Council, which is chaired by the Mayor and meets once per quarter, is not practical nor is it efficient. Instead, DES advises that using the Disaster Preparedness Coordinators and the Homeland Security Executive Committee, comprised of representatives from ten major City departments, who also are members of the Disaster Council, would be a more appropriate review body for such emergency plans. In addition, DES advises that

there is a need to review this issue, in conjunction with the overall composition, role and responsibilities of the Disaster Council. DES advises that such a review is planned to begin in May of 2007. This review is anticipated to result in recommendations for amendments to the City's Administrative Code, which would then be brought to the Mayor and the Board of Supervisors for approval.

Recommendation 5.3: The Grants Division of the Office of Emergency Services should implement policies and procedures for claiming advanced reimbursement on encumbered funds as appropriate.

Although almost all of the emergency grant funds are paid by the grantor on a reimbursement basis, the Federal Urban Area Security Initiative grant guidelines for FY 2005-2006 allowed cities to request reimbursement on encumbered funds, if the City would expend such funds within 150 days of the claim for reimbursement. During the Management Audit, the Budget Analyst found that DES did not claim any such advance reimbursements. As a result, while waiting for reimbursements, the City loses potential interest earnings on General Fund monies.

However, in order to utilize this process, DES advises that the advanced funds would have to be placed in an interest-bearing account, the interest earnings tracked daily, and such interest earnings remitted to the grantor at least quarterly. Additionally, DES was concerned that any delays in the purchasing process could entail loss of the advanced grant funds plus any interest earnings. DES determined that this process was too cumbersome and time-consuming and that DES had insufficient staff to manage this process as well as manage the expenditures of the funds within the grant deadlines. In conclusion, DES disagreed with this recommendation because, according to DES, the long-term risks to the grant funding outweighed the possible short-term gains.

The Budget Analyst made this recommendation in direct reaction to the significant delays on the part of DES to claim grant reimbursements. Recommendation 5.2 in the Management Audit specifically directed the Grants Division in DES to develop and follow clear grant financial policies and procedures to ensure expedited reimbursements after the expenditures were completed. In doing so, the Budget Analyst recommended that the Grants Division of DES claim reimbursement-eligible expenditures as frequently as possible, but at least more frequently than on a quarterly basis.

Our follow-up review found that while DES has implemented a new system in FAMIS to facilitate the grant claiming process, and is submitting frequent claims for reimbursement, DES did not provide data to enable a direct comparison of when the City actually incurred costs relative to when DES submitted the claim for reimbursement. Therefore, the Board of Supervisors should continue to be

concerned with claims reimbursements and potential losses of interest earnings to the City's General Fund. The immediate need to implement this recommendation (Recommendation 5.3) to claim advanced reimbursements on encumbered funds could be modified, if DES were to demonstrate expeditious and continuing practices of reimbursement claims post-expenditure relative to when the actual expenditures were incurred by each City department, as recommended in Section 5.2 of the Management Audit.

Recommendation 8.5: The Division of Emergency Services should equip all Department Emergency Operations Centers with the emergency supplies necessary to meet the City's 72-hour personal preparedness standard. In doing so, the Division of Emergency Services should have a plan for care and shelter of response personnel that, at a minimum, meets the City's 72-hour personal preparedness standard.

The Division of Emergency Services public outreach campaign urges all citizens to be prepared for 72 hours after an emergency without government or outside assistance. However, the Budget Analyst found that the City Department Emergency Operations Centers lack supplies required to meet the City's emergency responders' basic needs for food and shelter for the initial 72 hours. While the Budget Analyst acknowledges that the City's Department Emergency Operations Centers may not have sufficient space for all on-site supply caches, the City needs a system for the care and feeding of emergency personnel during the first 72 hours of an emergency.

According to DES, compliance with Recommendation 8.5 is not possible because supplies, such as food and water, are ineligible for grant funding. Therefore, DES's policy is that City departments should meet the City's 72-hour preparedness standard through individual departmental Continuity of Operations plans contained in a section of each City departments' emergency plans. In the meantime, DES advises that the Logistics Work Group, comprised of representatives from various City departments, will explore ways to house and feed the City's Disaster Service Workers, designated first responders and members of mutual aid contingencies.

The following three recommendations addressed the need to develop and implement performance measures for different aspects of emergency services.

Recommendation 8.1: The Division of Emergency Services should work with City departments to develop outcome oriented performance measures that will measure City departments' abilities to implement response protocols.

Recommendation 10.3: The Division of Emergency Services should develop performance measures that evaluate emergency responders' ability to perform Federal target capabilities and identified local capabilities and should pre- and post-test training participants.

Recommendation 11.7: The Division of Emergency Services should develop a system, such as performance measures, for making City departments accountable for improvement. To increase accountability, the Division of Emergency Services should report on these performance measures during the annual Board of Supervisors State of Disaster Preparedness hearing.

During the Management Audit, the Budget Analyst found a lack of consistent outcome-oriented performance measures to evaluate the success or failure of emergency services in the City. Furthermore, DES did not memorialize or distribute the lessons that had been learned from prior monthly tabletop exercises conducted at Disaster Forums. Similarly, DES had not provided timely feedback to departments following functional and field exercises nor provided timely reports regarding what actions City departments should take to improve upon weaknesses identified in such emergency exercises. While Federal guidelines required each exercise be evaluated and that a plan for improvement be drafted, DES had only produced a single evaluation and improvement plan for five exercises conducted in 2004-2005.

In response, the Division of Emergency Services advises that they have since developed over 30 performance measures to measure various aspects of City preparedness. In addition, DES has included the development of additional outcome-oriented performance measures as part of the strategic planning process. Our follow-up review also found that DES prepared individual After Action Reports to assess performance for the April 19, 2006 earthquake exercise and the October 19, 2006 Golden Guardian regional exercise within the required deadlines.

However, the three above-noted recommendations were included in the Management Audit because we also found that, although the Division of Emergency Services was funding technological and communications equipment, in addition to conducting numerous trainings and exercises for various City departments, the evaluations of these exercises were not identifying improvements in the City's response to emergencies. The Division of Emergency Services partially disagrees with implementing the three above-noted recommendations because of concerns regarding accountability and authority. DES advises that in order to be tasked with the accountability of these performance measures, DES would need to have the authority to require implementation.

However, DES advises that such implementation authority rests with each department head, not with DES. Therefore, because DES does not have authority to directly implement these performance measures within individual City departments, DES believes they cannot be held accountable for the resulting emergency response performance. The Budget Analyst acknowledges that the responsibility for implementing specific protocols lies with individual City departments. However, as the coordinating body for emergency response in San Francisco, the Division of Emergency Services must work closely with individual City departments and hold City departments accountable for implementing and improving their emergency responses.

Recommendation 13.6: The Department of Human Resources should establish specific policies and guidelines regarding the amount of time that City employees may spend attending conferences, classes or other outside training and professional development activities, while continuing to receive full compensation from the City.

During the Management Audit, the Budget Analyst found that the previous Executive Director of the Office of Emergency Services was pursuing an 18-month Master's Degree program at the Naval Postgraduate School in Monterey, California, which required on-site attendance two weeks each quarter and an additional 10-15 hours per week of supplementary coursework. While providing invaluable education and networking opportunities with emergency management professionals from throughout the country, the Budget Analyst raised the question of how much time City employees should be permitted to attend outside classes, preparation and on-the-job training, while being fully paid by the City. There are no City-wide policies or requirements for the amount of time a City employee may spend on such outside training, classes, conferences, or other activities while continuing to receive full compensation from the City.

In response, the Department of Human Resources (DHR) advises that such City-wide policies or requirements are not possible because each City department's training requirements will vary significantly, given the wide diversity of operations, businesses and job classifications that exist in the City. For example, DHR cites various mandatory training requirements for police, fire, attorneys, and other professional classifications, which are different from State certification and/or licensing requirements for appraisers, building inspectors and engineers. In addition, DHR notes that occasional, but significant training can be required for all City employees within a specific division or department if a new system is being installed. Therefore, DHR advises that it would be extremely difficult, if not impossible, to set a maximum number of hours a City employee may attend training or other professional development activities. DHR continues to support their existing policy that training hours be managed by each City department, at the

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discretion of the Appointing Officer in that department, based on the department's needs and operations.

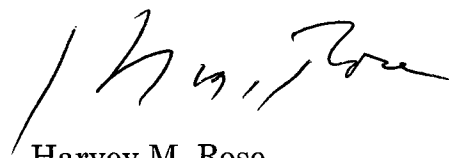
Summary

There continue to be areas of concern, especially regarding DES's significant delays in implementing the strategic planning process. In addition to the need to expedite completion of the strategic planning process (Recommendations 3.1 and 3.2), further improvements are needed regarding the six recommendations of concern (Recommendations 3.3, 3.4, 5.2, 6.10, 9.1 and 11.6) discussed above. There is also at least partial disagreement with seven other recommendations.

However, DES has completed implementation of 18 recommendations or 25 percent of the Budget Analyst's 72 recommendations, and has substantially completed the implementation of another 13 recommendations or another 18 percent of the 72 recommendations. Overall, DES has at least begun implementation of 63 recommendations or 88 percent of the 72 total recommendations.

Of the two recommendations that DES has not made any progress on implementing, both were identified as Priority 3, or not needing to be implemented until after May 15, 2007. Therefore, DES has begun implementation on all the recommendations, that DES agrees with implementing. Although further improvements are needed, in the professional judgment of the Budget Analyst, the efficiency, economy, and effectiveness of DES has greatly improved during the time period since the completion of the Management Audit.

Attachment II is a 6-page memorandum dated April 19, 2007 from the Executive Director of the Department of Emergency Management, that responds to the findings contained in this report.



Harvey M. Rose

cc: President Peskin	Supervisor Maxwell
Supervisor Daly	Supervisor McGoldrick
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BA No. Recommendation (Accountable Party)	Priority	DES Response	Evidence	Status
1.1 Appoint to Disaster Council representatives of civic, business, labor, veterans, professional, or other organizations that have an official emergency responsibility (Mayor).	1	On-going.	As of January of 2007, there were nine non-governmental (civic, business, labor, veterans, or professional) organizations participating on the Disaster Council, or eight more than the one organization that participated in the Disaster Council during the audit.	4
1.2 Provide advance notice of Disaster Council meetings (DES).	1	On-going.	Advance email notices were sent in June, October, and December of 2006.	4
1.3 Review each City emergency plan, annex, mutual-aid agreement, or report and forward to the Board of Supervisors for public hearing and implementation (Disaster Council).	2	Disagree.	Plan development process described in September 14, 2006 memo does not include a review or approval role for the Disaster Council. However, contradicting this stated process, the Disaster Council approved the Earthquake Plan on December 6, 2006.	x
1.4 Review and, if needed, alter the existing composition, purpose, role, and responsibilities of the Disaster Council (Disaster Council).	2	Planning Stage.	DES advised that the role of the Disaster Council as defined by the Administrative Code is not realistic. DES further advised that the Homeland Security Executive Committee, comprised of representatives from ten major City departments, will be reviewing this issue and may make recommendations for amendments to the City's Administrative Code to the Mayor and the Board of Supervisors.	1

BA No. Recommendation (Accountable Party)	Priority	DES Response	Evidence	Status
2.1	2	Complete.	September 14, 2006 memo prepared by DES explained new committee structure. Accompanying chart identified most new committees.	2
2.2	1	On-going.	DEM Director now meets frequently with DES Deputy Director. DES Deputy Director meets weekly with Division Heads. Monthly all staff meetings. Weekly general and operations staff meetings.	3
2.3	1	On-going.	July 7, 2006 Disaster Preparedness Committee meeting examined role of public and private sectors. On February 5, 2007, DES signed a Coordinated Assistance Network Charter and MOU to coordinate activities with United Way and HelpLink. Held Consular Corps Training and funded San Francisco Citizen's Corp training for small businesses, non-profits and faith-based organizations. DES reports maintaining on-going relationship with more outside organizations. However, the relationship with the private sector remains a concern for DES and will be addressed more fully in the next six months as part of the Strategic Plan.	2
2.4	2	Complete.	DES currently maintains contact lists of Disaster Council, Disaster Forum, Department Preparedness Coordinators, Exercise Design Team, Logistics Workgroup, Care and Shelter Planning Group, Earthquake Annex Care and Shelter Workgroup, Homeland Security Executive Steering Committee, Homeland Security Planning Committee, Citizen Corps, and District 5 Community Disaster Planning.	4
2.5	1	On-going.	DES maintains comprehensive list of recurring meetings, notices and postings on websites.	3
2.6	1	Complete.	Board of Supervisors approved an ordinance (File 06-1116) renaming the "Department of Emergency Communications" as the "Department of Emergency Management" (DEM) and establishing the Division of Emergency Communications (DEC) and the Division of Emergency Services (DES).	4
2.7	1	Complete.	DES advises that staff conducted historical review.	4

BA No. Recommendation (Accountable Party)	Priority	DES Response	Evidence	Status
3.1 Conduct strategic planning process (DES).	1	In progress.	DES conducted RFP process and selected the consulting firm of ICF to conduct their strategic planning process. Initiation of contract was delayed until end of March, 2007. Completion of plan is anticipated 34 weeks later, or the end of November, 2007.	1
3.2 Assess City's emergency services capabilities and perform gap analysis (DES).	1	In progress.	ICF will assess as part of strategic planning process. Strategic plan not anticipated to be completed until end of November of 2007.	1
3.3 Establish performance measures (DES).	1	In progress.	DEM developed 16 performance measures to assess 4 goals, some of which are out-come oriented as recommended. However, DES still needs to include more outcome-oriented measures rather than output-oriented measures. Strategic Plan is intended to assist in identification and assessment.	1
3.4 Participate in SFStat (DES).	1	In progress.	DEM will begin participating in SFStat in April, 2007.	1
3.5 Request that the Board of Supervisors hold a hearing on the state of the City's disaster preparedness (Mayor).	1	In progress.	Mayoral directive recommendation 5.2 issued in May of 2006 directs DES to make annual presentation to the Mayor and the Board of Supervisors on the status of emergency planning in San Francisco. The hearing was requested in April of 2006, but never calendared (File 06-0504).	3
3.6 Perform self-evaluation of state of emergency services using the EMAP standards (DES).	2	In progress.	ICF will perform as part of strategic planning process. Due to delays, strategic plan not anticipated to be completed until end of November of 2007. However, EMAP is intended to be a self assessment tool to be conducted by the agency itself, not by outside contractor.	1

BA No. Recommendation (Accountable Party)	Priority	DES Response	Evidence	Status
4.1	1	On-going.	2003 and 2004 grant funds were fully expended by the deadline. Partly due to the focus on expending these grants within the deadline, the remaining grant funds have a low rate of expenditure, although DES has plans to expend all funds.	2
4.2	2	In progress.	ICF will develop as part of strategic planning process. Strategic plan anticipated to be completed by end of November of 2007.	1
4.3	1	On-going.	On June 15, 2006, DES held a fiscal management workshop for Department representatives and financial staff. DES grant staff currently in consistent contact with department representatives.	3
4.4	1	In progress.	July 27, 2006 Disaster Preparedness Committee meeting minutes state DES would provide templates for departmental surveys of priority needs for equipment, training, exercises and planning. DES provided a template for training to City departments. However, after discussions, DES changed strategy regarding the equipment, exercises and planning templates and is working with departments through established workgroups on these issues.	3
4.5	1	Completed.	DES expended 2003 and 2004 grant funds by deadline, such that reallocation was unnecessary. However, DES did receive and prioritize alternative funding proposals which will be retained for future grant funding consideration. 2005 grant deadline extended.	4
4.6	2	Completed.	DES expended 2003 and 2004 grant funds by deadline, such that reallocation was unnecessary.	4

BA No. Recommendation (Accountable Party)	Priority	DES Response	Evidence	Status
5.1	Immediately claim all reimbursement-eligible expenditures (Grants Division, DES). If needed, seek help from Controller's Office through work order positions.	1	On-going.	While DES provided information related to the rate of expenditures, DES did not provide documentation regarding how quickly claims for reimbursement are currently submitted on an on-going basis. However, the Controller's Office provided 2,536 hours of assistance with 3 FTEs from November of 2006 through February of 2007 to assist with such claim reimbursements. With the 2006 grant funds, DES intends to institute a new method in which each City department is not allocated funds upfront, but rather, must claim funds by providing the appropriate documentation to DES. 2
5.2	Develop and follow clear grant financial policies and procedures to ensure expedited reimbursement. Claim reimbursement-eligible expenditures as frequently as possible (Grants Division, DES).	1	On-going.	While DES has implemented a new system in FAMIS to facilitate the claiming process, the Board of Supervisors should continue to be concerned with claims reimbursements since DES has yet to demonstrate an increased rate of reimbursement requests relative to actual expenditures incurred. 1
5.3	Implement policies and procedures for claiming advanced reimbursement.	2	Disagree.	DES explored this possibility and stated that it is not cost-effective to implement this recommendation. The Budget Analyst included this recommendation due to the significant delays by DES to claim reimbursements. If DES demonstrates continuous, expeditious claims reimbursement practices in accordance with recommendation 5.2, recommendation 5.3 can be modified. x
5.4	Develop and distribute clear financial policies and procedures for City Departments to use in tracking homeland security grants activity to ensure the City maximizes the amount of possible reimbursements to the General Fund (Grants Division, DES).	1	On-going.	On June 15, 2006 DES held a fiscal management workshop to explain grant requirement, expenditure and reimbursement procedures to City department representatives and financial staff. Written grant management guidelines and standardized forms for preparation of the required monthly reports were distributed, with follow-up discussions, emails, and phone calls with DES's grants management staff. 3
5.5	Claim overtime costs associated Yellow and Orange Alert heightened security measures (Grants Division, DES).	1	On-going.	As of January 24, 2007, DES claimed \$425,574 in overtime costs associated with Orange Alert heightened security. Going forward, DES should continue to seek opportunities to claim such reimbursement to minimize General Fund impact. 3
5.6	Develop improved internal controls to document what expenditure requests City departments have made and what requests have been accepted and rejected (Grants Division, DES).	2	On-going.	In addition to explaining grant guidelines, expenditure requirements and written forms to City representatives at the June 15, 2006 workshop, the Homeland Security Task Force reviews and prioritizes department requests, in concert with the grant application process and award. 3

BA No.	Recommendation (Accountable Party)	Priority	DES Response	Evidence	Status
6.1	Maintain up-to-date master list of completed and planned emergency plans (DES).	1	On-going.	List is 93 percent accurate.	3
6.2	Ensure plans are easy to identify and locate (DES).	2	On-going.	Plans are color-coded by plan type and alphabetized within plan type.	4
6.3	Ensure EOP 1 is consistent with Dept. Emergency Operational Plans and that EOP 1 and 2 are consistent (DES).	2	In progress.	URS consulting firm is currently working with DES and relevant stakeholders to review and ultimately revise the City's EOPs. DES plans to provide City departments with self-assessment checklists to insure that Dept Emergency Operational Plans are consistent with revised City EOPs.	1
6.4	Modify functional and hazard-specific plans so they are San Francisco-specific (DES & City Depts.).	3	To be completed.	Priority 3 recommendation should begin implementation in May of 2007.	0
6.5	Modify Dept. Emergency Operational Plan Guidance to require City departments to address business continuity (DES).	3	Complete.	Dept. Emergency Plan Guidance Section 3 asks City departments to plan for continuity of operations.	4
6.6	Review Dept. Emergency Operational Plans to ensure they conform to Dept. Emergency Operational Plan Guidance (DES).	3	On-going.	Self-assessment document for Dept. Emergency Plans distributed at July 27, 2006 Departmental Preparedness Coordinators meeting. DES will review self-assessment to determine where Depts. need assistance.	2
6.7	Determine which Depts. should have a Dept. Emergency Operational Plan (Disaster Council).	3	Complete.	DES requested that each Disaster Preparedness Coordinator submit updated Dept. Emergency Operations Plans by March of 2007.	4
6.8	Direct all entities to write a Dept Emergency Operational Plan and to update it every two years (Mayor).	2	Complete.	Mayoral directive recommendation 2.3 issued in May of 2006 directed all City departments to update their Departmental Emergency Plan every two years, beginning March of 2007.	4
6.9	Remind Depts. to update their functional and hazard-specific plans (DES).	3	To be completed.	Priority 3 recommendation should begin implementation in May of 2007.	0
6.10	Report on Status of Dept. Emergency Operational, functional, and hazard-specific plans at Board of Supervisors annual Disaster Preparedness Hearing (DES).	1	In progress.	Mayoral directive recommendation 5.2 issued in May of 2006 directs DES to make an annual presentation to the Mayor and the Board of Supervisors on the status of emergency planning in San Francisco. The hearing was requested in April of 2006, but never calendar (File 06-0504).	1

BA No. Recommendation (Accountable Party)	Priority	DES Response Evidence	Status
6.11 Enhance Community Disaster Plan Supervisorial District Five Plan by adding district-specific risk assessment and description of current community emergency preparedness activities (DES).	2	In progress. District 5 plan has been substantially revised and is now an operational document. However, the Plan still does not include district-specific risk assessment or description of current preparedness activities. DES, DPH and other stakeholders are currently working with Public Consulting Group to provide a template for community disaster planning, which will identify volunteer and community based organizations, public health clinics and NERT resources that can be applied to each neighborhood and be sustainable.	2
6.12 Extend community disaster planning to all Districts (DES).	2	In progress. DES, in consultation with the DPH and other stakeholders, is working with Public Consulting Group to develop an implementation template that can be used to continue community disaster planning throughout the City.	2

BA No. Recommendation (Accountable Party)	Priority	DES Response	Evidence	Status
7.1 Develop comprehensive approach to mitigation (DES, DBI, DPW, Planning, CAO).	1	In progress.	On December 15, 2006, the CAO/DES convened a Task Force on Updating Seismic Safety Standards and Updating the Community Safety Element of the City's Master Plan. The updated Community Safety Element will provide policies to address hazard reduction and to mitigate impacts on both existing and new development. The Plan is expected in March of 2007.	2
7.2 Write a mitigation plan that includes hazard identification, risk assessment, and impact analysis (DES & City Depts.).	2	In progress.	See above.	1
7.3 Develop priorities and identify which risks and impacts the City should prepare for first (DES & City Depts.).	3	In progress.	See above.	1
7.4 Create and implement an action plan for mitigating against identified impacts (DES & City Depts.).	3	In progress.	See above.	1

BA No. Recommendation (Accountable Party)	Priority	DES Response	Evidence	Status
8.1 Develop performance measures that measure the City's response capabilities (DES).	1	Partially Disagree.	DES developed over 30 performance measures to assess four goals for the City's preparedness. However, because DES does not have authority to directly implement these performance measures within individual City departments, DES advises they cannot be held accountable for achieving performance.	x
8.2 Modernize and expand Emergency Operations Center (DES).	2	In progress.	Emergency Operations Center renovation construction budget is \$2,665,000 with an estimated completion date of December of 2007. DES is currently in the architectural/engineering phase of the project.	2
8.3 By August 1, 2006, conduct walk-through of 1011 Turk Street to determine feasibility of reconfiguring the space to accommodate both a modernized, expanded Emergency Operations Center and DES (DES, ECD, Real Estate, Budget Analyst's Office).	1	Complete.	Although the Budget Analyst was not included in the walk-through, CAO and DPW performed walk-through and determined that reconfiguring the space was not feasible.	4
8.4 Assess seismic safety of Department Emergency Operations Center (DES).	3	To be completed.	DES requested that City departments identify the seismic safety concerns at each Department Emergency Operations Center. However, grant funds are generally not available for construction or seismic upgrades, and DES does not have the required staff expertise. Therefore, DES plans to work with DBI to assess the seismic safety of Department DOCs.	1
8.5 Equip Department Emergency Operations Center with emergency supplies to meet the City's 72-hour preparedness standard (DES).	3	Disagree.	DES advises that compliance with this recommendation is not possible because supplies, such as food and water are ineligible grant expenses. Therefore, each City department must meet the City's 72-hour preparedness standard thru their own departmental continuity planning. DES's Logistics Group will work on this issue through the City's Emergency Operations Center.	x

BA No. Recommendation (Accountable Party)	Priority	DES Response	Evidence	Status
9.1 Develop plans to mobilize City depts. for Phase II recovery of critical infrastructure and services (DES).	1	In progress.	On December 15, 2006, CAO/DES convened a Task Force on Updating Seismic Safety Standards and Updating the Community Safety Element of the City's Master Plan. The updated Community Safety Element is intended to provide guidelines for rebuilding the City. DES plans to hire a contractor to write a recovery plan.	1
9.2 Produce Phase II Recovery Annex for Phase II recovery (DES).	2	In progress.	See above.	1
9.3 Decide which Dept Should lead Phase III recovery (Disaster Council). The designated Dept. should establish an inter-departmental group to develop a Recovery Plan, guide long-term recovery, and manage and coordinate reconstruction activities (Designated Dept.)	2	In progress.	See above.	1

BA No. Recommendation (Accountable Party)	Priority	DES Response	Evidence	Status
10.1 Complete training plan (DES).	1	Complete.	Prepared document entitled "Required Training", which identifies the training that is required for specific City departments, representatives and elected officials.	4
10.2 Evaluate needs and develop training for support Depts. and elected officials. Organize specific training for elected officials (DES).	1	On-going.	Document entitled "Required Training" identifies training needed by support departments and elected officials. Organized San Francisco Executive Emergency Management Training Seminar on October 20, 2006, which included elected officials and City department heads. Organized CSTI course beginning in May of 2006 and continuing through December of 2006, including DEM, DPH, 311, DPW, DTIS, SFFD, GSA, HSA, ME, MTA, SFPD, PUC, and SFSD. Organized incident management training for City department representatives to the EOC in October of 2006, February 5 - 9, 2007, and March of 2007 including DPW, DEM, Port, SFFD, Controller, SFSD, HSA, ME, GSA, DEC, PUC and DPH.	4
10.3 Develop performance measures that evaluate emergency responders' response capabilities, including pre- and post-testing (DES).	1	Partially Disagree	DES has included performance measures as part of the strategic planning process. DES indicates that training and exercise strategies are being realigned to train-test-adjust as the training and exercise program evolves. However, DES also indicates that DES cannot be held accountable for other emergency responders' performance capabilities.	x

BA No. Recommendation (Accountable Party)	Priority	DES Response	Evidence	Status
11.1 Exercise the capabilities of the Mayor, Board of Supervisors, and Policy Group (DES).	2	On-going	October 20, 2006 San Francisco Executive Emergency Management Training Seminar included exercise for Policy Group. More training for this target group is planned. The Bay Area region also has training scheduled for April 26, 2007 for public officials.	4
11.2 Design exercises that test response functions in isolation, not as part of a response to a scenario (DES).	3	On-going	February of 2007 Disaster Forum tested responders ability to use radios and satellite telephones.	3
11.3 Conduct training and test equipment prior to exercises (DES).	3	On-going	January 19, 2006, August 17, 2006 and October 19, 2006 tabletops exercised skills that were used in Golden Guardian regional exercise.	3
11.4 Prepare an After Action Report (AAR) and Corrective Action Report following each tabletop, function, and full-scale exercise, within required guidelines (DES).	1	On-going	AAR for April 19, 2006 earthquake exercise was complete by deadline. AAR for October of 2006 tabletop was completed by deadline.	3
11.5 Distribute synopsis following informal exercises (DES).	1	On-going	DES's policy is to prepare a synopsis summarizing each tabletop exercise. Synopsis were distributed after the August 17, 2006 communications tabletop exercise, the September 21, 2006 EOC operations tabletop exercise and the October 19, 2006 tabletop exercise.	3
11.6 Following an identified need for corrective action, report back on progress in a public forum (Depts.).	1	In-progress	DES is responsible for evaluating emergency responses, providing feedback and monitoring corrective action. DES is asking City departments to report back their progress on corrective actions during Disaster Preparedness Coordinator meetings. DES followup on such corrective action reports may also be necessary.	1
11.7 Create performance measures for improvement on exercises (DES).	1	Disagree.	DES believes that individual City departments are accountable for creating and measuring their own response capability. Therefore, DES believes their role should be to support City departments in this endeavor.	x

BA No. Recommendation (Accountable Party)	Priority	DES Response	Evidence	Status
12.1 Establish and implement procedures to identify all emergency-related equipment resources available in the City and to reconcile existing equipment inventory lists (DES).	3	In-progress.	DES indicates that they maintain an accurate, up-to-date list of all emergency equipment purchased with grant funds. However, this list was reviewed as part of the audit and there were serious questions regarding the completeness of this list. DES also provided an equipment inventory produced through recent site visits and physical inspections at various City departments, which DES states is comprehensive. Given that it is not the highest priority, DES does not maintain a list of all equipment that may be needed in an emergency. These existing lists have not been reconciled.	1
12.2 Update the City's equipment priority list to identify what equipment needs have been met, prioritize the remaining needs, and reconcile the equipment list based on the City's needs (DES).	3	In-progress.	DES agrees that there is a lot of work for their Logistics Group to undertake, including resource typing of heavy equipment which is in progress and FEMA resource typing of all safety equipment and personnel. However, a prioritized list of the equipment needs of the City, relative to the existing available equipment in the City and region has not yet been undertaken.	1
12.3 Maintain and regularly update a list of all emergency-related equipment available in the City and provide the list to City departments (DES).	3	In-progress.	The identification of equipment and supplies that could be used by all City departments to create a consistent, up-to-date and practical inventory, while not a high priority for DES, will be pursued, potentially with a consultant's assistance. DES advises they have scheduled a technical assistance meeting in May of 2007.	1

BA No. Recommendation (Accountable Party)	Priority	DES Response	Evidence	Status
13.1 Develop detailed staffing plans (DES).	3	In progress.	DES provided initial staff plan with identified funding. However, plan will be subject to significant change during FY 2007-2008 budget with extension of grant funds. Staffing analysis and plan to be part of Strategic Plan and identified priorities for City, not anticipated to be completed until end of November of 2007.	1
13.2 Evaluate use of part-time personnel (DES).	3	Complete.	DES did evaluate and no longer uses part-time personnel. However, one employee works six months as a full-time employee and six months as full-time consultant.	4
13.3 Request work order accounting positions from the Controller's Office (DES).	1	Complete.	Controller staff worked 2,536 hours from July of 2006 to February of 2009 to assist DES in grant funding and reimbursements.	4
13.4 Reorganize Grants Division to reduce the number of managers in the Division (DES).	2	In progress.	Although DES's organization chart shows no changes in staffing in the Grants Section, DES advises the one Manager V position has been downgraded to a Manager IV position. In addition, there are three Manager IIIs positions. DES advises one Manager III position will be eliminated and two Manager III positions will be downgraded to Manager II positions, effective July 1, 2007.	1
13.5 Eliminate the Office of Emergency Services Executive Director position.	3	Complete.	On December 4, 2006, the Board of Supervisors eliminated funding effective January 1, 2007 for the Director's position (File 06-1585).	4
13.6 Establish specific policies and guidelines regarding the amount of time City employees may spend on training activities while still receiving full pay (DHR)	3	Disagree	The Department of Human Resources (DHR) responded that each City department's training requirements will vary significantly, given the diversity of operations, businesses and job classifications throughout the City. DHR advises that it would therefore be extremely difficult, if not impossible, to set a maximum number of hours a City employee may attend training or other professional development activities. DHR continues to support their existing policy that training hours be managed by each City department, at the discretion of the Appointing Officer in that department, based on the department's needs and operations.	x

Gavin Newsom
Mayor



Laura Phillips
Executive Director

Attachment II
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Ms. Debra Newman
Office of the Budget Analyst
1390 Market Street Suite 1025
San Francisco, CA 94102

April 19, 2007

RE: Response to the Draft Board of Supervisor's Budget Analyst Report of April 2007- Status of Implementation of Recommendations

Introduction

We were happy to receive the most recent report from the Budget Analyst regarding the status of many of the items recommended by their office in their May 6, 2006 Management Audit. We have been working diligently to complete many of the thoughtful recommendations as reported by the Budget Analyst's office, and, as noted in their report, according to their analysis we have completed, substantially completed or significantly made progress on a total of 40 recommendations (or 88%) of the 65 recommendations with which we agreed, despite significant staff reductions. (There were seven recommendations we did not agree with). In addition, we have demonstrated we are in the planning stages for another 23 recommendations.

This process has been very helpful to our office and we have taken the recommendations very seriously. When the report was completed in May of 2006, we had a total of 23 FTE positions filled. We currently have a total of 17 FTE positions filled. While this loss of personnel, in combination with other factors, contributed to the delay in the Strategic Plan process, we are confident in the progress made to date by our vendor. The active participation and commitment in the development of this plan will require a great deal of time and effort on the part of our staff as well as members of other City department.

Since the Strategic Plan will not be completed in time to influence this budget submission, we are currently in the process of working with the Mayor's Budget staff to identify the number of positions sufficient to both complete the BOS audit recommendations and the substantial work required in several key areas related to the preparedness, mitigation of disasters, effective logistical management and recovery in the FY 2007/2008 budget.

Other Significant Areas of Implementation

It is important to note our progress and to realize that while working on the recommendations made by the Budget Analyst, we were also working on additional critical activities towards mitigation, preparedness and recovery planning that were not mentioned in the report, but are essential to insuring the effectiveness of this office. Some initiatives in progress include: The Disaster Services Worker program in collaboration with DHR; becoming a Tsunami Ready City; continued work on development of a logistics planning roadmap including the use of Plan Ready tracking; participation in the SUASI process for the Bay Area; Community Disaster Planning in collaboration with DPH; development of alerting and emergency notification protocols; continued public outreach and education; Department Emergency Plans review; revision of the City Emergency Operations Plan; development and presentation of relevant workshops on subjects such as Operation Return, Caring for Special Needs Populations; Pet and Animal Issues, etc.; coordination with renovation of the City Emergency Operations Center; continued NIMS and ICS compliance training; coordination of the Disaster Council, Disaster Preparedness

Coordinators, Homeland Security Steering Task Force and Homeland Security Executive Committee meetings; and others.

Other initiatives in various stages of development are: PIO training for emergencies; more organized and robust collaboration with the business community; liaison and training for schools; liaison with colleges and universities; development of agreements with taxis, bicycle messengers and other private transportation entities for disaster response in coordination with a comprehensive volunteer management program; recovery efforts in coordination with the recently drafted Community Safety Element plan; and others.

Following you will find some observations regarding noted areas of concern and areas of disagreement that our office makes to contribute to the context of your narratives and offers our perspective on each item.

Areas of Continued Concern

Recommendation 3.1: Senior Management of the Division of Emergency Services should conduct a robust strategic planning process. This process should include appropriate stakeholders, such as the Mayor and the members of the Board of Supervisors, leaders of City Departments, and private and non-profit organizations. The Division of Emergency Services should utilize any resources produced by previous administrations in carrying out this process. The strategic plan should address and prioritize planning, response, mitigation, and recovery activities based on the risk and capabilities assessment, as well as organizational goals and capacity. The Office of Emergency Services should review plans for other jurisdictions to help guide this process.

Recommendation 3.2: Senior management of the Division of Emergency Services should move forward with a thorough assessment of the City's emergency services capabilities. The Division of Emergency Services should use the identified gaps in capabilities to help prioritize efforts, such as training, within the strategic plan.

Our department, as recommended by the Budget Analyst's report, embraced the Strategic Planning process, and the process began in late September of 2006. As you remember, the department received a new director and deputy director in July 2006 and, once we had time to transition into our new positions, we began to work on this project in earnest. This transition was complicated by the reduction of a staff position that was assigned to SUASI chair/management activities. The reduction of this position moved all responsibilities for regional coordination management (not just meeting attendance) to one Executive Director during the height of the 2006 SUASI award process and beginning of the 2007 grant application process. This coupled with the additional supporting staff reductions placed huge demands on staff within a short period of time required to fulfill the recommendations and aggressively drive the labor intensive and complex San Francisco procurement processes. Realizing that the Strategic Planning process is the most significant undertaking of this department since 1989- we have placed the highest priority and value on the product. We know that it will define our mission and future of our City. We want to make sure that we get it right. One of the underlying themes of the original report was the identification of problems in communicating and working with other City departments. My office worked to ensure the participation of the main stakeholder departments in the review of the RFP and in the eventual selection process that resulted in ICF as our vendor. The end result is especially beneficial in a project of this magnitude where stakeholder buy-in and participation is essential. On the other hand, this type of concentrated collaboration entails a significant output of time and resources to organize the vendor presentations on dates when all reviewers can attend. We narrowed it down to three vendors in October and requested an additional presentation from those three that occurred in early December, at which time we selected ICF as our contractor. Once selected, we began the required process to finalize the contract. This included: a review and approval by the Civil Service Commission; development of the actual contract; review of the contract by the vendor and subsequent negotiations; review by the City's risk manager; review by the City Attorney; final approval of the contract; collection and approval of the required Human Rights and insurance documents; signatures from ICF; signatures from DEM; and final approval from OCA. We are happy to report that ICF has been working with our office since March and is engaged in a

preliminary comparative analysis with other emergency management agencies in large cities with similar demographics. Additionally, we have scheduled an all day major kick-off meeting with City departments and other stakeholder agencies for April 24, 2007.

Recommendation 3.3: Senior management of the Division of Emergency Services should establish appropriate performance measures. The Division of Emergency Services should seek help in this effort from the Controller's Office, as appropriate, as the City's lead agency for performance measure development. The Division of Emergency Services should use any existing tools, such as After Action Reports, as a foundation for these measures.

Recommendation 3.4: The Division of Emergency Services should participate in the SFstat process. As part of its participation, the Division of Emergency Services should establish performance measures to help hold other City Departments accountable for carrying out emergency preparedness activities.

We have developed a number of performance measures that we provided to the Controller's Office for consideration. At this point, our performance measures are related to our department, not to other departments. The original Budget Analyst report recommended that we be responsible for the performance of other City departments as it relates to disaster preparedness. While we do regularly discuss issues with those departments, we believe the department heads need to be engaged and accountable in this process. As noted in the current Budget Analyst report, we will be working very closely with other City departments on the Strategic Plan and one of the outcomes we hope to achieve, in collaboration with those City departments, are specific performance measures, that are outcome oriented, and that are specific by department to disaster preparedness.

As also noted in the Budget Analyst report, we have been invited to participate in the SFStat program and will do our best to provide information that is meaningful and truly measures our performance. We believe that this will become fully achievable when we complete the strategic plan process and adopt recommendations, along with other City departments

Recommendation 5.2: The Grants Division of the Office of Emergency Services should develop and follow clear financial policies and procedures to ensure expedited grant reimbursement for future expenditures. In doing so, the Grants Division of the Office of Emergency Services should claim reimbursement-eligible expenditures as frequently as possible, but at least more frequently than on a quarterly basis.

In June of 2006, as a result of this recommendation, our grants staff held a workshop and presented clear financial guidelines to the various departments that were receiving grant funding. We followed up with regular meetings and correspondence with department financial staff. These clear guidelines and the enhanced communication allowed us to work with the departments to insure that all required documentation was submitted to us so we could, in turn insure that all grants were fully expended and that all reimbursements were submitted to the State within proper time periods. Additionally, in October of 2006, we implemented corresponding project areas in FAMIS to assist us in more expeditious reconciliation of grants issued in 2005 and 2006.

As recognized in the Budget Analyst's report, in 2006 when we were managing nine grants, we submitted a total of 47 claims requesting and receiving reimbursement for a total of over 39 million dollars. For the first quarter of 2007 we have submitted 15 claims for reimbursement. Once departments have submitted all required documents, each reimbursement request takes approximately 40 hours to complete. We currently have three people assigned to our grants management staff and one person on loan from the Controller's office. At times, we have had additional staff from the Controller's office to assist us. Each of the reimbursement requests involves detailed reconciliation and tracking. To put the amount of work and the efficiency of that work into context, we need to recognize that reimbursement claims represent only a portion of work that is required in order to apply for, receive, organize, and process the grants. This does not even begin to account for the additional required reporting; monitoring visits and reports as well as audits.

With the award of the 2006 Homeland Security grants, we will not be providing advanced funding to individual departments as was previously the case. Instead we will be asking departments to follow clear financial guidelines to insure their reimbursement. The ability for us to claim reimbursement from the State more frequently will continue to be dependent upon the various departments' timely submission of required, complete documentation and adherence to those guidelines as well as the availability grant management staff. We will continue to work closely with departments to insure that we can all be successful together. We will be presenting workshops in early May to departments' financial staff to provide them with clear financial guidelines for the 2006 grants and introduce them to this change in procedure. In addition, we will continue to engage in the close contact and coordination that we have previously established.

While some of the grants have diminished in amount, we expect we will be tasked with new duties including administration of the Port Security Grant, assistance with the administration of the SUASI grants and expected involvement with the Public Safety Interoperable grant, of a substantial amount, for the regional radio project for the Bay Area SUASI.

Recommendation 6.10: The Division of Emergency Services should report on the status of functional, hazard-specific and City Department Emergency Plans during the annual Board of Supervisors State of the City's Disaster Preparedness Hearing.

Our office will be pleased to participate in this hearing whenever it is scheduled.

Recommendation 9.1: As required by the Mayor's January 9, 2004 *Directive for Emergency Preparedness*, the Division of Emergency Services should develop plans to mobilize key City departments such as Public Health, Human Services and Building Inspection for Phase II recovery of critical infrastructure and services.

We will be concentrating more on these issues in the next six months. We will be reviewing the strategy developed in the Community Safety Element Plan and working to incorporate it into our recovery plans. We anticipate hiring a contractor to work on Seismic Safety as well as Recovery in the next few months. In addition, the grant application for 2007 State Grant funding includes guidelines that will allow seismic safety evaluations and we will be seeking funding along those lines.

Recommendation 11.6: Following corrective action, City Departments tasked with making improvements should report back on their progress in a public forum so that all Departments can be aware of changes and improvements Citywide.

As noted in your report, this is occurring during the bi-monthly Disaster Preparedness Coordinators meetings. Our goal is to encourage improvement so besides using this formal, public method we first attempt to work with the appropriate department representatives.

Areas of Disagreement

Recommendation 1.3: The Disaster Council should review each City emergency plan, annex, mutual-aid agreement, or report and should determine which plan, annexes, agreements, and reports to forward to the Board of Supervisors for public hearing and implementation.

We do not believe that this recommendation represents a serious area of disagreement. While the letter of the law may make the process of the development and implementation of plans through the Disaster Council inefficient and cumbersome, the intent is being met through the Disaster Preparedness Coordinators and other department representatives of members of the Disaster Council attending regular meetings with our office and developing and

implementing emergency plans. A review of section 7.4 of the Administrative Code does not call for the Disaster Council to review each City emergency plan, annex or report. It does call for the Disaster Council to develop plans and to then recommend for consideration and adoption by the Board of Supervisors such ordinances, resolutions and regulations necessary to implement such plans. The implementation of most plans does not require the use of ordinances, resolutions and/or regulations. That being said, we recognize that our office has been inconsistent in the use of the Disaster Council and has generally used the meetings as a forum to share information. We will be forming a task force in June, which will include a member of the City Attorney's office to explore whether or not we can insure compliance without compromising effectiveness or if and how to revise the Administrative Code to insure that the intent of the legislation remains while the execution or description of how that is achieved is adjusted to make the process more efficient and practical. The Homeland Security Executive Steering Committee will review the recommendation that comes out of the task force and, if a revision of the Administrative Code is recommended, will determine whether or not to go forward with proposed legislation.

Recommendation 5.3: The Grants Division of the Office of Emergency Services should implement policies and procedures for claiming advanced reimbursement on encumbered funds as appropriate.

We have reviewed the feasibility of this recommendation and do not agree that it is feasible at this time. We believe the situation has been accurately discussed in the Budget Analyst's report and that this recommendation should be modified.

Recommendation 8.5: The Division of Emergency Services should equip all Department Emergency Operations Centers with the emergency supplies necessary to meet the City's 72-hour personal preparedness standard. In doing so, the Division of Emergency Services should have a plan for care and shelter of response personnel that, at a minimum, meets the City's 72-hour personal preparedness standard.

Our department recognizes this issue as a main concern of the Logistics group, however as noted in the Budget Analyst's report, we do not have the resources to provide each department with these supplies. We have scheduled a team of logistics experts during the week of May 21st to meet with the logistic representatives from City departments to assess our logistics situation, including the one contained in this recommendation, and work with our stake holder departments to develop a concept of operations.

Recommendation 8.1: The Division of Emergency Services should work with City departments to develop outcome oriented performance measures that will measure City departments' abilities to implement response protocols.

Recommendation 10.3: The Division of Emergency Services should develop performance measures that evaluate emergency responders' ability to perform Federal target capabilities and identified local capabilities and should pre- and post-test training participants.

Recommendation 11.7: The Division of Emergency Services should develop a system, such as performance measures, for making City departments accountable for improvement. To increase accountability, the Division of Emergency Services should report on these performance measures during the annual Board of Supervisors State of Disaster Preparedness hearing.

The above three recommendations, along with the following three recommendations identified as areas of concern in your report, are all connected to the development and implementation of the Strategic Plan.

- Recommendation 3.1 Development of a Strategic Plan,
- Recommendation 3.3 Establishment of Appropriate Performance Measures, and,
- Recommendation 3.4 Participation in SFStat

The above three recommendations, along with the following three recommendations identified as areas of concern in your report, are all connected to the development and implementation of the Strategic Plan.


- Recommendation 3.1 Development of a Strategic Plan,
- Recommendation 3.3 Establishment of Appropriate Performance Measures, and,
- Recommendation 3.4 Participation in SFStat

We do not disagree that there needs to be an ability to evaluate and measure the performance of departments engaged in disaster planning and response, but we do believe that using the strategic plan to coordinate this process among City departments will result in a much better product and provide a system of accountability meets the intent of the recommendations 3.3, 3.4, 8.1, 10.3 and 11.7. We also recognize our duty to work closely with departments to achieve this goal.

Conclusion

We appreciate the time that you and members of your office spent with our staff in reviewing our current performance. We also appreciate your recognition that the efficiency, economy and effectiveness of the Division of Emergency Services has greatly improved since the completion of the Management Audit. Our staff continues to take your recommendations very seriously and is dedicated to providing the best product possible for the City and County of San Francisco.

Sincerely,



Laura Phillips
Executive Director