

Hurricane Katrina: Bechtel's Emergency Relief Work For FEMA

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In an effort described by FEMA officials as "a remarkable success," Bechtel has been working in Mississippi since early September to house families displaced by Hurricane Katrina. Bechtel's work, FEMA officials state, is helping provide temporary housing at a rate "faster than at any time in FEMA's history."

Accomplishments (as of Wednesday, January 4, 2006)

- Bechtel has made 30,235 temporary housing units ready for occupancy.
- According to FEMA, over 28,464 temporary housing units are occupied in Mississippi, providing shelter to over 76,800 people.

August 29	Hurricane Katrina hits the Gulf Coast. FEMA contacts Bechtel for assistance.
September 2	Bechtel mobilizes its first personnel on the ground in the Gulf states
September 8	First mobile housing units installed
January 1	Milestone: 75,000 people housed

Contracting and employment

Bechtel's work on FEMA's disaster relief effort is employing over 2,600 people, mostly from Mississippi and other Gulf states. With help from local construction industry groups, we are identifying and using as many local suppliers and contractors as possible. Bechtel is also making every effort to use the services of women- and minority-owned firms.

- 46 percent of Bechtel's subcontracts have been awarded to firms in Mississippi and 63 percent to firms in the Gulf region.
- 80 percent of Bechtel's subcontracts have been awarded to small businesses.
- We encourage local contractors and suppliers to register at the Bechtel supplier/contractor site (<http://supplier.bechtel.com>). It lists some of the equipment we may need, and offers instructions on how to complete registration in our database.
- Individuals seeking non-manual employment with Bechtel should express their interest by visiting <http://www.bechtel.com/careers/>. Individuals interested in manual (craft) employment should call 1-800-644-7244.

Current roles and responsibilities

FEMA works with the public to assess individual needs, determine eligibility, and establish priorities among those eligible. FEMA and local officials provide Bechtel with updated priority lists by county, and identify candidate housing site locations.

Private site assessment. Working from FEMA's list of individual housing needs, Bechtel assesses the proposed private sites for suitability and makes utility improvements necessary to connect trailers to power, water, and sanitation.

Group site assessment. Group sites vary from parking lots, parks, and campgrounds for short-term housing to newly-developed mobile home parks for longer-term housing. Bechtel visits and assesses proposed sites and forwards information for promising sites to FEMA and the U.S. Army Corps of Engineers for environmental review to determine suitability. Approved sites are processed by FEMA to obtain land leasing from the landowner. Bechtel designs and builds site systems including sewer, water

distribution, drainage, erosion control, electricity, and pad and road details. After site plans are approved by FEMA and local building officials, Bechtel performs site improvements and utility construction.

Hauling and installing. Once utilities and other preparations are readied at private and group sites, Bechtel hauls, hooks up, and inspects each trailer using subcontractors and local craft labor. Bechtel also confirms that the installed trailers' systems function properly and meet building codes, and informs FEMA when units are ready for occupancy.

Occupancy. FEMA contacts eligible individuals to complete their occupancy agreements, orient them to their trailers, and hand over their keys.

Maintenance. Bechtel then arranges trailer maintenance services and provides a toll-free number for occupants to report maintenance problems.

Meeting federal rules and regulations

Bechtel's compliance with federal rules and procedures on the FEMA project is subject to audit by the Defense Contract Audit Agency (DCAA) as well as FEMA's Inspector General and the Government Accountability Office.

Bechtel currently hosts full-time DCAA auditors in our home office to facilitate oversight of our government work. Every year they audit selected projects, overhead charges, and other functions such as procurement, travel, or government billing processes. The results of these audits are transmitted to all our government customers.

As a precautionary initiative, Bechtel has already begun an internal audit of our startup work for FEMA. Although not required to do so, Bechtel provides copies of its internal audit reports on government work to DCAA for review to facilitate their work and ensure the greatest possible transparency.

Bechtel provides compliance training on the FEMA project for all employees and subcontractor personnel working in support roles. This training covers issues such as labor charging, allowable and unallowable costs, truth in negotiations, gifts and gratuities regulations, product substitution, revolving door restrictions, and drug-free workplace rules.

Humanitarian contributions

- Bechtel and our employees have made more than \$1.3 million in contributions to the American Red Cross.
- Bechtel will also contribute profits from our initial relief work for the benefit of victims of this natural disaster.

Bechtel's experience

Bechtel was selected to perform this work based on our extensive experience in emergency response and restoration work, including:

- rescue and recovery at the World Trade Center in New York after 9/11
- building Kosovar refugee camps in Albania
- civil reconstruction work in Iraq
- extinguishing oil fires in Kuwait
- safety assessments after major earthquakes in San Francisco, Taiwan, and Turkey.

FEMA was familiar with Bechtel's established record based on a detailed outline of credentials that we submitted to the agency prior to the Katrina disaster.