



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

October 26, 2022
Single Audit Management Report

Stephen McCraney, Executive Director
Mississippi Emergency Management Agency
P.O. Box 5644
Pearl, MS 39288

Dear Mr. McCraney:

Enclosed for your review is the single audit findings for the Mississippi Emergency Management Agency for Fiscal Year 2021. In these findings, the Auditor's Office recommends the Mississippi Emergency Management Agency:

Single Audit Findings

1. Strengthen Controls to Ensure Compliance with Allowable Costs and Activities Allowed Requirements for Coronavirus Relief Funds.
2. Strengthen Controls to Ensure Terms and Conditions are stated in Subrecipient Subaward Documents.
3. Strengthen Controls to Ensure Compliance with Subrecipient Monitoring Requirements.

Please review the recommendations and submit a plan to implement them by November 2, 2022. The enclosed findings contain more information about our recommendations.

During future engagements, we may review the findings in this management report to ensure procedures have been initiated to address these findings.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance on each major federal program and the results of that testing based on the requirements of *Office of Management and Budget's Uniform Guidance*. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

I hope you find our recommendations enable the Mississippi Emergency Management Agency to carry out its mission more efficiently. I appreciate the cooperation and courtesy extended by the officials and employees of the Mississippi Emergency Management Agency. If you have any questions or need more information, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "Stephanie C. Palmertree".

Stephanie C. Palmertree, CPA, CGMA
Deputy State Auditor
Office of the State Auditor
Enclosures

SINGLE AUDIT FINDINGS

In conjunction with our audit of federal assistance received by the State of Mississippi, the Office of the State Auditor has completed its audit of the State's major federal programs administered by the Mississippi Emergency Management Agency the year ended June 30, 2021.

Our procedures and tests cannot and do not provide absolute assurance that all federal legal requirements have been met. In accordance with *Section 7-7-211, Mississippi Code Annotated (1972)*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

Report on Compliance for Each Major Federal Program

We have audited the Mississippi Emergency Management Agency's compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Uniform Guidance Compliance Supplement* that could have a direct and material effect on the federal programs selected for audit that are administered by the Mississippi Emergency Management Agency for the year ended June 30, 2021.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the State of Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and *Uniform Guidance* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Mississippi Emergency Management Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. However, our audit does not provide a legal determination of the Mississippi Emergency Management Agency's compliance.

Results of Compliance Audit Procedures

The results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with *Uniform Guidance* and which are identified in this letter as items **2021-046**, **2021-047** and **2021-048**.

Internal Control over Compliance

Management of the Mississippi Emergency Management Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Mississippi Emergency Management Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal controls over compliance in accordance with *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mississippi Department of Transportation's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal controls, described in the accompanying schedule of findings and questioned costs as items **2021-046**, **2021-047**, and **2021-048** that we consider to be material weaknesses.

Findings and Recommendations

ALLOWABLE COSTS

Material Weakness

Material Noncompliance

2021-046 Strengthen Controls to Ensure Compliance with Allowable Costs and Activities Allowed Requirements for Coronavirus Relief Funds.

ALN Number 21.019

Federal Award No. N/A

Federal Agency Department of Treasury

Pass-through Entity Department of Finance and Administration – Prime Recipient

Questioned Costs \$2,878,402

Criteria Per the *Federal Register* / Vol. 86, No. 10, “As with all uses of payments from the Fund, the use of payments to acquire or improve property is limited to that which is necessary due to the COVID-19 public health emergency. In the context of acquisitions of real estate and acquisitions of equipment, this means that the acquisition itself must be necessary. In particular, a government must (i) determine that it is not able to meet the need arising from the public health emergency in a cost-effective manner by leasing property or equipment or by improving property already owned and (ii) maintain documentation to support this determination.”

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), provides that payments from Coronavirus Relief Funds (CRF) may only be used to cover costs that are: 1) necessary expenditures incurred due to the public health emergency with respect to COVID-19; 2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and 3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020 (later amended to 12/31/2021).

Condition	<p>Mississippi Emergency Management Agency (MEMA) incurred costs to purchase and refurbish a building using CRF monies. The stated purpose of the building was store personal protective equipment (PPE) to allow for better distribution throughout the State of Mississippi. However, during testing, auditors noted that PPE storage only utilized a portion of the 8,800 square feet of the building, which sits on 16 acres of land. A press release issued by MEMA on September 23, 2020 states that while the building, known as the State Emergency Logistical Operations Center (SELOC), "... will be an immense asset to the state's COVID-19 response, MEMA's vision for the logistical operations center extends past the pandemic. In the future, the facility will serve as a permanent space to hold disaster response and relief supplies in addition to emergency management equipment. It will also be the permanent location for MEMA's procurement and allocation branches. Overall, this new facility will help support MEMA's future growth in all aspects of the agency's operations." These statements, along with the lack of documentation of consideration of alternate, more cost efficient methods of PPE storage (such as short term rentals, existing usable space, etc. resulted in a potentially unnecessary expenditure of CRF monies, thereby violating grant allowable costs. While the costs indirectly help MEMA respond to COVID-19, we have determined them to not be necessary as the costs will primarily benefit future emergencies.</p> <p>The building purchase resulted in known questioned costs of \$2,371,642.</p> <p>Additionally, during the testing of 60 other expenditures items, 20 items (or 33%) were noted to be payments for the purchase of items related to the building and for refurbishment of the building. Since the purchase of the building itself is questioned (the underlying asset), any additional expenses related to preparing the asset for service are also questioned. The 20 items identified as expenses related to the SELOC during testing resulted in \$506,761 of actual questioned costs.</p> <p>In total, the building purchase resulted in known questioned costs of \$2,878,402.</p> <p>An additional \$3,152,390 in likely questioned costs was also noted.</p>
Cause	<p>The Agency purchased a building and paid additional costs to put the building into service that violated the grant requirements that purchases be necessary, and for the current COVID-19 pandemic. While a portion of the building was used for PPE storage, the majority of the asset will benefit MEMA in future disaster events. Additionally, MEMA did not properly document more cost-effective means of storing PPE equipment to establish necessity of purchase.</p>
Effect	<p>Failure to comply with allowable costs and activities allowed requirements could result in the grantor requesting recoupment of costs disallowed.</p>
Recommendation	<p>We recommend the Mississippi Emergency Management Agency strengthen controls to ensure compliance with allowable costs and activities allowed requirements for Coronavirus Relief Funds.</p>
Repeat Finding	<p>No.</p>
Statistically Valid	<p>No.</p>

SUBRECIPIENT MONITORING

Material Weakness

Material Noncompliance

2021-047 Strengthen Controls to Ensure Terms and Conditions are stated in Subrecipient Subaward Documents.

ALN Number 21.019

Federal Award No. N/A

Federal Agency Department of Treasury

Pass-through Entity Department of Finance and Administration – Prime Recipient

Questioned Costs N/A

Criteria *The Code of Federal Regulations 2 CFR 200.332(a) requires that a pass through entity must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward (and if any of these data elements change, include the changes in subsequent subaward modification). When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. This required information includes:*

- Subrecipient name (which must match the name associated with its unique entity identifier);
- Subrecipient's unique entity identifier;
- Federal Award Identification Number (FAIN);
- Federal Award Date of award to the recipient by the Federal agency;
- Subaward Period of Performance Start and End Date;
- Subaward Budget Period Start and End Date;
- Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
- Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;
- Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
- Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
- Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;
- Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement;
- Identification of whether the award is R&D; and
- Indirect cost rate for the Federal award.

Condition During testwork performed for subrecipient monitoring for year ended June 30, 2021, the auditor noted that the 100% of the 60 sampled subawards issued to subrecipients of CRF grants did not include all of the required data elements such as the Assistance Listing Number (ALN), award name and number, whether the award is research and development, and the name of the federal awarding agency.

Cause	An abbreviated application agreement was the only form of subrecipient agreement entered into between MEMA and the subrecipients of the CRF grants.
Effect	Failure to include required information about the grant to subrecipients could increase the likelihood that subrecipients will not comply with single audit requirements; and that MEMA could be required to pay back grant funds.
Recommendation	We recommend the Mississippi Emergency Management Agency strengthen controls to ensure terms and conditions are stated in subrecipient subaward documents as required by Uniform Grant Guidance.
Repeat Finding	No.
Statistically Valid	Yes.

Material Weakness
Material Noncompliance

2021-048 Strengthen Controls to Ensure Compliance with Subrecipient Monitoring Requirements.

ALN Number 21.019

Federal Award No. N/A

Federal Agency Department of Treasury

Pass-through Entity Department of Finance and Administration – Prime Recipient

Questioned Costs N/A

Criteria *Code of Federal Regulations (2 CFR §200.331(f)) states all pass-through entities (PTE's) must verify that every subrecipient is audited as required by Subpart F - Audit Requirements when it is expected that the subrecipient's Federal awards expended during the fiscal year equaled or exceeded the threshold—a non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted—set forth in § 200.501 Audit requirements.*

Condition During testwork performed for Subrecipient Monitoring for CRF, the auditor noted 55 of the 60 subrecipients tested (91.7%) were noted as not monitored by MEMA. MEMA's policies and procedures for monitoring subrecipients' filing of a single audit report only required monitoring of those subrecipients that received more than \$750,000 directly from MEMA, and not subrecipients that received more than \$750,000 in the aggregate for the fiscal year among a variety of sources.

Cause MEMA's subrecipient monitoring policy incorrectly references Uniform Guidance § 200.501 as the requirements that MEMA should follow to comply with its subrecipient monitoring requirements.

Effect	Failure to consider if subrecipients were required to file an audit report for aggregated federal expenditures of over \$750,000 resulted in MEMA not properly monitoring subrecipients for adherence to federal audit guidelines.
Recommendation	We recommend the Mississippi Emergency Management Agency strengthen controls to ensure compliance with subrecipient monitoring requirements.
Repeat Finding	No.
Statistically Valid	Yes.

End of Report



**STATE OF MISSISSIPPI
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SHAD WHITE
STATE AUDITOR**

Auditor's note to the Corrective Action Plan from Mississippi Emergency Management Agency (MEMA)

MEMA – Activities Allowed/Allowable Costs - *Material Weakness/Material Noncompliance*

2021-046 Strengthen Controls to Ensure Compliance with Allowable Costs and Activities Allowed Requirements for Coronavirus Relief Funds.

MEMA's provided analysis of the rent vs. purchase option was only provided after the initial finding was presented to Management. When the analysis was examined, auditors determined that it relied on inaccurate underlying data. The analysis provided that it would cost \$2,059,200 to lease storage facilities in one year. However, this number was calculated by taking the current price of one warehouse that housed 25% of the materials and extrapolating it to encompass a price for 100% of the materials. The storage cost of this facility was \$42,900. MEMA also presented emails illustrating that there was a warehouse available to rent that supplied half of the needed space for \$30,000 a month for rent, and another facility for a fourth of the needed space for \$5,000 a month. If extrapolations were made with this data, even if using the more expensive building as the base data, the cost of leasing the building for two years would come to \$1,440,000, which is almost a million less than the initial cost of the building.

Moreover, the analysis provided by MEMA does not consider the additional costs that were associated with the State Emergency Logistical Operations Center (SELOC) building to prepare the building for initial use. These costs amounted to at least \$518,042 in additional costs. Lastly, the analysis does not factor in that the building MEMA used for extrapolation is not a storage facility, but a nationwide distribution center that also charged for pallet rental, the cost of moving pallets in and out, etc. Additionally, the rental cost of the Gulf Relay facility varied from month to month based on these expenditures and the amount of storage utilized. The prices varied from approximately \$27,000 monthly to \$50,000 monthly.

It appears to the auditor that MEMA used data in their analysis that would lead to the conclusion to purchase the building, rather than to let the analysis dictate the most cost effective option. While MEMA may argue that the building purchase was a better long term business decision for the agency, the purpose of the Coronavirus Relief Funds (CRF) was to provide immediate relief for the pandemic and not provide long term business solutions.

MEMA's supporting documentation mainly relied on Mississippi State Law to validate the purchase of the building, stating that the Legislature allowed them to purchase the building via legislation that was passed during the fiscal year 2020 legislative session; however, state law cannot supplant federal law in regards to a federal grant.

It should be reiterated that MEMA publicly stated that this facility was for future pandemics, and a permanent office space for the procurement staff of MEMA, thereby verifying its intended use and purpose extended past the period of performance.

MEMA – Subrecipient Monitoring - *Material Weakness/Material Noncompliance*

2021-047 Strengthen Controls to Ensure Terms and Conditions are stated in Subrecipient Subaward Documents.

MEMA’s argument in their response relies on the fact that the MS Legislature appropriated CRF funds for state program called “MERP”. The program was designed to provide CRF monies to the counties and municipalities in Mississippi. Regardless of the appropriation of the Legislature, MEMA is still required to follow subrecipient monitoring regulations as outlined in Uniform Grant Guidance, as required by the Department of the Treasury.



State of Mississippi

TATE REEVES
Governor

MISSISSIPPI EMERGENCY MANAGEMENT AGENCY

STEPHEN C. McCRANEY
EXECUTIVE DIRECTOR

November 1, 2022

Honorable Shad White, State Auditor
Office of the State Auditor
State of Mississippi
P.O. Office Box 956
Jackson, MS 39205-0956

Attention: Ms. Stephanie C. Palmertree
Deputy State Auditor

RE: Response to FY 2021 Single Audit Management Report

Dear Mr. White:

On October 26, 2022, the Mississippi Emergency Management Agency ("MEMA") received the Single Audit Management Report (the "Report"), prepared by the Office of the State Auditor, regarding MEMA's management and use of federal funds during the Fiscal Year 2021. The cover letter provided with the Report directs MEMA to review the recommendations contained therein and submit a plan to implement them by November 2, 2022, or within five business days of MEMA's receipt of the Report. Consistent with this direction, MEMA provides this response, including a corrective action plan for each finding. MEMA respectfully requests that the State Auditor consider the below comments and enclosed additional documentation in connection with any ongoing and future engagements. MEMA appreciates the continuing support of the State Auditor's Office as we all work together for the betterment of our State. MEMA is available to answer any questions on this response.

ALLOWABLE COSTS

Audit Finding No. 2021-046

The Mississippi Emergency Management Agency Should Strengthen Control to Ensure Compliance with Allowable Costs and Activities Allowed Requirements [sic] for Coronavirus Relief Funds.

Response:

MEMA disagrees with this Finding's underlying conclusion regarding the purchase of the State Emergency Logistical Operations Center ("SELOC"). The SELOC was necessary to respond to the COVID-19 pandemic, including specifically the National and State declarations of a Public Health Emergency; the costs incurred are allowable, unbudgeted expenditures of Coronavirus Relief Funds ("CRF"). Notably, the Mississippi Legislature passed House Bill 1808, which authorized MEMA to purchase a building with CARES Act funds for this purpose.

In response to the COVID-19 pandemic, MSDH was appointed the lead agency to address emergency circumstances as a result of the virus. MSDH entered into an agreement with MEMA that established MEMA as the primary State agency responsible for the purchase and delivery of critical personal protective equipment ("PPE") throughout the State to support our collective response to this unprecedented pandemic event. MEMA, however, did not have the storage capacity to properly store the amount of PPE estimated at that time to meet statewide demands, including the requirement that it maintain a 60-day reserve surplus of PPE consistent with the Governor's mandate.

As explained in more detail in the attached analysis, MEMA determined that the most cost effective option to store the necessary PPE was to purchase a facility with both the capacity and operational capability to allow MEMA to properly maintain the State's PPE stockpile in one facility in accordance with the guidelines that were being issued at that time by the U.S. Department of Health and Human Services. In September 2020, MEMA purchased the site that is now known as the SELOC.

MEMA has been working with the Office of the State Auditor on questions and tasks related to this audit since August 2020. MEMA initially signed a contract with the Office of State Auditor and Carr, Riggs & Ingram ("CRI") for the purpose of auditing MEMA's administration and distribution of CARES Act funds. MEMA provided all requested information to the CRI team, and, in early 2021, MEMA met with CRI representatives at the SELOC so the CRI team could personally view the operations and we could work through any remaining questions as needed to finalize the audit. Subsequently, MEMA provided CRI with all requested documentation associated with the purchase of the SELOC, including the space and cost analysis performed to justify in connection with the purchase.

MEMA understood the auditors had all information necessary to validate the SELOC purchase; however, in July 2022, MEMA received an email from Clifton Larson Allen LLP ("CLA"), an auditing firm out of California, advising that CLA was now auditing MEMA's CARES Act expenditures. It was not until September 26, 2022, that CLA advised MEMA that there were concerns with the use of CRF funding to cover the cost of the SELOC facility.

Purchase of the SELOC was necessary and the costs were reasonable based on circumstances present at the time the purchase was made in accordance with the applicable Federal regulatory standard found at 2 CFR § 200.404. MEMA prepared analyses to confirm that: (i) it did not have suitable existing property to store PPE necessary to respond to COVID-

19; (ii) improving existing property was not a cost effective option; and (iii) purchasing the facility represented the least cost option to meet the State's PPE storage needs.

MEMA has effective controls in place to ensure compliance with applicable requirements for federal programs, including the CRF. MEMA implemented these controls when it purchased the SELOC facility to respond to the COVID-19 emergency. MEMA continues to use the SELOC for this purpose. MEMA's purchase of the SELOC facility was a necessary expenditure to safely and efficiently store necessary PPE to respond to COVID-19 and the costs were not accounted for in MEMA's previous budget. Therefore, this purchase met CRF requirements.

MEMA is confident that the information and documentation provided with this Response confirms that, not only was the purchase of the SELOC facility allowable consistent with the CARES Act CRF requirements, but also that MEMA exercised appropriate due diligence prior to making the purchase.

Corrective Action Plan:

MEMA appreciates the recommendation made by the State Auditor regarding strengthening controls to ensure compliance with allowable costs and activities for the CRF. MEMA continues to review its existing contracts and procurement procedures staying abreast of all state and federal guidance and changes.

SUBRECIPIENT MONITORING

Audit Finding No. 2021-047

The Mississippi Emergency Management Agency Should Strengthen Controls to Ensure Terms and Conditions are stated in Subrecipient Subaward Documents

Response:

MEMA understands that Audit Finding No. 2021-047 relates to MEMA's administration of the Mississippi County and Municipality Emergency Relief Program ("MERP"). MERP was a unique funding program specifically enacted to provide support to our counties and municipalities for costs incurred to respond to an unprecedented national Pandemic and lessons can certainly be learned to improve in future events. Funding was needed immediately, and the public health and safety warranted expedited implementation and administration of these grants.

MERP was funded by an allocation of federal funds provided by the U.S. Department of Treasury to the State of Mississippi under the CARES Act CRF. The purpose of MERP was to provide critical and immediate support to our counties and municipalities actively engaged in unprecedented efforts to respond to the COVID-19 Pandemic.

MEMA was directed to administer MERP by the State Legislature under Senate Bill 3047 and was required to begin making disbursements to participating cities and counties no

later than August 15, 2020. The legislative directive included a list of eligible uses, based on guidance issues by the U.S. Department of Treasury. The amount of funding allocated to participating counties and municipalities was also set by the State Legislature and based on a proportional allocation of funding according to the county or municipality's population as listed in the 2010 U.S. Census. MEMA was a subrecipient of these funds and provided the allocations to participating municipalities and counties as beneficiaries/subrecipients as directed.

In order to implement MERP and administer the resulting payments to participating counties and municipalities, MEMA engaged a contractor to establish and operate a secure online portal to obtain necessary information from participating counties and municipalities and provide the necessary information to these entities so that each one was aware of certain terms and conditions applicable to these funds.

Participating counties and municipalities were provided credentials to access the MERP portal. When entered, the portal provided information as to the grant award (also publicly posted to MEMA website), the terms of the grant, and information regarding eligible uses. Each participating county and municipality were required to execute and return a "COVID-19 – Mississippi County and Municipality Emergency Relief Program Agreement." Among other requirements and terms, the Agreement requires the signing "Applicant" to comply with the Single Audit Amendments of 1996 under the Code of Federal Regulations Part 200 and provide copies of each audit report to the Governor's Authorized Representative.

To provide an added layer of protection for the State of Mississippi's funds, and further increase accountability of the participating counties and municipalities, the Agreement also confirms that each Applicant is responsible for any re-payment or deobligation of funding based on findings from the U.S. Department of Treasury's Office of Inspector General and/or the State Auditor. The Agreement further provides that any repayments not returned to MEMA within a reasonable time will be turned over to the State Auditor for action, so MEMA and the State of Mississippi should be fully protected.

Participating counties and municipalities were provided additional information regarding the eligible uses of these funds during a kick-off meeting including reference to U.S. Department of the Treasury materials, guidance documents, and FAQs that included many of the items noted in the list provided in the Report.

The simplified subgrant agreement, coupled with the instruction and oversight provided by MEMA and its contractors, protected the State's interests. MEMA's procedures materially complied with the requirements imposed by applicable federal regulations and the awarding agency; however, MEMA will work to further strengthen the controls in place going forward.

Corrective Action Plan:

MEMA appreciates the recommendation made by the State Auditor regarding additional terms and conditions to be expressly included in future grant agreements that may be entered into to implement similar programs. MEMA will review its existing subgrant templates for future programs that may arise.

Audit Finding No. 2021-048

The Mississippi Emergency Management Agency Should Strengthen Controls to Ensure Compliance with Subrecipient Monitoring Requirements.

Response:

MEMA has a Subrecipient Monitoring Policy to ensure compliance with the Single Audit Act and to build a stronger reporting and monitoring system for Single Audits. The Subrecipient Monitoring Policy requires MEMA, in relevant part, to:

- Perform annual review of single audits from all subgrantees that expend \$750,000 or more in federal funds in accordance with the Office of Management and Budget (“OMB”) Uniform Guidance;
- Send a letter to all subrecipients explaining the requirement to perform a Single Audit Report if a non-Federal entity expends federal funds of \$750,000 or more in a given fiscal year;
- Inform subrecipients of the timeline by which it must submit Single Audit Reports to the Federal Audit Clearinghouse;
- Send subrecipients the “For Federal Grant Recipients” Memorandum to assist subrecipients with determining whether it meets the federal expenditure threshold of \$750,000;
- Annually track subrecipients use of Federal funding, capturing relevant information and deadlines;
- Take corrective action for subrecipients that do not comply with Single Audit Act requirements.

MEMA implemented an updated Subrecipient Monitoring Policy in August of 2022. MEMA understands that the instant concern is that MEMA’s current Policy may not impose Single Audit Act requirements on subrecipients when federal funding is provided under programs that MEMA doesn’t manage trigger compliance. Of note, MEMA is not aware of any means to reliably access information regarding what types and how much federal funding is provided by programs outside of those that MEMA manages/administers.

Notwithstanding, MEMA will revise its Subrecipient Monitoring Policy to require subrecipients to certify that the total amount of funding from all programs meets/does not meet the threshold to trigger Single Audit Act compliance. MEMA will require compliance with requirements if the certification is not submitted or MEMA has information otherwise to indicate that the subrecipient has met or exceeded the threshold.

Corrective Action Plan:

MEMA is confident that the State Auditor's Office will agree that implementation of its updated Subrecipient Monitoring Policy will resolve the issues identified in Audit Finding 2021-048. MEMA will continue to strengthen its subrecipient monitoring requirements to ensure that all subrecipients are appropriately monitored and satisfy all applicable federal requirements, including those found at 2 CFR Part 200 and the Single Audit Act.

Conclusion

MEMA welcomes the opportunity to further discuss any remaining questions that the State auditor may have regarding MEMA's use of Federal funds and will provide any necessary additional information and documentation in order to close all findings and recommendations. If you need any further information related to this response, or to discuss this matter further, my point of contact is Mr. Clayton French, Jr., Deputy Director, who may be reached at (601) 933-6782.

Sincerely,



Stephen C. McCraney
Executive Director

Attachment:

Analysis re Purchase of the State Emergency Logistical Operations Center (SELOC)

CARES Act Coronavirus Relief Fund

Congress provided \$150 billion for the Coronavirus Relief Fund (“CRF”) through the CARES Act to provide much needed funding to state, local, and tribal governments, the District of Columbia, and U.S. territories navigating the impact of the COVID-19 outbreak. The U.S. Department of the Treasury (“Treasury”) made direct CRF payments to governmental entities providing that funds could be used, among other things, to “acquire or improve property” as long as the acquisition is a “necessary expenditure incurred due to” the COVID-19 public health emergency.

Treasury has published guidance throughout the pandemic clarifying the eligibility of costs that can be paid for under the CARES Act CRF. On December 14, 2021, Treasury confirmed that funds may be used for real property acquisitions and improvements, stating:

In particular, a government must (i) determine that it is not able to meet the need arising from the public health emergency in a cost-effective manner by leasing property or equipment or by improving property already owned and (ii) maintain documentation to support this determination.¹

This justification documents MEMA’s determination that it was not able to meet the need arising from the public health emergency in a cost-effective manner by leasing property or equipment or by improving property already owned and therefore the purchase of the SELOC is eligible.

The Purchase of the SELOC was Necessary, Eligible and Reasonable

When MEMA was tasked with the duty to manage the storage of the critical PPE needed to respond to the pandemic, MEMA immediately worked with other State agencies and partners to identify any available, workable, existing options. After determining that the State did not have adequate space for PPE storage, MEMA initially entered into numerous contracts with local businesses to rent storage space for PPE.² However, both MEMA and MSDH quickly realized that extended rental agreements for PPE storage would not be a cost-effective option. For instance, MEMA paid \$42,900.00 per month to store 25% of its PPE at one location. MEMA determined that to consolidate and store all of its PPE at this facility, even assuming the space constraints would allow this, would cost a total of \$171,600.00 per month, which works out to projected yearly rental costs of \$2,059,200.00.³

¹ Attachment A - US Treasury, *Coronavirus Relief Fund, Revision to Guidance Regarding when a Cost is Considered Incurred*, (Dec. 14, 2021) at 2.

² MEMA notes that the Report indicates that it could have used existing space for PPE storage. This is incorrect. MEMA could not find available space that was adequate for PPE supplies. Had there been available space, MEMA would not have engaged local vendors for rental space at the beginning of the pandemic.

³ Attachment B - MEMA PPE Storage Cost Comparison Analysis. Note that MEMA provided its Cost Analysis to CRI in early 2021 but did not provide the analysis to CLA as this documentation was not requested.

MEMA determined that purchasing a facility for the purpose of storing vast amounts of PPE would be the least-cost alternative, and therefore a better use of Federal funding. The Mississippi Legislature passed House Bill 1808, which authorized MEMA to purchase a building with CARES Act funds for this purpose.⁴

MEMA established a set of basic criteria for a PPE storage facility to ensure continued operations and to meet long-term PPE storage estimate requirements, including, but not limited to:

- 50,000 plus square feet of climate control warehouse space;⁵
- Adequate height for either double stacking or pallet rack system;
- Multiple drive-up dock doors;
- Ground level access for the forklift with loading pad;
- Parking for up to 14 delivery trucks; and
- Adequate parking and office space.⁶

Note that MEMA required a climate-controlled facility consistent with storage requirements for medical gloves, face masks, ventilators, and vaccination supplies. Additionally, MEMA avoided facilities that would potentially expose PPE to chemicals, heat, humidity, ultraviolet light, high-energy radiation, ozone, and other factors that could reduce the useful life of the PPE.

MEMA contacted representatives for various facilities to secure a cost-effective facility that would meet the State's needs. MEMA personnel determined that the DFA warehouse located on Mitchell Avenue did not have adequate space to accommodate MEMA's storage needs and would require overly costly improvements to accommodate forklift access, which was needed to load and unload PPE as needed.⁷ Further, the DFA warehouse was already partially occupied by a private entity, which MEMA determined would create logistical issues.⁸ Additionally, the facility at 250 Outer Circle in Hawkins Field, with only 20,000 square feet available, could not accommodate MEMA's storage requirements.⁹ The facility located at 755 Stonewall St. in Jackson, Mississippi was similarly inadequate, with less than 20,000 square footage dedicated to warehouse space.¹⁰

⁴ Attachment C - Mississippi Legislator House Bill No. 1808.

⁵ Attachment D - The estimated necessary square footage includes space to accommodate 3,537 pallets needed to satisfy the Governor's PPE surplus and the approximate 375 pallets of PPE being housed at various facilities throughout the State.

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

⁹ Attachment E - Correspondence from William Cook to Don Wilson regarding facility specifications (May 28, 2020).

¹⁰ Attachment F - Brochure for 755 Stonewall Street Property specifications.

By September 2020, MEMA had selected and purchased the SELOC site, which allowed MEMA to consolidate the State's PPE inventory and lessen the turnaround time for the provision of PPE throughout the State.¹¹

MEMA notes that the State Auditor appears to have a misunderstanding of the amount of space dedicated to PPE storage in the SELOC facility. The Report states that "during testing, auditors noted that PPE storage only utilized a portion of the 8,800 square feet of the building." This is incorrect.

First, to MEMA's knowledge, neither CLA nor the State Auditor has visited the SELOC.¹² To clarify, the SELOC is roughly 112,000 square feet, with 8,800 square feet dedicated to office space and approximately 103,000 square feet in the warehouse area. Secondly, the Report vastly understates the amount of SELOC space dedicated to PPE. In early 2021, MEMA's PPE stock was estimated to take up approximately 116,000 square feet of warehouse space, including pallets at ancillary locations.¹³ Currently, MEMA maintains the State's stockpile of PPE, which is made up of roughly 3,200 pallets of materials requiring approximately 83,000 square feet of storage space and aisles.¹⁴

The State Auditor also mistakenly concluded that there is a "lack of documentation of consideration of alternate, more cost-efficient methods of PPE storage (such as short-term rentals, existing usable space, etc)." As detailed above, MEMA evaluated various options for PPE storage. Per MEMA's purchase versus lease analysis, MEMA determined that the costs to purchase the SELOC site (\$2,371,642.00) was more cost effective than paying yearly costs of \$2,059,200.00 to rent PPE storage space, especially considering the uncertainty as to how long the storage space would be needed. In any event, MEMA's PPE storage space needs would certainly go beyond a year, and, in fact, MEMA's PPE storage needs are still ongoing. Indeed, as of October 13, 2022, the U.S. Department of Health & Human Services ("HHS") renewed its Public Health Emergency determination that a public health emergency exists and has existed since January 27, 2020, nationwide.

Disposition Requirements are not yet Applicable

The Report heavily relies on a press release issued by MEMA on September 23, 2020 regarding the SELOC to support the State Auditor's conclusion that MEMA's purpose for purchasing the SELOC facility was not solely COVID-19-related.

While it is true that MEMA envisioned that SELOC could operate as a logistical operation center once the COVID-19 pandemic is over, as the press release states, the primary purpose of SELOC was as "an immense asset to the State's COVID-19 response."¹⁵ As stated in House Bill 1808, which authorized MEMA to purchase the SELOC facility, the purpose of the

¹¹ Upon closing on the building, MEMA made renovations, including removing the natural gas-powered HV/AC system, to ensure PPE could be stored safely.

¹² To MEMA's knowledge, the only auditors that visited the SELOC were representatives from CRI in early 2021.

¹³ Attachment G - Pallet Count as of January 2021.

¹⁴ Attachment H - PPE Pallet Count as of October 2022. (Optimal pallet storage is 3850 pallets)

¹⁵ Attachment I - MEMA SELOC Press Release (Sep. 23, 2020).

building was “for the storage of personal protective equipment (PPE) and other equipment, supplies, materials and products that are used for preventing or reducing the transmission of COVID-19 or mitigating the effects of COVID-19.”¹⁶

Consistent with 2 C.F.R. § 200.311(b), SELOC was and continues to be used “for the originally authorized purpose” of storing PPE. As emergency circumstances resulting from COVID-19 are still present in accordance with the HHS’ public health determination, the SELOC continues to be used for PPE storage and will be used for this purpose for the duration of the COVID-19 emergency. Accordingly, any finding based on how the facility will be used after the COVID-19 pandemic is, at the very least, premature.

Still, MEMA understands that consistent with 2 C.F.R. § 200.311(c), when SELOC is no longer needed for the purpose of PPE storage, MEMA must obtain disposition instructions from Treasury. As the pandemic is still ongoing, MEMA has not reached the point where it will discuss with the appropriate federal entity what to do with the building. Nonetheless, the fact that MEMA has considered disposition options for when the facility is no longer needed for the storage of PPE does not render the costs to procure SELOC unallowable under the CARES Act.

¹⁶ Attachment J - House Bill 1808, at 2.

**Attachment A – Coronavirus Relief Fund, Revision to
Guidance Regarding when a Cost is Considered Incurred
(3 pages)**

**Coronavirus Relief Fund
Revision to Guidance Regarding When a Cost is Considered Incurred
December 14, 2021**

The Coronavirus Aid, Relief, and Economic Security Act (CARES) Act established the \$150 billion Coronavirus Relief Fund (CRF). The CARES Act provides that payments from the CRF may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 31, 2021 (the “covered period”).¹

Treasury previously determined that, for a cost associated with the acquisition of a good or service or the acquisition of or improvement to real estate to be considered to have been incurred within the covered period, performance or delivery must have occurred during the covered period.

Although Treasury has considered the CRF to be a program designed for short-term needs of recipients to combat the virus and respond to the immediate effects of the pandemic, the public health emergency is still in effect, and state, local, and Tribal governments continue to be on the frontlines of the pandemic response. In addition, disruptions in supply chains have hindered recipients’ ability to obtain and put into use goods and equipment in a timely manner. These issues have been magnified in communities experiencing the Delta surge. Finally, given recent litigation, many recipients have not received their allocated payments from the CRF until the last few months.

In light of the foregoing, Treasury is now revising the guidance to provide that a cost associated with a necessary expenditure incurred due to the public health emergency shall be considered to have been incurred by December 31, 2021, if the recipient has incurred an obligation with respect to such cost by December 31, 2021. Treasury defines obligation for this purpose consistently with the Uniform Guidance definition in 2 C.F.R. 200.1 as an order placed for property and services and entry into contracts, subawards, and similar transactions that require payment.

Treasury’s reporting framework currently permits recipients to record their expenditures through September 30, 2022. The CRF’s eligible use is restricted to “necessary expenditures incurred due to” the COVID-19 public health emergency. Treasury currently expects that this expenditure deadline will provide a sufficient amount of time for recipients to expend their funds in accordance with the eligible uses of the CRF.

Treasury has made certain adjustments to its frequently asked questions to reflect this revision and will provide recipients subsequent updates as to how this change will be reflected in the CRF reporting requirements. The remainder of Treasury’s guidance remains in effect.

Consistent with Treasury’s revised interpretation above, the text of the section of Treasury’s guidance under the heading “*Costs incurred during the period that begins on March 1, 2020, and*

¹ See section 601(d)(3) of the Social Security Act (42 U.S.C. 801(d)(3)), as added by section 5001 of the CARES Act and as amended by section 1001 of Division N of the Consolidated Appropriations Act, 2021.

ends on December 31, 2021” has been revised. Treasury is also revising the answers to FAQs A.54 and A.58 to conform the responses to this new interpretation.

More Information

Questions regarding the Coronavirus Relief Fund can be sent to CoronavirusReliefFund@treasury.gov.

Treasury’s guidance regarding the use of funds is available here, subject to the revisions below: https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf.

Information about reporting and recordkeeping requirements related to CRF payments is available here: <https://oig.treasury.gov/cares-act>.

Revisions to Guidance

The revised provisions of Treasury’s guidance are as follows:

Costs incurred during the period that begins on March 1, 2020, and ends on December 31, 2021

The CARES Act provides that payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 31, 2021 (the “covered period”).

A cost associated with a necessary expenditure incurred due to the public health emergency is considered to have been incurred by December 31, 2021, if the recipient has incurred an obligation with respect to such cost by December 31, 2021. Treasury defines obligation for this purpose as an order placed for property and services and entry into contracts, subawards, and similar transactions that require payment. Recipients are required to expend their funds received from the CRF to cover these obligations by September 30, 2022.

A.54 May Fund recipients upgrade critical public health infrastructure, such as providing access to running water for individuals and families in rural and tribal areas to allow them to maintain proper hygiene and defend themselves against the virus?

Yes, fund recipients may use payments from the Fund to upgrade public health infrastructure, such as providing individuals and families access to running water to help reduce the further spread of the virus. As required by the CARES Act, expenses associated with such upgrades must be incurred by December 31, 2021. Please see the discussion of the interpretation of “incurred” under the heading “*Costs incurred during the period that begins on March 1, 2020, and ends on December 31, 2021.*”

A.58 May payments from the Fund be used for real property acquisition and improvements and to purchase equipment to address the COVID-19 public health emergency?

The expenses of acquiring or improving real property and of acquiring equipment (*e.g.*, vehicles) may be covered with payments from the Fund in certain cases. For example, Treasury’s initial guidance referenced coverage of the costs of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs, as an eligible use of funds. Any such use must be consistent with the requirements of section 601(d) of the Social Security Act as added by the CARES Act.

As with all uses of payments from the Fund, the use of payments to acquire or improve property is limited to that which is necessary due to the COVID-19 public health emergency. In the context of acquisitions of real estate and acquisitions of equipment, this means that the acquisition itself must be necessary. In particular, a government must (i) determine that it is not able to meet the need arising from the public health emergency in a cost-effective manner by leasing property or equipment or by improving property already owned and (ii) maintain documentation to support this determination. Likewise, an improvement, such as the installation of modifications to permit social distancing, would need to be determined to be necessary to address the COVID-19 public health emergency.

Payments from the Fund may only be used to cover costs that were incurred during the period that begins on March 1, 2020, and ends on December 31, 2021. Regarding this requirement, please see the discussion of the interpretation of “incurred” under the heading “*Costs incurred during the period that begins on March 1, 2020, and ends on December 31, 2021.*”

Finally, as with all costs covered with payments from the Fund, such costs must not have been previously accounted for in the budget most recently approved as of March 27, 2020, for the State, local, or Tribal government.

**Attachment B – PPE Storage Cost Comparison Analysis
(1 page)**

Attachment B

PPE & Supplies Storage

Cost Comparison Analysis

Gulf Relay Storage Facility	Average Monthly Cost
Storage Cost of 25% of PPE and Supplies	\$ 42,900.00
Storage Cost of 75% of PPE and Supplies	\$ 128,700.00
TOTAL	\$ 171,600.00

Project Yearly Cost of Storing PPE and Supplies at Gulf Relay Facility	\$ 2,059,200.00
---	------------------------

Purchase Price of the State Emergency Logistical Operations Center	\$ 2,371,642.00
---	------------------------

At the onset of the Covid-19 pandemic, MEMA was given the logistical task of acquiring and distributing PPE for the State of Mississippi. It was quickly realized that all available warehouses (both of MEMA and MDH) could not maintain the volume of PPE, medical supplies, sanitizers, etc. that was needed to fight the pandemic. MEMA began storing PPE and other supplies in Gulf Relay warehouses in March 2020 and Gulf Relay has stored an average of 25% of all PPE purchased for the State of Mississippi since that time. As the pandemic continued, the State realized the need for a stockpile of PPE. The Governor mandated a 21-day stockpile be maintained. This furthered the need for an additional storage facility.

**Attachment C – Mississippi Legislator House Bill No.
1808 (2 pages)**

Attachment C

MISSISSIPPI LEGISLATURE

REGULAR SESSION 2020

By: Representative Read

To: Rules

HOUSE BILL NO. 1808

1 AN ACT TO AMEND SECTION 1 OF CHAPTER 103, LAWS OF 2020, TO
2 REVISE THE ADDITIONAL APPROPRIATION TO THE MISSISSIPPI EMERGENCY
3 MANAGEMENT AGENCY TO DEFRAY ELIGIBLE COVID-19 EXPENSES FOR FISCAL
4 YEAR 2021 TO AUTHORIZE THE AGENCY TO PURCHASE A BUILDING FOR THE
5 STORAGE OF PERSONAL PROTECTIVE EQUIPMENT (PPE) AND OTHER
6 EQUIPMENT, SUPPLIES, MATERIALS AND PRODUCTS THAT ARE USED FOR
7 PREVENTING OR REDUCING THE TRANSMISSION OF COVID-19 OR MITIGATING
8 THE EFFECTS OF COVID-19.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

10 **SECTION 1.** Section 1 of Chapter 103, Laws of 2020, is
11 amended as follows:

12 Section 1. In addition to all other sums herein appropriated
13 to the agency, the following sum, or so much thereof as may be
14 necessary, is appropriated out of any money to the credit of the
15 Budget Contingency Fund, and allocated in a manner as determined
16 by the Treasurer's Office to defray the expenses of the
17 Mississippi Emergency Management Agency, for the period beginning
18 upon passage of this act and ending December 30, 2020.....
19\$ 40,000,000.00.

20 This additional appropriation is made for the purpose of
21 defraying expenses and matching federal dollars incurred in



Attachment C

connection with the Coronavirus Disease 2019 (COVID-19) as allowed under Section 5001 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act or any guidance or regulation issued by the United States Department of the Treasury in conformity therewith, which purpose shall include, but not be limited to, the purchase of a building for the storage of personal protective equipment (PPE) and other equipment, supplies, materials and products that are used for preventing or reducing the transmission of COVID-19 or mitigating the effects of COVID-19.

SECTION 2. This act shall take effect and be in force from and after its passage.



**Attachment D – Estimated Square Footage and
Correspondence from Don Wilson Detailing Warehouse
Requirements (2 pages)**

Attachment D

From: [Don M. Wilson](#)
To: [Stephen McCraney](#); [Matthew Hewings](#); [Crystal Thompson](#); [William Dreher](#)
Cc: [Horn, Marshall](#); [Dennis Stewart](#)
Subject: Warehouse Requirements
Date: Sunday, June 14, 2020 11:51:38 AM
Attachments: [Gluckstadt Warehouse Layout Presentation -king.pdf](#)
[image001.png](#)
[Mitchell Ave Jackson MS.pdf](#)

Basic recommendations for continued operation and long term storage estimate requirements.

50,000 plus square feet of climate control warehouse space

- 21 Day stockage by pallet estimate 3537
- Pallets in McRaven Road Warehouse of Hinds County 168 pallets
- Pallets in State Surplus Warehouse 156 pallets
- Pallets in MEMA Warehouse 48 pallets
- Not counting pallets still due in not on the 21 Day stockage
- Adequate height for either double stacking or pallet rack system

Multiple drive up dock doors

Ground level access for the forklift with loading pad

Parking for to 14 Deliver trucks

ADA Complaint Restroom and access

POV Parking

Minimum Office Space

- Warehouse Manager
- Receiving and Inventory Control
- Dispatch
- Documentation Team
- Breakroom for staff

Attached estimate diagram of a warehouse for pallet storage quantities by the National Guard staff.

A couple of reasons for Climate Control.

Google Search: storage requirements for medical gloves

Store gloves in a cool, dry environment with a temperature ranging between 50° and 72° F (10°-22° C). Avoid storing gloves near chemicals, heat, humidity, ultraviolet light, high-energy radiation, ozone, and stress. Some packaging goes up to 82 Fahrenheit.

3M KN95 1501+ temperature range is -20 to 30 Celsius (-4 to 86 Fahrenheit) taken of the package.

Ventilator storage

Vaccination Supplies (syringes with needles, band aids, alcohol wipes etc.)

DFA warehouse recommendation of the Mitchell Ave warehouse, I have visited the site.

Attached Google Earth View shows the roof square footage. Several issues: part is leased out to WIC, estimate of 35,000 square foot of warehouse space available (lessor would have to reconfigure doors for forklift access into warehouse areas), ground level access. The main issue not enough space for commodities.

For your consideration

Attachment D

Thanks

Don

Don Wilson

Logistics Chief

Mississippi Emergency Management Agency

dwilson@mema.ms.gov

O: (601) 933-6705

C: (601) 519-1883



**Attachment E – Correspondence from William Cook to
Don Wilson Regarding Facility Specifications (2 pages)**

Attachment E

From: [Don M. Wilson](#)
To: [Stephen McCraney](#); [Matthew Hewings](#); [Crystal Thompson](#)
Cc: [Minniger, Charles Kerry](#)
Subject: FW: Flora and 755 Stonewall Facilities
Date: Thursday, May 28, 2020 2:33:59 PM
Attachments: [Flora Facility, 755 Stonewall Facility.PDF](#)
[image001.png](#)

See attached information on warehouse space from Cook Realty

Thanks

Don

Don Wilson

Logistics Chief

Mississippi Emergency Management Agency

dwilson@mema.ms.gov

O: (601) 933-6705

C: (601) 519-1883



From: William G. Cook, Jr <bill@cookcre.net>

Sent: Thursday, May 28, 2020 2:17 PM

To: Don M. Wilson <dwilson@mema.ms.gov>

Cc: Steve Cook <steve@cookcre.net>

Subject: Flora and 755 Stonewall Facilities

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Don,

Thanks for your call. Attached (pdf file) is our info sheet on the Primos building in Flora and the old Cain Lithography building at 755 Stonewall in Commerce Park.

The Primos building can be leased for \$30,000/mth/nnn for about 2 years and then it would go up to about \$35,000/month. This is subject to negotiation, of course.

The warehouse part of 755 Stonewall would lease for \$5,250/month with the owner paying property taxes and insurance on the building.

The building of 250 Outer Circle in Hawkins Field will be available for occupancy in mid-July. It is 20,000 sf and the rent would be \$5,000/month with the owner paying property taxes and insurance on the building.

If you have any questions, please let me know.

Attachment E

Thank you,

Bill Cook, Jr.

==

Bill Cook, Jr. CCIM, SIOR
Cook Commercial Properties, LLC
601-981-1500 Office
601-260-0753 Cell

**Attachment F – Brochure for 755 Stonewall Street
Property Specifications (1 page)**



For Sale or Lease
22,500 SF Office/Warehouse
(formerly Cain Lithographers)



5,200 SF OFFICE
17,300 SF WAREHOUSE
755 STONEWALL STREET
JACKSON, MS

- CONCRETE BLOCK AND BRICK CONSTRUCTION
- TOTALLY HEATED AND COOLED
- 2 OFFICE RESTROOMS
- UNISEX WAREHOUSE RESTROOM
- 18 FT. WAREHOUSE CEILING
- 6" THICK CONCRETE FLOOR SLAB IN WAREHOUSE
- 2 INTERIOR ELECTRIC DOCK DOORS
- 3 EXTERIOR ELECTRIC DOCK DOORS
- SECURITY SYSTEM
- BUILT IN 1972
- 3.5 ACRE FENCED SITE

For Sale: \$500,000

For Lease: \$5,500/mo. NNN

FOR MORE INFORMATION OR TO ARRANGE AN INSPECTION, CALL

BILL COOK, CCIM, SIOR

(601)981-1500 OR CELL (601) 260-0753

PLEASE VISIT OUR WEBSITE @ COOKCOMMPROPERTIES.COM

DISCLAIMER: No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omission, change of price, rental or other conditions, withdrawal without notice or to any special listing conditions imposed by our principals. 10/19/17

Attachment G – Pallet Count as of January 2021
(1 page)

Attachment G



Gulf Relay, LLC
 1021 Clinton Industrial Park Rd
 Clinton, MS 39056

Warehousing Invoices

Invoice # : GRWH-000312
 Invoice Date : 02/01/2021
 Due Date : 03/03/2021

Bill to :
MEMA
 131 FREIGHTWAYS DR
 JACKSON, MS 39208
 United States

Ship to :
MEMA
 131 FREIGHTWAYS DR
 JACKSON, MS 39208
 United States

Reference # : January 2021

Terms : Net 30 Days

Item	Description	Unit	Quantity	Unit Price	Amount
STG	Storage January 2021 Storage	Count	7265	\$5.00	\$36,325.00
HND	Pallet In Handling	Count	19	\$4.00	\$76.00
HND	Pallets Out Handling	Count	1262	\$4.00	\$5,048.00
STG	Full Month - Oversize Storage	Count	19	\$10.00	\$190.00
SUBTOTAL					\$41,639.00
TOTAL					\$41,639.00

Pallet 16 sq Feet

$$7265 \times 16 = 116,240$$

**Attachment H – PPE Pallet Count as of October 2022
(2 pages)**

FOUO - For Official Use Only
Pallet Count**SELOC - Facility Pallet Count Total(3134)**

- Medical - Bouffant Caps - White - 21 inch – 3
- Medical - Bouffant Caps - White - 24 inch – 10
- Medical - Cadaver Bag - Adult – 7
- Medical - Coveralls - 2XL – 3
- Medical - Coveralls - 3XL – 4
- Medical - Coveralls - 4XL – 3
- Medical - Coveralls - 5XL – 3
- Medical - Coveralls - Large – 4
- Medical - Coveralls - XL – 3
- Medical - Face Shield – 112
- Medical - Gloves - Exam - Latex - XL - Non-powdered – 1
- Medical - Gloves - Exam - Nitrile - Large - Non-powdered – 9
- Medical - Gloves - Exam - Nitrile - Medium - Non-powdered – 21
- Medical - Gloves - Exam - Nitrile - Small - Non-powdered – 5
- Medical - Gloves - Exam - PVC - Large - Non-powdered – 4
- Medical - Gloves - Exam - PVC - Medium - Non-powdered – 16
- Medical - Gloves - Exam - Vinyl - Medium - Non-powdered – 2
- Medical - Gloves - Exam - Vinyl - XL - Non-powdered – 28
- Medical - Gown - Isolation – 181
- Medical - Gown - Isolation - Level 2 - 2XL – 142
- Medical - Gown - Isolation - Level 2 - Large – 259
- Medical - Gown - Isolation - Level 2 - XL – 636
- Medical - Gown - Isolation - Level 4 - XL – 379
- Medical - Mask - N95 – 316
- Medical - Mask - Procedure - Face Shield – 41
- Medical - Needle - Hypodermic - 1.5 inch – 3
- Medical - Needle - Hypodermic - 5/8 – 2
- Medical - PCR - Test Kit - Swab/Tube – 1
- Medical - PCR - Test Tube – 26
- Medical - PPE Kit – 2
- Medical - Prep Pads - 100 Count – 3
- Medical - Sharps Container - 2 Gallon – 2
- Medical - Sharps Container - 3 Gallon – 6
- Medical - Shoe Cover – 6
- Medical - Specimen Bag - 6" x 9" – 1
- Medical - Swab - External Control – 21

FOUO - For Official Use Only

Pallet Count



-
- Medical - Syringe - 3ml - 1 inch - 600 Count – 29
 - Medical - Syringe - 3ml - 1.5 inch - 1000 Count – 15
 - Medical - Syringe - 3ml - 5/8 inch - 1000 Count – 11
 - Medical - Test Cartridge – 7
 - Medical - Test Kit – 287
 - Medical - Test Tube – 13
 - Medical - Thermometer - No Touch – 6
 - Nonmedical - Band Aids – 5
 - Nonmedical - Container - Insulated – 3
 - Nonmedical - Cotton Balls – 11
 - Nonmedical - Disinfectant - Spray – 3
 - Nonmedical - Face Shield – 71
 - Nonmedical - Gloves - Nitrile - Large – 3
 - Nonmedical - Mask - N95 – 7
 - Nonmedical - Mask - Procedure - Face Shield – 76
 - Nonmedical - Mask - Surgical – 50
 - Nonmedical - Wipe - 75 Count – 1

Attachment I – MEMA SELOC Press Release (1 page)

 [MEMA > News](#)

MEMA PURCHASES BUILDING FOR NEW STATE EMERGENCY LOGISTICAL OPERATIONS CENTER

September 23, 2020

PEARL, Miss. (MEMA) – The Mississippi Emergency Management Agency has purchased a facility that will act as the new State Emergency Logistical Operations Center (SELOC). The new warehouse space will serve as the primary location for MEMA's personal protective equipment stockpile.

The building is located at 1055 Mendell Davis Drive, Byram. It sits on 16 acres and consists of 103,000 square feet of climate-controlled warehouse space as well as 8,800 square feet of administrative office space. The warehouse was purchased with federal CARES Act funds allocated to MEMA at a total of \$2,360,000.



"Because of federal CARES Act funds Mississippi can continue to build our state stockpile of PPE. Not only are we truly prepared for the worst if another outbreak occurs, this new logistical operations center is one more asset MEMA has to serve Mississippians in times of disasters," says Governor Tate Reeves.

Throughout the COVID-19 pandemic, it has been a challenge to accommodate the sheer volume of PPE supplies necessary to support the statewide response. Currently, MEMA has COVID-19 supplies located in six different facilities throughout the Jackson Metro. The new SELOC will help improve the efficiency of MEMA's operations by providing a central location for all COVID-19 logistical, procurement and allocation efforts. Additionally, the warehouse space will be used to store MEMA's 60-day stockpile of essential PPE supplies.

"While this facility will be an immense asset to the state's COVID-19 response, MEMA's vision for the logistical operations center extends past the pandemic. In the future, the facility will serve as a permanent space to hold disaster response and relief supplies in addition to emergency management equipment. It will also be the permanent location for MEMA's procurement and allocation branches. Overall, this new facility will help support MEMA's future growth in all aspects of the agency's operations," says MEMA Executive Director Greg Michel.

In the event that the State Emergency Operations Center in Pearl is not accessible during an emergency, the new SELOC will serve as the agency's primary work site to ensure the continuity of essential operations during a disaster.

[Click here](#) to view drone video footage of the new State Emergency Logistical Operations Center.

The official opening of MEMA's State Emergency Logistical Operations Center will be some time in November. More information will follow.

**Attachment J – Mississippi Legislator House Bill No.
1808 (2 pages)**

MISSISSIPPI LEGISLATURE

REGULAR SESSION 2020

By: Representative Read

To: Rules

HOUSE BILL NO. 1808

1 AN ACT TO AMEND SECTION 1 OF CHAPTER 103, LAWS OF 2020, TO
2 REVISE THE ADDITIONAL APPROPRIATION TO THE MISSISSIPPI EMERGENCY
3 MANAGEMENT AGENCY TO DEFRAY ELIGIBLE COVID-19 EXPENSES FOR FISCAL
4 YEAR 2021 TO AUTHORIZE THE AGENCY TO PURCHASE A BUILDING FOR THE
5 STORAGE OF PERSONAL PROTECTIVE EQUIPMENT (PPE) AND OTHER
6 EQUIPMENT, SUPPLIES, MATERIALS AND PRODUCTS THAT ARE USED FOR
7 PREVENTING OR REDUCING THE TRANSMISSION OF COVID-19 OR MITIGATING
8 THE EFFECTS OF COVID-19.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

10 **SECTION 1.** Section 1 of Chapter 103, Laws of 2020, is
11 amended as follows:

12 Section 1. In addition to all other sums herein appropriated
13 to the agency, the following sum, or so much thereof as may be
14 necessary, is appropriated out of any money to the credit of the
15 Budget Contingency Fund, and allocated in a manner as determined
16 by the Treasurer's Office to defray the expenses of the
17 Mississippi Emergency Management Agency, for the period beginning
18 upon passage of this act and ending December 30, 2020.....
19\$ 40,000,000.00.

20 This additional appropriation is made for the purpose of
21 defraying expenses and matching federal dollars incurred in



connection with the Coronavirus Disease 2019 (COVID-19) as allowed under Section 5001 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act or any guidance or regulation issued by the United States Department of the Treasury in conformity therewith, which purpose shall include, but not be limited to, the purchase of a building for the storage of personal protective equipment (PPE) and other equipment, supplies, materials and products that are used for preventing or reducing the transmission of COVID-19 or mitigating the effects of COVID-19.

SECTION 2. This act shall take effect and be in force from and after its passage.



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MEMA PURCHASES BUILDING FOR NEW STATE EMERGENCY LOGISTICAL OPERATIONS CENTER

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The building is located at 1055 Mendell Davis Drive, Byram. It sits on 16 acres and consists of 103,000 square feet of climate-controlled warehouse space as well as 8,800 square feet of administrative office space. The warehouse was purchased with federal CARES Act funds allocated to MEMA at a total of \$2,360,000.

"Because of federal CARES Act funds Mississippi can continue to build our state stockpile of PPE. Not only are we truly prepared for the worst if another outbreak occurs, this new logistical operations center is one more asset MEMA has to serve Mississippians in times of disasters," says Governor Tate Reeves.

Throughout the COVID-19 pandemic, it has been a challenge to accommodate the sheer volume of PPE supplies necessary to support the statewide response. Currently, MEMA has COVID-19 supplies located in six different facilities throughout the Jackson Metro. The new SELOC will help improve the efficiency of MEMA's operations by providing a central location for all COVID-19 logistical, procurement and allocation efforts. Additionally, the warehouse space will be used to store MEMA's 60-day stockpile of essential PPE supplies.

"While this facility will be an immense asset to the state's COVID-19 response, MEMA's vision for the logistical operations center extends past the pandemic. In the future, the facility will serve as a permanent space to hold disaster response and relief supplies in addition to emergency management equipment. It will also be the permanent location for MEMA's procurement and allocation branches. Overall, this new facility will help support MEMA's future growth in all aspects of the agency's operations," says MEMA Executive Director Greg Michel.

In the event that the State Emergency Operations Center in Pearl is not accessible during an emergency, the new SELOC will serve as the agency's primary work site to ensure the continuity of essential operations during a disaster.

[Click here](#) to view drone video footage of the new State Emergency Logistical Operations Center.

The official opening of MEMA's State Emergency Logistical Operations Center will be some time in November. More information will follow.

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