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Client Mandate

In June 2005, the Public Sector group of A&M was engaged to restructure the financial and administrative operations of the 127 schools in the New Orleans Public Schools (NOPS) system. On August 29, 2005, less than two weeks after the first day of school, the nature of A&M's assignment had significantly changed. New Orleans was hit by Hurricane Katrina, the largest natural disaster in U.S. history. The devastation destroyed school buildings and drove families and teachers out of the District. NOPS was forced to rebuild its infrastructure and reengineer the way it operated and delivered services.

A&M's Approach

A&M's Real Estate Advisory Services (REAS) professionals oversaw construction and facilities management services in connection with the repair and rebuilding of damaged or destroyed schools. We performed comprehensive damage assessments to return schools to pre-Katrina condition. Based on these damage assessments, A&M prioritized restoration efforts based on available capital and re-population statistics. A&M developed a master plan for the repair, renovation and rebuilding of 127 schools.

A&M REAS oversaw total construction costs estimated at \$300 million. Our professionals managed contractor solicitation and construction activities for permanent restoration including RFPs, bid walkthroughs, contractor selection and construction program management. A&M provided interim facilities management for a district with limited human resources and assessed disposition options (sale vs. lease) of its administrative office buildings. In addition to permanent assets, A&M REAS oversaw the development of 10 modular campuses and assisted NOPS with lease negotiations of several school facilities to help meet student population requirements.

Results

Our efforts enabled over 35,000+ students to return to school following Hurricane Katrina. A&M professionals ensured the repair, renovation, rebuilding and opening of schools in a quality and timely manner, including 18 schools that were opened ahead of schedule.

As a result of A&M's efforts, NOPS was able to meet all of its obligations, avoid bankruptcy and return to solvency, obtaining its first clean audit in many years. A&M recovered \$30 million from private insurers, obtained \$30 million in funding from community disaster relief organizations and \$102 million from the federal government.

Note: Alvarez & Marsal employs CPAs but is not a licensed CPA firm.

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