

FEMA Contracting and ESG: What Government Disaster Response Requires

THE AGENCY *PLAYBOOK*

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Federal disaster response contracting represents one of the largest and most reliable revenue streams for commercial restoration companies. It is also the procurement category where ESG requirements are evolving fastest at the federal level.

The Current Federal ESG Procurement Landscape

The 2022 proposed Federal Supplier Climate Risks and Resilience Rule would have required major federal contractors (those with \$50 million or more in annual federal contract obligations) to disclose Scope 1, 2, and 3 GHG emissions and set science-based targets. The rule's implementation was paused pending legal and regulatory review. FEMA does not currently mandate Scope 3 reporting from its restoration contractors — but the direction of federal procurement policy is clear.

Where ESG Capability Matters in Federal Work Now

State and local government agencies administering FEMA Public Assistance funds are building ESG criteria into their own procurement. California, New York, and states with active sustainability procurement programs are leading this shift. Contractors who can demonstrate documented emissions reporting capability have an advantage in state-level preferred vendor programs that feed FEMA-funded disaster response work.

Large general contractors and program managers participating in federal disaster response are also increasingly applying ESG supply chain criteria to their subcontractor base — even where FEMA itself doesn't require it. If you're subcontracting to a large GC on federal disaster response, that GC may already have ESG supply chain requirements flowing to you.

The Organizational Maturity Signal

The value of ESG documentation in federal contracting — even where not formally required — is as an organizational maturity signal. Large-scale federal disaster response contracts go to companies that can demonstrate systems, documentation practices, and operational discipline to work at scale under federal oversight. RCP implementation demonstrates exactly the systematic operational approach that federal contracting officers look for in large-scale CAT deployments.

Does FEMA currently require Scope 3 emissions reporting?

No, not formally. The proposed Federal Supplier Climate Risks and Resilience Rule was paused. However, large GCs participating in federal disaster response are increasingly applying ESG criteria to their subcontractors, and state-level requirements vary significantly.

How does the RCP help with federal contracting specifically?

RCP documentation demonstrates the systematic data capture and reporting discipline that federal contracting values. For contractors pursuing large-scale federal work, structured per-job emissions documentation at scale signals the operational infrastructure and management systems that large federal deployments require.

Which states have the most active ESG procurement requirements for disaster response?

California and New York have the most developed sustainability procurement programs. States under EU investor influence (those with significant European institutional investment in public infrastructure) are also ahead of the national average on ESG vendor requirements.

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The Current Federal ESG Procurement Landscape

The 2022 proposed Federal Supplier Climate Risks and Resilience Rule — which would have required major federal contractors to disclose GHG emissions and set science-based targets — was withdrawn in March 2025 under the current administration. The rule has not been replaced. As of April 2026, there is no federal mandate requiring restoration contractors to disclose Scope 3 emissions for federal contract work.

This is a politically volatile regulatory space. The underlying pressure — from DoD climate risk assessments, from FEMA’s own resilience initiatives, and from the federal government’s long-term infrastructure vulnerability exposure — has not disappeared. The rule may return under a future administration. Contractors who

build RCP infrastructure now are positioned regardless of which direction federal procurement goes.

What Does Exist Now: DoD Climate Resilience Requirements

The Department of Defense requires climate resilience planning under the 2022 DoD Climate Adaptation Plan. This applies to installations and infrastructure procurement, not to individual restoration service contracts. However, DoD installation commanders are increasingly asking vendors on long-term installation support contracts to demonstrate ESG capabilities as part of contractor qualification. Restoration contractors with active military installation contracts should monitor their contracting officer communications for ESG vendor qualification language.

FEMA's Resilience Framework

FEMA's Building Resilient Infrastructure and Communities (BRIC) program and Hazard Mitigation Grant Program (HMGP) do not currently require emissions disclosure from restoration contractors performing disaster recovery work. However, FEMA's strategic plan through 2026 explicitly incorporates climate equity and environmental justice as program priorities, and state-level FEMA grantees in California and New York are beginning to require sustainability documentation from restoration subcontractors on larger recovery projects.

Where Federal Requirements Are Actually Moving

The most active federal procurement sustainability requirement affecting restoration contractors is not a single rule but the General Services Administration's sustainable acquisition standards, which require that federally-contracted construction and maintenance services on federal buildings meet certain environmental performance criteria. For restoration contractors serving

GSA-leased commercial properties or performing federal facilities maintenance, this is the current live requirement to track.

The second live pressure point is state contracting. California, New York, and Massachusetts have state-level contractor sustainability requirements that apply to state-funded restoration and remediation projects. California's buy-clean procurement preferences for lower-carbon construction materials directly affect material selection on state-funded restoration jobs — and align with the low-carbon material substitution options in the RCP Carbon Reduction Playbook.

Practical Positioning for FEMA Contractors

Restoration contractors who do significant FEMA disaster recovery work should maintain RCP records for all federally-funded jobs regardless of current requirements. When federal ESG procurement requirements return — and the trajectory strongly suggests they will — contractors with two or three years of RCP records will be able to demonstrate compliance immediately rather than scrambling to reconstruct historical data. The cost of building RCP infrastructure now is trivially small compared to the cost of retroactive data collection under a compressed compliance timeline.



Sources and References

- EPA. Proposed Federal Supplier Climate Risks and Resilience Rule. 2022 (withdrawn March 2025).
- Department of Defense. DoD Climate Adaptation Plan 2022. [defense.gov](https://www.defense.gov/Portals/0/Documents/DoD_Climate_Adaptation_Plan_2022.pdf)
- FEMA. Building Resilient Infrastructure and Communities (BRIC) Program. [fema.gov/grants/mitigation/building-resilient-infrastructure-communities](https://www.fema.gov/grants/mitigation/building-resilient-infrastructure-communities)

- GSA. Sustainable Acquisition. gsa.gov/governmentwide-initiatives

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CONTINUE READING

- [The 2027 Deadline: California SB 253](#)
- [How Restoration Work Shows Up in GRESB and CDP](#)
- [RCP and SBTi](#)

SEE ALSO

- [RCP Audit Readiness Guide](#)
- [Building an ESG-Ready Vendor Profile](#)

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