

CONTRACT FOR SERVICES

THIS AGREEMENT, is made and entered into on June /0, 2013 between ProSource Technologies, LLC, having its principal office at 9219 East River Road NW, Minneapolis, Minnesota 55433 ("Contractor"), and the HOUSING TRUST FUND CORPORATION, having its principal office at 38-40 State Street, Albany, New York 12207 ("HTFC").

WITNESSETH:

WHEREAS, HTFC seeks Contractor services in order to assist in the implementation of the State's Community Development Block Grant Disaster Recovery grant award from the United States Department of Housing and Urban Development Appropriations Act, 2013(Public Law 113-2) ("HUD Appropriations");

Whereas, HTFC, pursuant to its Procurement Policy, may determine that a procurement meets the conditions set forth therein for an emergency procurement;

Whereas, HTFC has so determined that the procurement made by this Agreement meets the conditions for an emergency procurement;

WHEREAS, the Contractor was selected pursuant to a Work Plan submitted to HTFC on May 3, 2013;

WHEREAS, the Contractor is engaged in the business of providing the types of services set out in the Scope of Services of this Agreement (Exhibit A); and

WHEREAS, subject to the terms and conditions hereinafter set forth, HTFC shall make funds available to enable the Contractor to provide such services.

NOW, THEREFORE, pursuant to and in consideration of the above, and other mutual covenants and obligations herein contained, it is

STIPULATED AND AGREED as follows:

1. Scope of Services. The Contractor will provide the services as set forth in Exhibit A (the "Services"). The Contractor represents that the Contractor has or shall obtain, or cause to be

obtained, all personnel necessary to undertake and provide the Services in a manner satisfactory to HTFC.

2. Period of Agreement. This Agreement shall commence as of April 1, 2013 and shall terminate on December 31, 2014. HTFC may terminate this Agreement upon notice if it determines that the Contractor has failed to comply with the terms of this Agreement. In addition, either party may, upon thirty (30) days written notice to the other party, terminate this Agreement.

3. Compensation. HTFC agrees to pay the Contractor at the rate set forth in the budget attached as Exhibit B (the "Budget"). Contractor agrees that in no event will the Contractor be paid more than \$ 13,355,000.00 for the Services unless authorized in writing by HTFC.

4. Payment Process and Accounting Procedures.

(a) HTFC shall make payments to the Contractor in accordance with the Budget. Any modification of the Budget must be approved in writing by HTFC before it shall become effective.

(b) HTFC shall, in its sole discretion, determine the extent to which it will use the services of the Contractor. This Agreement does not guarantee any minimum number of hours or amount of funds to be utilized over its term.

(c) Payment will be made upon receipt of the Contractor's invoice for services rendered with such documentation as may be required by HTFC, submitted in writing to HTFC. Except as may be specifically provided in the Budget, the Contractor is solely responsible for all the Contractor's costs and any other expenses necessarily and incidentally incurred in order to complete the Services.

(d) Payment will only be made to Contractor via ACH (Automated Clearinghouse) transfer, i.e., direct deposit to the Contractor's account. Contractor must provide HTFC with a completed Designation of Depository for Direct Deposit of HTFC Funds form (a copy of which is attached as Exhibit C). Contractor is solely responsible for the information provided on the form and for updating it as necessary.

(e) Payments are made pursuant to HTFC's Prompt Payments Policy, a copy of which may be obtained from HTFC's Assistant Treasurer at the address indicated above.

(f) Payment received hereunder shall be full and complete satisfaction of any and every claim resulting from the approved items in such requisition.

5. Supervision of Services.

(a) HTFC may, upon prior notification, call meetings which shall be attended by representatives of the Contractor.

(b) The Contractor will cooperate with HTFC at all times during the performance of Services and promptly study and act upon all HTFC recommendations and proposals.

(c) The Contractor shall cooperate with HTFC in promptly completing and submitting all documents and records required by HTFC or other authorized representative of the State of New York and otherwise comply with all orders, administrative rules, regulations and procedures of HTFC for the proper administration of the Services.

6. Specific Reporting and Billing Requirements.

(a) The Contractor shall submit bi-weekly reports of services provided and the cost of those services within a reasonable time of its occurrence.

(b) HTFC may redirect the work to be performed, both in terms of the type of work within the terms of the Scope of Services and the amount to be provided in accordance with Section 4 (b) of this agreement.

(c) Payment for all services and expenses shall be made pursuant to original invoices submitted by the Contractor on a monthly basis. Invoices must contain all information required by HTFC and all invoices must be submitted within 60 days of the date of services provided.

7. Insurance Requirements Contractor shall at its own expense procure and maintain during the term of this Agreement the following insurance:

(a) Comprehensive general liability insurance with limits of at least \$ 1,000,000 per occurrence.

(b) "Any Auto" automobile insurance with limits of at least \$ 1,000,000 per occurrence.

(c) Professional liability insurance with limits of at least \$ 1,000,000 per occurrence covering all work performed by the Contractor, its employees, subcontractors or independent contractors.

(d) The Contractor shall require its subcontractors and independent contractors to carry and maintain the same insurance as required of the Contractor in this Agreement.

8. Warranty of Work and Limits on Liability Contractor warrants that its performance under this agreement shall be free from defects and flaws in design; shall strictly conform to the

requirements of this Agreement; shall be fit, sufficient and suitable for the purposes expressed in, or reasonably inferred from, this Agreement, and shall be performed in accordance with the highest standards of professional practice, care and diligence practiced by recognized similar entities in performing services of a similar nature in existence at the time of performance of the Agreement. The warranty expressed shall be in addition to any other warranties expressed in this Agreement, or expressed or implied by law, which are hereby reserved by HTFC. Contractor shall be responsible for the quality, technical accuracy, completeness and coordination of all reports, documents, data, information and other items and services under this Agreement. Contractor shall promptly, and without charge, provide to the satisfaction of HTFC all corrective services necessary as a result of Contractor's errors, omissions, negligent acts or failure to meet its warranty. The Scope of Services and everything pertaining thereto shall be provided, performed and completed at the sole risk and cost of the Contractor. Contractor shall be responsible for any and all damages to property or persons to the extent caused by Contractor's errors, omissions, negligent acts, or failure to meet warranty and for any losses or costs to repair or remedy any work undertaken by HTFC based upon the Scope of Services as a result of and to the extent caused by any such errors, omissions, negligent acts or failure to meet warranty. Notwithstanding any other provision of this Agreement, Contractor's obligations under this Section shall exist without regard to, and shall not be construed to be waived by, the availability or unavailability of insurance to indemnify, hold harmless or reimburse Contractor for such damages, losses or costs.

9. Conflict of Interest. The Contractor is precluded from representing before HTFC any awardee of HTFC other than those awardees who may be assigned under contract during the period this Agreement is in effect.

10. Federal Law. Funding for this agreement is being provided by the federal government under the HUD Appropriations. Contractor shall comply with all laws and regulations imposed upon it as a result of acceptance of funds made available under the HUD Appropriations.

11. Exhibits and Appendices. The following exhibits and appendices are hereby incorporated into this Agreement and Contractor, to the extent applicable, shall adhere to their provisions.

Exhibit A	Scope of Services
Exhibit B	Budget

Exhibit C	Designation of Depository for Direct Deposit of HTFC Funds
Appendix 1	Standard Clauses for all HTFC Contracts
Appendix 2	Equal Opportunity Requirements

IN WITNESS WHEREOF, the parties executed this Agreement on the day and year first above written.

PROSOURCE TECHNOLOGIES, LLC

By: _____

Name: *Gregory A Wheeler*
Title: *CEO*

HOUSING TRUST FUND CORPORATION

By: _____

Name: *Matthew Nelson*
Title: *President*
Office of Community Renewal

Exhibit A
Scope of Services

OAKWOOD BEACH LAND ACQUISITION AND RELOCATION

The Contractor shall provide assistance in the areas of pre-acquisition activities, acquisition services, relocation assistance and other services as described in the Work Plan for CDBG/HMGP Disaster Recovery Services for New York State prepared by the Contractor and dated May 3, 2013, which is attached hereto and incorporated herein ("Work Plan"). Such services shall be provided under the guidance of HTFC which will make all decisions on matters of policy.

The following chart is an estimated budget for the Oakwood Beach Land Acquisition and Relocation program and is provided for guidance only:

Oakwood Beach Land Acquisition and Relocation	
TASK / ACTIVITY	PROJECTED BUDGET (\$)
Program Management	
Quality Assurance / Quality Control Procedures	
Budget Management	
Database Creation & Maintenance	
1.0 Pre-Acquisition Activities	
Title Services	
File and Document Preparation	
Intake Support and Property Documentation Service	
Duplication of Benefits (DOB) Due Diligence	
Verification of Benefits (VOB)	
2.0 Acquisition Services	
Appraisals*	
Negotiations	
Disbursement of Funds	
3.0 Relocation Assistance	
Relocation Administration	
Relocation Planning	
Relocation	
Debris Inspections	
Relocation Appeal Services	
4.0 Other Services	
Document Recording	
Closing Activities*	
Environmental Oversight & Program Compliance	
Demolition Management	

	NFIP Increased Cost of Compliance (ICC) Program	
	Property Management	
	Non-Public Information	
	Document Storage and Destruction	
	Office / Infrastructure	
	Total Projected Budget	7,355,000

GENERAL SERVICES

At the request of HTFC, Contractor shall provide disaster recovery services, including but not limited to the following, on an as needed basis and as further described in the aforementioned and attached Work Plan:

ADMINISTRATION AND PLANNING

- Prepare Administrative Plans Needed to Implement Programs
- Develop Policies and Procedures for each Program Activity
- Assist NYS with the CDBG Environmental Review Process
- Public Relations to Inform Participants and other Stakeholders about the Program
- Draft and Publish Program Brochures
- Personnel Training Policies and Procedures
- Policies and Procedures to Implement Program Requirements
- Develop Formal Program Documents, Checklists and Templates
- Develop and Implement Overall Program Monitoring Guidelines

CONTRACT MANAGEMENT

- Requests for Qualifications (RFQ), Requests for Proposals (RFP) and Scopes of Work for Ancillary Support Services
- Management of Contracts and Amendments between NYS and Sub-recipients
- Management of Contracts and Amendments between Sub-recipients and Services Providers
- Loan Mediation

AWARD VERIFICATION

- National Objective and Income Verification
- Program Intake Activities and Eligibility Determination
- Program Duplication of Benefits (DOB) Process
- Program Verification of Benefits (VOB) Process

ACQUISITION – DEMOLITION

- HMGP-funded Property Acquisition
- CDBG-funded Voluntary Property Acquisition
- Applicant Intake and Determination of Eligibility
- Replacement Housing and Incentive Program Administration
- Title Examination
- Clearing Title Defects

- Closing Activities
- Post-closing Activities
- Property Management and Disposition
- Remediation of other Environmental Contaminants
- Demolition Coordination
- Demolition Contract Management
- Increased Cost of Compliance (ICC) Analysis of non-perpetual Open-Space Properties - Administer and Perform ICC Funds Recovery

RELOCATION SERVICES

- Relocation Plans tailored to each Storm-affected County
- Tenant Relocation Intake Activities
- Relocation Services to Displaced Persons under the Uniform Act
- Relocation Services Pursuant to HUD Regulations
- Relocation Program Audit

REHABILITATION SERVICES

- SHPO Reporting and Analysis for each Property Acquired
- Oversight of Construction Contractors in Rehabilitation Programs
- Lead Hazard Remediation
- Asbestos Hazard Remediation

SMALL BUSINESS STORM RECOVERY SERVICES

- Guidelines and Implementation Oversight
- Eligibility Determinations
- Application Review
- Non-Profit and National Objective Review

ENVIRONMENTAL INSPECTIONS AND ASSESSMENTS

- Lead Hazard Inspection
- Asbestos Hazard Inspection
- Phase I Environmental Assessments
- Inspections for other Environmental Contaminants

ENVIRONMENTAL TESTING

- Lead Hazard Testing and Clearance
- Asbestos Hazard Testing and Clearance
- Phase II Environmental Inspection
- Monitor Program Compliance with Davis-Bacon Requirements

FINANCIAL MANAGEMENT

- Budget Development
- Budget Tracking and Control
- Sub Recipient Financial Monitoring
- General Accounting Expenditure (GAX) Process for NYS Programs and Sub-Recipient Programs

AUDITING

- Quality Assurance (QA) and Quality Control (QC) Standards and Procedures
- File-by-Program Audit
- Preparation for and Assistance During Outside Audit by Grantor, OIG, and NYS Comptroller

REPORTING

- Schedule of Program Milestones Reporting Requirements
- GIS Maps Showing Program Areas, Participating Properties, and Disaster Recovery Assistance Delivery Status
- Program Activity Tracking
- Assist with Quarterly Performance Report (QPR) in the Disaster Recovery Grant Reporting (DRGR) System

DATA MANAGEMENT

- Administer Program Database Maintenance Reporting Queries, Forms, and Procedures
- Coordinate Synchronization of Database Information among User Applications
- Documentation Management to Preserve a Record of Program Activities Fulfilled
- Record Keeping and Document Retention

Exhibit B

BUDGET

Fee Schedule

Principal/Project Attorney	\$
Senior Project/Contract Manager	\$
Public Relations Specialist	\$
Structural Engineer	\$
Senior Appraiser	\$
Senior Environmental/NEPA Specialist	\$
Senior Historic Preservation Subject Matter Expert	\$
Information Technology Specialist	\$
Acquisition/Relocation Project Manager	\$
Senior Planner	\$
Senior Case Manager	\$
Case Manager	\$
Staff Appraiser/Review Appraiser	\$
Mid-Level Environmental/NEPA Specialist	\$
Mid-Level Preservation Subject Matter Expert	\$
Mid-Level Planner	\$
Senior Technician/Drafter	\$
Code Enforcement Specialist	\$
Construction Manager	\$
Technician/Drafter	\$
Junior Planner	\$
Senior Database/Document Specialist	\$
Database/Document Specialist	\$
Junior Environmental/NEPA Specialist	\$
Senior Staff Administrative	\$
Staff Administrative	\$

Notwithstanding the provisions contained in the Work Plan, and regardless of any obligations imposed on the Contractor by any law, regulation, labor agreement or policy, including any obligation to pay overtime or any other bonus or enhanced rate of pay, HTFC will compensate the Contractor at hourly rates not to exceed those stated above.

Other Allowable Costs

Cost of materials reasonable to the needs of the delivery of services and to their cost.

The actual value of this Agreement will be determined by the amount of services requested by HTFC over the term of this Agreement.

Authorized travel in connection with site visits or meetings will be reimbursed at rates not to exceed those paid to New York State employees. Travel should be by common carrier wherever practical and Contractor agrees to limit travel by air to instances only when necessary. All other costs and expenses are the responsibility of the Contractor and will not be reimbursed.

Payment for all services and expenses shall be made pursuant to original invoices submitted by the Contractor no more frequently than monthly, unless an alternate schedule is approved, in writing, by HTFC's Office of Corporate Finance. Invoices must contain all information required by HTFC and all invoices must be submitted within sixty days of the date of services provided. Payment will be made by direct deposit ("ACH") to the Contractor's bank account pursuant to information obtained from the Contractor on a form to be provided by HTFC.

Pursuant to New York State's Prompt Payment Law, HTFC's policy is to pay all properly submitted invoices within 30 days of receipt of such invoices by HTFC. Copies of HTFC's Prompt Payment Policy Statement can be obtained by contacting HTFC's Office of Corporate Finance at the address indicated on page one of this Agreement.

Exhibit C
Housing Trust Fund Corporation
Technical Assistance Contract

DESIGNATION OF DEPOSITORY FOR DIRECT DEPOSIT OF HTFC FUNDS
SECTION I (to be completed by Contractor)

Contractor ProSource Technologies, LLC	Contract Title
Contractor Address 9219 East River Road NW Coon Rapids, MN 55433	Contact Person (Name & Phone #) Evelyn McCullough 763-786-1445

The First Advantage Bank
(Name of Contractor's Financial Institution)
has been designated as the depository for all funds to be received from the Housing Trust Fund Corporation (HTFC) resulting from an award under the above Contract.

I certify that all HTFC funds shall be deposited in an account at the above-referenced financial institution, which is covered by federal deposit insurance.


Signature of Authorized Representative

May 21, 2013
Date

Evelyn McCullough
Name of Authorized Representative
(Typed or Printed Legibly)

Treasurer and Financial Controller
Title

SECTION II (to be completed by Financial Institution)

Name of Financial Institution First Advantage Bank
Address 9950 Foley Blvd NW Coon Rapids, MN 55433

Routing Number 

Account Number 

Account Type Checking Account Savings Account

The account identified above has been established with this bank. All necessary documentation, including a power of attorney where necessary, which will enable this bank to receive funds directly from the Housing Trust Fund Corporation without any endorsement by the payee, has been received and is in this depository's custody. Immediately upon deposit of HTFC funds in the above account, we will notify the Recipient and subsequently provide a copy of the documentation of deposit.


Signature of Authorized Bank Officer
Banking Assistant
Title of Authorized Bank Officer

5/21/13
Date
(763) 780-6600
Telephone Number

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August, 2011

APPENDIX I

STANDARD CLAUSES FOR CONTRACTS WITH THE

**NEW YORK STATE HOUSING FINANCING AGENCY
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NEW YORK STATE AFFORDABLE HOUSING CORPORATION
STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY
TOBACCO SETTLEMENT FINANCING CORPORATION
(individually or collectively, "Agency" or "Agencies")**

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August, 2011

STANDARD CLAUSES FOR AGENCY CONTRACTS

The parties to the attached contract, license, lease, amendment or other agreement of any kind (hereinafter, "Contract") agree to be bound by the following clauses which are hereby made a part of the contract (the word "Contractor" herein refers to any party other than the State, whether a contractor, licensor, licensee, lessor, lessee or any other party):

1. **ACCOUNTING RECORDS.** The Contractor shall establish and maintain complete and accurate books, records, documents, accounts and other evidence directly pertinent to performance of work done for the Agency or Agencies under this Contract (hereinafter, collectively, "the Records") consistent with generally accepted bookkeeping practices. The Records must be kept for the balance of the calendar year in which they were made and for six (6) additional years thereafter. The Agency or Agencies involved in this Contract and any person or entity authorized to conduct an examination shall have access to the Records during normal business hours at an office of the Contractor within the State of New York or, if no such office is available, at a mutually agreeable and reasonable venue within the State, for the term specified above for the purposes of inspection, auditing and copying. The Agency or Agencies shall take reasonable steps to protect from public disclosure any of the Records which are exempt from disclosure under Section 87 of the Public Officers Law (the "Statute") provided that: (i) the Contractor shall timely inform the Agencies' Senior Vice President and Counsel, in writing, that said records should not be disclosed; and (ii) said records shall be sufficiently identified; and (iii) designation of said records as exempt under the Statute is reasonable. Nothing contained herein shall diminish, or in any way adversely affect, the Agency's or Agencies' right to discovery in any pending or future litigation.

2. **CONFLICTS OF INTEREST.** The Contractor shall not accept any engagement in conflict with the Agency's or Agencies' interest in the subject matter of this Contract.

The Servicer shall not offer to any employee, member or director of the Agency or Agencies' any gift, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence said employee, member or director, or could reasonably be expected to influence said employee, member or director, in the performance of the official duty of said employee, member or director or was intended as a reward for any official action on the part of said employee, member or director.

3. **SUBCONSULTANTS.** The Contractor shall not employ, contract with, or use the services of any consultant for the work of this Contract (except such third parties which may be used by the Contractor in the normal course of business, such as couriers,

imaging services, etc.) without obtaining the prior written approval of the Agency or Agencies.

4. **NON-ASSIGNABILITY.** This Contract may not be assigned by the Contractor or its right, title or interest therein assigned, transferred, conveyed, sublet or disposed of without the previous consent in writing of the Agency or Agencies and any attempts to assign the Contract without the Agency or Agencies' written consent are null and void. However, this Contract shall be binding upon and inure to the benefit of the Agency or Agencies and its successors and assigns.

5. **INDEMNITY.** The Contractor shall indemnify and hold the Agency or Agencies and their employees, officers, Members and Directors (collectively, the "Indemnittees") harmless from and against all claims, demands, liability, loss, cost, damage or expense, including attorney's fees, which may be incurred by the Indemnittees because of negligence or malfeasance on the part of the Contractor arising out of this Contract.

6. **NON-DISCRIMINATION.** The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, sexual orientation, age, disability, genetic predisposition or carrier status, or marital status.

If directed to do so by the State Commissioner of Human Rights ("Commissioner"), the Contractor will send to each labor union to which the Contractor is bound a notice provided by the Commissioner advising of this provision. The Servicer will keep posted in conspicuous places notices of the Commissioner regarding laws against discrimination. The Contractor will state in all advertisements for employees that all qualified applicants will be afforded equal opportunities without discrimination because of race, creed, color, sex, national origin, sexual orientation, age, disability, genetic predisposition or carrier status, or marital status.

If the Contractor has fifteen or more employees, it is an unlawful employment practice for the Contractor to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to the individual's compensation, terms, conditions, or privileges of employment, or to limit, segregate, or classify employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect an individual's status as an employee, because of such individual's race, color, religion, sex, or national origin, or because an individual opposed any practice made unlawful by Title VII of the Civil Rights Act of 1964, as amended, or because he or she made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under that Title; and that it shall be an unlawful employment practice to print or publish or cause to be printed or published any notice or advertisement relating to employment indicating any preference,

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August, 2011

limitation, specification, or discrimination on the basis of race, color, religion, sex, or national origin.

If the Contractor has fifteen or more employees, the Contractor: (1) will make and keep such records relevant to the determinations of whether unlawful employment practices have been or are being committed; (2) will preserve such records for such periods as the Equal Employment Opportunity Commission ("EEOC") shall prescribe by regulation; (3) will make such reports therefrom as the EEOC shall prescribe by regulation or order; (4) must post and keep posted in conspicuous places upon its premises where notices to employees and applicants for employment are customarily posted a notice prepared or approved by the EEOC setting forth excerpts from, or summaries of, pertinent provisions of Title VII of the Civil Rights Act of 1964, as amended, and information pertinent to the filing of a complaint.

To the extent required by Article 15 of the Executive Law (also known as the Human Rights Law) and all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor will comply with all non-discriminatory employment practices, will furnish all information deemed necessary by the Commissioner, and will permit the Commissioner access to its records to ascertain compliance. The Contractor will bind all subcontractors hired to perform services in connection with this Contract to the requirements of this section, take such action for enforcement as the Commissioner may direct, and notify the Commissioner if such action results in litigation. This Contract may be terminated by the Agency or Agencies upon the Commissioner's finding of non-compliance with this section, and the Contractor may be declared ineligible for future contracts with an agency of the State or a public authority until the Contractor satisfies the Commissioner of compliance.

7. EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITIES AND WOMEN.

In accordance with Section 312 of the Executive Law and 5 NYCRR 143, if this Contract is: (1) a written agreement or purchase order instrument, providing for a total expenditure in excess of \$25,000.00, whereby the Agency or Agencies, is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the Agency or Agencies, then the following shall apply and by signing this agreement the Contractor certifies and affirms that it is Contractor's equal employment opportunity policy that:

(a) the Contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, shall make and document its conscientious and active efforts to employ and utilize minority group members and women in its work force on Agency or Agencies' contracts and will undertake or continue existing programs of affirmative action to ensure that minority

group members and women are afforded equal employment opportunities without discrimination. Affirmative action shall mean recruitment, employment, job assignment, promotion, upgradings, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation;

(b) at the request of the Agency or Agencies, the Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of the Contractor's obligations herein; and

(c) the Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of this Contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

Contractor will include the provisions of "a", "b", and "c" above, in every subcontract over \$25,000. Section 312 does not apply to: (i) work, goods or services unrelated to this Contract; or (ii) employment outside New York State. The Agency or Agencies shall consider compliance by a Contractor or subcontractor with the requirements of any federal law concerning equal employment opportunity which effectuates the purpose of this section. The Agency or Agencies shall determine whether the imposition of the requirements of the provisions hereof duplicate or conflict with any such federal law and if such duplication or conflict exists, the Agency or Agencies shall waive the applicability of Section 312 to the extent of such duplication or conflict. Contractor will comply with all duly promulgated and lawful rules and regulations of the Department of Economic Development's Division of Minority and Women's Business Development pertaining hereto.

(d) If the procurement of the goods or services provided herein is subject to minority and women-owned participation requirements pursuant to Article 15-A of the Executive Law, the Contractor shall be liable to the Agency or Agencies for liquidated or other appropriate damages and shall provide for other appropriate remedies on account of such breach in the event it is found that the Contractor willfully and intentionally failed to comply with the minority and women-owned participation requirements set forth in Article 15-A of the Executive Law.

8. PROPRIETARY INFORMATION. All memoranda, analyses, spreadsheets and other pertinent documents or writings, including reports and financial statements developed or prepared by, or for, the Contractor in connection with the performance of this Contract are "Proprietary Information" and shall be, and remain, the property of the Agency or Agencies. All original

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August, 2011

documents constituting Proprietary Information shall be delivered to the Agency or Agencies by the Contractor, or any subcontractor, or any other person possessing them, upon the termination of this Contract or upon the earlier request of the Agency or Agencies, except that the Contractor may retain copies for its files. Proprietary Information may not be utilized, disclosed or otherwise made available to other persons by the Contractor without the prior written approval of the Agencies' Senior Vice President and Counsel. The provisions of this section shall be in addition to, and not in derogation of, any duty imposed upon the Contractor by any law, regulation or rule governing professional conduct respecting confidentiality.

9. IDENTIFYING INFORMATION AND PRIVACY NOTIFICATION. (a) **FEDERAL EMPLOYER IDENTIFICATION NUMBER and/or FEDERAL SOCIAL SECURITY NUMBER.** All invoices submitted for payment for the sale of goods or services or the lease of real or personal property to the Agency or Agencies must include the payee's identification number, i.e., the seller's or lessor's identification number. The number is either the payee's Federal employer identification number or Federal social security number, or both such numbers when the payee has both such numbers. Failure to include this number or numbers may delay payment. Where the payee does not have such number or numbers, the payee, on its invoice, must give the reason or reasons why the payee does not have such number or numbers.

(b) **PRIVACY NOTIFICATION.** (1) The authority to request the above personal information from a seller of goods or services or a lessor of real or personal property, and the authority to maintain such information, is found in Section 5 of the State Tax Law. Disclosure of this information by the seller or lessor to the Agency or Agencies is mandatory. The principal purpose for which the information is collected is to enable the State to identify individuals, businesses and others who have been delinquent in filing tax returns or may have understated their tax liabilities and to generally identify persons affected by the taxes administered by the Commissioner of Taxation and Finance. The information will be used for tax administration purposes and for any other purpose authorized by law. (2) The personal information is requested by Agency or Agencies to purchase the goods or services or lease the real or personal property covered by this Contract or lease. The information is maintained by Disbursement Manager at the Agency or Agencies, 641 Lexington Avenue, New York, New York 10022, under the name "Vendor Federal Social Security and Federal Employee Identification Numbers."

10. CONTRACTUAL RELATIONSHIP. It is expressly understood that the relationship between the Agency or Agencies and the Contractor is an independent contractual relationship and neither the Contractor, its employees, nor its subcontractors shall be considered employees of the Agency or Agencies for any purpose.

In addition, the Contractor shall execute the Certificate of Interest attached hereto as Exhibit A and incorporated herein. Please refer to the following link on the Agency's web site to view each of the Agency's Prompt Payment Policies at <http://www.nyhomes.org/Forms/Contractinformation.htm> or call the Agencies' Contract Officer at (212) 688-4000.

11. ENTIRE AGREEMENT. This Contract constitutes the entire agreement between the Contractor and the Agency or Agencies with respect to the subject matter hereof, superseding all negotiations, prior discussions and preliminary agreements. In the event of a conflict between the terms of the Contract (including any and all attachments thereto and amendments thereof) and the terms of this Appendix I, the terms of this Appendix I shall control.

12. MODIFICATION. Waiver, discharge, amendment, supplement, extension or other modification of this Contract shall be subject to prior approval by the Agency or Agencies and may be effected only by an instrument in writing signed by the parties to this Contract.

13. SECTION HEADINGS. The caption of sections in this Contract are inserted solely for convenience of reference and are not intended to define, limit, or describe the scope of this Contract or any provision hereof or to otherwise affect this Contract in any way. The section headings shall not be considered in any way in construing this Contract.

14. COUNTERPARTS. This Contract may be executed in any number of counterparts. Each such counterpart shall be deemed to be a duplicate original. All such counterparts shall constitute but one and the same instrument.

15. GOVERNING LAW. This Contract has been executed and delivered in, and shall be construed and enforced in accordance with the laws of, the State of New York. In the event of conflict between New York State law and federal laws and regulations, the latter shall prevail.

16. NOTICES. All notices and other communications given hereunder shall not be effective for any purpose whatsoever unless in writing and delivered by hand or mailed by United States first class registered or certified mail, return receipt requested. Notice shall be deemed to have been given, if delivered by hand, when actually received by the party being notified, or, if mailed, when addressed (a) if to the Contractor, to the attention of the Contractor's authorized signatory of this Contract at the address specified for the Contractor on page one of this Contract, or at such other address as to which the Contractor shall have notified the Agency or Agencies, and (b) if to the Agency or Agencies, to the attention of the Senior Vice President and Counsel, at the address for the Agency or Agencies on page one this Contract, or at such other address of which the Agency or Agencies shall have notified the Contractor.

NEW YORK STATE FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY
NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL
BOND BANK AGENCY, AND TOBACCO SETTLEMENT FINANCING CORPORATION
641 LEXINGTON AVENUE, NEW YORK, NEW YORK 10022, (212) 688-4000

August, 2011

17. **SEVERABILITY.** All rights, powers and remedies provided herein may be exercised only to the extent that they do not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render this Contract invalid, unenforceable or not entitled to be recorded, registered, or filed under applicable law. If any provision or term of this Contract or any portion of a provision shall be held to be invalid, illegal or unenforceable, only such provision or part thereof shall be affected by such holding and this Contract shall be construed as if such invalid, illegal or unenforceable provision or part thereof had not been contained herein.

18. **WORKERS' COMPENSATION.** This Contract shall be void and of no force and effect unless the Contractor shall provide and maintain coverage during the life of this Contract for the benefit of such employees as are required to be covered by the provisions of the Workers' Compensation Law.

19. **NO ARBITRATION.** Disputes involving this Contract, including the breach or alleged breach thereof, may not be submitted to binding arbitration (except where statutorily authorized), but must, instead, be heard in a court of competent jurisdiction of the State of New York.

20. **SERVICE OF PROCESS.** In addition to the methods of service allowed by the State Civil Practice Law & Rules ("CPLR"), the Contractor hereby consents to service of process upon it by registered or certified mail, return receipt requested. Service of process hereunder shall be complete upon the Contractor's actual receipt of process or upon the Agency's or Agencies' receipt of the return thereof by the United States Postal Service as refused or undeliverable. The Contractor must promptly notify the Agency or Agencies, in writing, of each and every change of address to which service of process can be made. Service of process by the Agency or Agencies to the last known address shall be sufficient. The Contractor will have thirty (30) calendar days after service hereunder is complete in which to respond.

21. **NON-COLLUSIVE BIDDING CERTIFICATION.** If this Contract was awarded based upon the submission of a bid or proposal, the Contractor affirms, under penalty of perjury, that the prices in its bid or proposal were arrived at independently, without collusion, consultation, communication, or agreement, for the purpose of restricting competition, or as to any matter relating to such prices with any other Contractor or with any competitor. The Contractor further affirms that, at the time the Contractor submitted its bid or proposal, an authorized and responsible person executed and delivered a non-collusive bidding certification to the Agency or Agencies on the Contractor's behalf.

22. **LOBBYING REFORM LAW DISCLOSURE.** If the procurement of the goods or services provided herein were applicable to Lobbying Reform Law Disclosure as pursuant to

State Finance Law §§139-j and 139-k, the Agency or Agencies reserves the right to terminate this Contract in the event it is found that the certification filed by the Offerer/Bidder in accordance with New York State Finance Law §139-k was intentionally false or intentionally incomplete. Upon such finding, the Agency or Agencies may exercise their termination right by providing written notification to the Contractor.

23. **MACBRIDE FAIR EMPLOYMENT PRINCIPLES.** In accordance with the MacBride Fair Employment Principles (Chapter 807 of the Laws of 1992), the Contractor hereby stipulates that the Contractor either (a) has no business operations in Northern Ireland, or (b) shall take lawful steps in good faith to conduct any business operations in Northern Ireland in accordance with the MacBride Fair Employment Principles (as described in Section 165 of the New York State Finance Law), and shall permit independent monitoring of compliance with such principles.

24. **OMNIBUS PROCUREMENT ACT OF 1992.** It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority and women-owned business enterprises as bidders, subcontractors and suppliers on its procurement contracts.

Information on the availability of New York State subcontractors and suppliers is available from:

NYS Department of Economic Development,
Division for Small Business
30 South Pearl St -- 7th Floor, Albany, New York 12245
Telephone: 518-292-5220 Fax: 518-292-5884
<http://www.empire.state.ny.us>

A directory of certified minority and women-owned business enterprises is available from:

NYS Department of Economic Development
Division of Minority and Women's Business Development
30 South Pearl St -- 2nd Floor, Albany, New York 12245
Telephone: 518-292-5250 Fax: 518-292-5803
<http://www.empire.state.ny.us>

The Omnibus Procurement Act of 1992 requires that by signing this bid proposal or contract, as applicable, Contractors certify that whenever the total bid amount is greater than \$1 million:

- (a) The Contractor has made reasonable efforts to encourage the participation of New York State Business Enterprises as suppliers and subcontractors, including certified minority and women-owned business enterprises, on this project, and has retained the documentation of these efforts to be provided upon request to the State;
- (b) The Contractor has complied with the Federal Equal Opportunity Act of 1972 (P.L. 92-261), as amended;

**NEW YORK STATE FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY
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641 LEXINGTON AVENUE, NEW YORK, NEW YORK 10022, (212) 688-4000**

August, 2011

(c) The Contractor agrees to make reasonable efforts to provide notification to New York State residents of employment opportunities on this project through listing any such positions with the Job Service Division of the New York State Department of Labor, or providing such notification in such manner as is consistent with existing collective bargaining contracts or agreements. The Contractor agrees to document these efforts and to provide said documentation to the State upon request; and

(d) The Contractor acknowledges notice that the State may seek to obtain offset credits from foreign countries as a result of this contract and agrees to cooperate with the State in these efforts.

APPENDIX 2

PARTICIPATION BY MINORITY GROUP MEMBERS AND WOMEN WITH RESPECT TO STATE CONTRACTS: REQUIREMENTS AND PROCEDURES

I. General Provisions

- A. The HOUSING TRUST FUND CORPORATION ("HTFC") is required to implement the provisions of New York State Executive Law Article 15-A and 5 NYCRR Parts 142-144 ("MWBE Regulations") for all State contracts as defined therein, with a value (1) in excess of \$25,000 for labor, services, equipment, materials, or any combination of the foregoing or (2) in excess of \$100,000 for real property renovations and construction.
- B. Contractor agrees, in addition to any other nondiscrimination provision of this agreement and at no additional cost to HTFC, to fully comply and cooperate with HTFC in the implementation of New York State Executive Law Article 15-A. These requirements include equal employment opportunities for minority group members and women ("EEO") and contracting opportunities for certified minority and women-owned business enterprises ("MWBEs"). Contractor's demonstration of "good faith efforts" pursuant to 5 NYCRR §142.8 shall be a part of these requirements. These provisions shall be deemed supplementary to, and not in lieu of, the nondiscrimination provisions required by New York State Executive Law Article 15 (the "Human Rights Law") or other applicable federal, state or local laws.
- C. Failure to comply with all of the requirements herein may result in a finding of non-responsiveness, non-responsibility and/or a breach of contract, leading to the withholding of funds or such other actions, liquidated damages pursuant to section VII of this Appendix or enforcement proceedings as allowed by this Agreement.

II. Contract Goals

- A. For purposes of this Agreement, HTFC hereby establishes a goal of, 10% for Minority-Owned Business Enterprises ("MBE") participation and 10% for Women-Owned Business Enterprises ("WBE") participation (based on the current availability of qualified MBEs and WBEs).
- B. For purposes of providing meaningful participation by MWBEs on this Agreement and achieving the Contract Goals established in section II-A Project Recipient should reference the directory of New York State Certified MBWEs found at the following internet address:
[http://www.empire.state.ny.us/Small and Growing Businesses/mwbe.asp](http://www.empire.state.ny.us/Small_and_Growing_Businesses/mwbe.asp).

Additionally, Contractor is encouraged to contact the Division of Minority and Woman Business Development ((518) 292-5250; (212) 803-2414; or (716) 846-8200) to discuss additional methods of maximizing participation by MWBEs on this Agreement.

- C. Where MWBE goals have been established herein, pursuant to 5 NYCRR §142.8, Contractor must document "good faith efforts" to provide meaningful participation by MWBEs as subcontractors or suppliers in the performance of this Agreement. In accordance with section 316-a of Article 15-A and 5 NYCRR §142.13, Contractor acknowledges that if Contractor is found to have willfully and intentionally failed to comply with the MWBE participation goals set forth in this Agreement, such a finding constitutes a breach of contract and Contractor shall be liable to HTFC for liquidated or other appropriate damages, as set forth herein.

III. Equal Employment Opportunity (EEO)

- A. Contractor agrees to be bound by the provisions of Article 15-A and the MWBE Regulations promulgated by the Division of Minority and Women's Business Development of the Department of Economic Development (the "Division"). If any of these terms or provisions conflict with applicable law or regulations, such laws and regulations shall supersede these requirements.
- B. Contractor shall comply with the following provisions of Article 15-A:
1. Contractor and its subcontractors shall undertake or continue existing EEO programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status. For these purposes, EEO shall apply in the areas of recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation.
 2. The Contractor and its subcontractors shall submit an EEO policy statement to HTFC with its MWBE Utilization Plan in accordance with HTFC's Office of Fair Housing and Equal Opportunity ("OFHEO") procedures. If Contractor or its subcontractors do not have an existing EEO policy statement, a model statement can be found on HTFC's website.
 3. Contractor's EEO policy statement shall include the following language:
 - a. The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, disability or marital status, will undertake or continue existing EEO programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination, and shall make and document its conscientious and active efforts to employ and utilize minority group members and women in its work force.
 - b. The contractor shall state in all solicitations or advertisements for employees that, in the performance of the contract, all qualified applicants will be afforded equal

employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

- c. The contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union, or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of the contractor's obligations herein.
- d. The contractor will include the provisions of sections (a) through (c) of this subsection and paragraph "E" of this section, which provides for relevant provisions of the Human Rights Law, in every subcontract in such a manner that the requirements of the subdivisions will be binding upon each subcontractor as to work in connection with this Agreement.

C. Staffing Plan

The Contractor shall complete the Staffing Plan, PROC-1 form. Thereafter, this information is to be submitted on a quarterly basis during the term of this Agreement to report the actual workforce utilized in the performance of this Agreement by the specified categories listed including ethnic background, gender, and Federal occupational categories. The Quarterly Workforce Report, PROC-5 form must be submitted to report this information for the quarters ending March 31st, June 30th, September 30th and December 31st. Quarterly Workforce Reports shall be submitted, in PDF format, to QFHEO1@nyshcr.org by April 10th, July 10th, October 10th, and January 10th. Forms PROC-1 and Proc-5 can be found at <http://www.nyshcr.org/Forms/FairHousing/>.

- D. Contractor and its subcontractor's shall comply with the provisions of the Human Rights Law, all other State and Federal statutory and constitutional non-discrimination provisions. Contractor and its subcontractors shall not discriminate against any employee or applicant for employment because of race, creed (religion), color, sex, national origin, sexual orientation, military status, age, disability, predisposing genetic characteristic, marital status or domestic violence victim status, and shall also follow the requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.

IV. MWBE Utilization Plan

- A. The Contractor represents and warrants that Contractor shall submit an ADM- 095B MWBE Utilization Plan for the Oakwood Beach Land Acquisition and Relocation program by September 1, 2013. Contractor shall submit an ADM-095B MWBE Utilization Plan for general services on a date to be agreed upon at the time the general services are requested.
- B. Contractor agrees to use such MWBE Utilization Plan for the performance of MWBEs on this project pursuant to the prescribed MWBE goals set forth in section II-A of this Appendix.

- C. Contractor further agrees that a failure to submit and/or use such MWBE Utilization Plan shall constitute a material breach of the terms of this Agreement. Upon the occurrence of such a material breach, HTFC shall be entitled to any remedy provided herein, including but not limited to, a finding of Contractor non-responsiveness.

V. Waivers

- A. For Waiver Requests Contractor should refer to OFHEO's Good Faith Efforts Guide on the HTFC website
- B. If Contractor, after making good faith efforts, is unable to comply with MWBE goals, Contractor may submit a Request for Waiver documenting good faith efforts by Contractor to meet such goals. Requests are to be in writing and directed to Wanda Graham, Director, Office of Fair Housing and Equal Opportunity, NYS Homes and Community Renewal, 641 Lexington Avenue, 5th Floor, New York, New York 10022.
- C. If HTFC, upon review of the Utilization Plan and updated Compliance Reports determines that Contractor is failing or refusing to comply with the contract goals and no waiver has been issued in regards to such non-compliance, HTFC may issue a notice of deficiency to Contractor. Contractor must respond to the notice of deficiency within seven (7) business days of receipt. Such response may include a request for partial or total waiver of MWBE Contract Goals.

VI. Quarterly MWBE Contractor Compliance Report

Contractor is required to submit a Quarterly MWBE Contractor Compliance Report (Form _____) to HTFC by the 10th day following each end of quarter over the term of the Agreement documenting the progress made towards achievement of its MWBE goals.

Work Plan for

CDBG / HMGP Disaster Recovery Services for
New York State



New York  State

May 3, 2013

Prepared by

ProSource
TECHNOLOGIES

888.422.4449

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Headquarters

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Toll Free 888.422.4449
www.prosourcetech.com

May 3, 2013

Mr. Matthew Nelson
President
Office of Community Renewal
Hampton Plaza
30-40 State Street
Albany, NY 12207

RE: Work Plan for CDBG/HMGP Disaster Recovery Services

Dear Mr. Nelson:

Thank you for this opportunity to submit our Work Plan to assist New York State ("State" or "NYS") in their Storm Damage Recovery efforts. ProSource Technologies, LLC (ProSource) is focused on delivering seamless recovery service to New York State, Staten Island and additional boroughs/counties as funds become available.

WHY THE PROSOURCE TEAM?

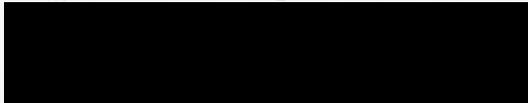
- ProSource is a national, turn-key acquisition and disaster recovery assistance firm that has operated in almost all states, including New York State, and is well versed in the Department of Housing and Urban Development/Federal Emergency Management Agency (HUD/FEMA) and Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act) requirements.
- ProSource core staff includes 110 acquisition and disaster recovery assistance professionals, along with a network of over 950 additional staff that are available on an as needed basis. Moreover, we pride ourselves on bringing our in-house expertise to our clients' locality and hiring and training local staff to provide Program support.
- Our Disaster Recovery Division is very familiar with the Community Development Block Grant/Hazard Mitigation Grant Program (CDBG/HMGP) rules and regulations, and has significant current experience implementing the post Katrina HUD/FEMA policies and procedures and the HUD/FEMA 19-point demolition checklist.
- ProSource is in the process of completing over 1,400 CDBG/HMGP buyouts for the City of Cedar Rapids, IA and is assisting the City of Devils Lake, ND and the Fargo-Moorhead Area Diversion Authority with similar disaster and flood recovery services.
- ProSource staff developed and implemented volumes of policies and procedures for documenting and implementing the stringent requirements for CDBG/HMGP Programs, including the highly sensitive quality assurance, audit, and Duplication of Benefits (DOB) components.
- ProSource staff has developed a comprehensive database management system for integrating buyouts with other programs while providing open and real time access for our state and municipal clients. This invaluable management tool can be customized to fit the tracking, quality assurance, auditing and reporting needs of New York State.
- Our CDBG/HMGP experienced staff are trained and ready to immediately and seamlessly assist your Program; thereby ensuring that Program participants receive assistance faster than any other option.

- ProSource is capable of providing in-house Hmong, Lao, Spanish, Russian, Hebrew, and Polish interpretation/translation services through the use of staff well-versed in the spoken and written languages of these cultures.
- ProSource offers a full range of environmental services including, Environmental Assessments, Environmental Impact Statements, Phase I & II Environmental Site Assessments, building hazard assessments, environmental permitting and construction and demolition oversight/construction services.
- Our multi-disciplinary staff is comprised of appraisers and real estate experts, title examiners, abstractors, attorneys, relocation specialists, case managers, environmental, and Geographical Information System (GIS) and drafting experts, all with extensive disaster-related experience.
- Our Disaster Recovery Division includes individuals from the State of Iowa that played substantial roles in establishing State level procedures for administration of CDBG/HMGP and HUD/FEMA funds.
- A proven property acquisition database is utilized to generate title/acquisition documents; and track landowner contacts, budgets, and demolition stipulations to ensure success.

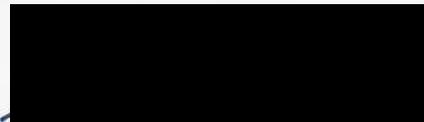
We sincerely appreciate the opportunity to submit our Work Plan. If you have any questions or need further information, please feel free to contact us at 888-422-4449.

Sincerely,

ProSource Technologies, LLC



Gregory A. Wheeler, J.D.
Chief Executive Officer / General Counsel



Jason D. Alt
Vice President

Table of Contents

Cover Letter	_____	
Table of Contents	_____	
Proposed Work Plan	_____	1
1.0 Overall Program Activities	_____	1
2.0 Environmental Services	_____	13
Oakwood Beach Land Acquisition and Relocation	_____	26
1.0 Pre-Acquisition Activities	_____	28
2.0 Acquisition Services	_____	33
3.0 Relocation Assistance	_____	35
4.0 Other Services	_____	39
5.0 Additional Value	_____	42
Proposed Budget	_____	45
Exhibit A	_____	
Exhibit B	_____	

Proposed Work Plan

ProSource's proven success in servicing its clients is founded on our ability to meet all applicable regulatory guidelines and Program requirements, as well as ensuring a sound methodology and approach. We have applied our time proven approach in developing the Work Plan outlined below.

ADMINISTERING STORM DISASTER RECOVERY PROGRAMS

ProSource Technologies, LLC (ProSource) applies its capabilities, dedication and experience to administer natural disaster recovery programs funded by Federal and State governments. These programs deliver the assistance individuals and communities need to recover from natural disasters. Administrative services begin with Program definition and development, include all supervisory, quality assurance, financial management and control, activity tracking, and reporting needed to implement successful disaster recovery programs, and continue through Program close-out and final audit.

1.0 Overall Program Activities

We are proud to deliver the assistance that storm-affected communities and individuals need in a manner that fully complies with all applicable regulations and standards.

The Program activities addressed by this Work Plan will help individuals and their communities recover from storm damage resulting from Tropical Storm Lee, Hurricane Irene, and Hurricane Sandy.

ProSource Disaster Recovery Program Administrative services assure NYS that the Program activities it requests are performed as specified, on time, and on-budget. ProSource self-performs or partners with, retains and supervises other service providers to effectively render needed Program activities, such as those identified below. Further details on these Program activities follow this outline:

ADMINISTRATION AND PLANNING

- Prepare Administrative Plans Needed to Implement Programs
- Develop Policies and Procedures for each Program Activity
- Assist NYS with the CDBG Environmental Review Process
- Public Relations to Inform Participants and other Stakeholders about the Program
- Draft and Publish Program Brochures
- Personnel Training Policies and Procedures
- Policies and Procedures to Implement Program Requirements
- Develop Formal Program Documents, Checklists and Templates
- Develop and Implement Overall Program Monitoring Guidelines

CONTRACT MANAGEMENT

- Requests for Qualifications (RFQ), Requests for Proposals (RFP) and Scopes of Work for Ancillary Support Services

- Management of Contracts and Amendments between NYS and Sub-recipients
- Management of Contracts and Amendments between Sub-recipients and Services Providers
- Loan Mediation

AWARD VERIFICATION

- National Objective and Income Verification
- Program Intake Activities and Eligibility Determination
- Program Duplication of Benefits (DOB) Process
- Program Verification of Benefits (VOB) Process

ACQUISITION – DEMOLITION

- HMGP-funded Property Acquisition
- CDBG-funded Voluntary Property Acquisition
- Applicant Intake and Determination of Eligibility
- Replacement Housing and Incentive Program Administration
- Title Examination
- Clearing Title Defects
- Closing Activities
- Post-closing Activities
- Property Management and Disposition
- Remediation of other Environmental Contaminants
- Demolition Coordination
- Demolition Contract Management
- Increased Cost of Compliance (ICC) Analysis of non-perpetual Open-Space Properties - Administer and Perform ICC Funds Recovery

RELOCATION SERVICES

- Relocation Plans tailored to each Storm-affected County
- Tenant Relocation Intake Activities
- Relocation Services to Displaced Persons under the Uniform Act
- Relocation Services Pursuant to HUD Regulations
- Relocation Program Audit

REHABILITATION SERVICES

- SHPO Reporting and Analysis for each Property Acquired
- Oversight of Construction Contractors in Rehabilitation Programs
- Lead Hazard Remediation
- Asbestos Hazard Remediation

SMALL BUSINESS STORM RECOVERY SERVICES

- Guidelines and Implementation Oversight
- Eligibility Determinations
- Application Review
- Non-Profit and National Objective Review

ENVIRONMENTAL INSPECTIONS AND ASSESSMENTS

- Lead Hazard Inspection
- Asbestos Hazard Inspection
- Phase I Environmental Assessments
- Inspections for other Environmental Contaminants

ENVIRONMENTAL TESTING

- Lead Hazard Testing and Clearance
- Asbestos Hazard Testing and Clearance
- Phase II Environmental Inspection
- Monitor Program Compliance with Davis-Bacon Requirements

FINANCIAL MANAGEMENT

- Budget Development
- Budget Tracking and Control
- Sub Recipient Financial Monitoring
- General Accounting Expenditure (GAX) Process for NYS Programs and Sub-Recipient Programs

AUDITING

- Quality Assurance (QA) and Quality Control (QC) Standards and Procedures
- File-by-Program Audit
- Preparation for and Assistance During Outside Audit by Grantor, OIG, and NYS Comptroller

REPORTING

- Schedule of Program Milestones Reporting Requirements
- GIS Maps Showing Program Areas, Participating Properties, and Disaster Recovery Assistance Delivery Status
- Program Activity Tracking
- Assist with Quarterly Performance Report (QPR) in the Disaster Recovery Grant Reporting (DRGR) System

DATA MANAGEMENT

- Administer Program Database Maintenance Reporting Queries, Forms, and Procedures

- Coordinate Synchronization of Database Information among User Applications
- Documentation Management to Preserve a Record of Program Activities Fulfilled
- Record Keeping and Document Retention

The following provides further details in regards to the Program Activities outlined above:

ADMINISTRATION AND PLANNING

The Administrative Plan governs the Program and establishes a framework for the process that project personnel carry forward to deliver the services that NYS Homes and Community Renewal Storm Disaster Recovery Program applicants and participants seek. ProSource will collaborate with the State at the earliest possible moment to assure that a practical Administrative Plan is in place from the outset.

A Disaster Recovery Administrative Plan sets out the purposes of the Programs, sources of funds, controlling statutes and implementing regulations. It identifies the responsible NYS entity, affiliated NYS departments, divisions, and agencies as well as other affected authorities, commissions, counties and units of general local governments (UGLGs). The Administrative Plan explains in plain language how the Program works, the benefits available, eligibility requirements, sequence of activities, prohibitions and restrictions (if any) imposed on properties enrolled in a Program, how benefits are disbursed, how affected properties are defined, and other Program features. ProSource explains with particular thoroughness the effects of any waivers or other deviations from the usual application of statutes and implementing regulations governing similar programs operated under different circumstances, or in response to natural disasters with different characteristics.

ProSource will prepare the Administrative Plan in its entirety, operate under the Administrative Plan adopted by the grant recipient, or collaborate with the Program originator to define the regulations, agencies, and purposes that apply to each discrete disaster recovery program. ProSource is prepared to partner with the State to manage and administer the NYS Office of Community Renewal (OCR) Division of Homes and Community Renewal (HCR) storm disaster recovery programs.

ProSource works with NYS to develop policies and procedures that enable Program personnel to reliably, fairly and consistently perform the Program activities needed to deliver assistance to the applicant and the storm-affected community. ProSource specifically tailors training materials and Program policies and procedures to fulfill the disaster recovery goals of NYS in view of the conditions existing in the Program area and community.

ProSource develops written policies and procedures for Program activities that affect eligibility of a person or property, the timing or amount of any benefits for which a person may be eligible, and the maintenance of documents and records that substantiate participant and administrative compliance with applicable State and Federal requirements. Each policy statement explains the reason that underlies the specific Program activity required according to the policy. Procedure steps that follow each policy explain the process of implementing the stated policy.

ProSource will assist the State with the CDBG Environmental Review Process to the full extent needed under each Program and as dictated by conditions present at each property eligible for disaster recovery assistance. ProSource management and staff have the versatility and experience to respond to the conditions prevailing at any property in a disaster recovery Program area, and the flexibility to fulfill current and subsequently identified NYS Program needs.

Informing community members about the Program is absolutely essential. Owner-occupants, rental property owners and any tenants displaced by acquisition of dwellings under the Program must receive clear, informative descriptions of the Programs. Those affected by the Program have the right to receive all information useful to them in determining whether to participate in a program. Experience has shown that when potential participants understand the disaster recovery program, participation is normally quite high, and opposition minimal, even among those who elect not to participate.

Releasing Program status and other information to members of the public who are interested in understanding and reporting on the community's renewal and disaster recovery progress is very useful to achieving a genuinely satisfactory project outcome. ProSource has the experience to develop appropriate relationships with political and community entities by earning a reputation for being a reliable, real time source of Program information. ProSource will not reveal any non-public information to third parties except to the extent authorized and requested by HCR; likewise, ProSource employees are required to hold participant information in confidence.

ProSource develops individual policies and procedures to establish and explain the processes needed to carry out the activities that, in combination, implement the Program and deliver recovery assistance. ProSource develops formal Program documents that are clear, fulfill programmatic and legal requirements, and are intuitive to follow and use (e.g., guidebooks and other public reference materials). Those efforts increase staff efficiency and reduce the incidence of errors. ProSource develops checklists that agents, staff, reviewers, and supervisors rely upon to streamline tasks and avoid accidental omission of needed information, documents, and task completion.

ProSource uses its experience and capability to develop and implement guidelines, tracking systems, monitoring standards and reporting procedures that NYS can rely upon to fulfill its disaster recovery program administration needs.

CONTRACT MANAGEMENT

Comprehensive contract management services provide NYS with the benefits of ProSource's experience and the skills developed from that experience. ProSource contract specialists carefully delineate and publish a Scope of Work document that articulates the specific Program goods and services NYS needs. In addition, ProSource will generate and distribute the associated Requests for Qualifications (RFQ) / Requests for Proposals (RFP) in order to elicit fully responsive replies from qualified enterprises.

Our personnel track performance of services of every provider engaged under the Program to substantiate contract compliance and to detect and promptly cure any shortcoming. ProSource contract management assures NYS that its contracts and amendments with sub-recipients are performed fully and in accord with HUD and

other applicable regulations. We assist sub-recipients by managing their contracts with service providers to insure that all services a sub-recipient needs are carried out in the proper manner.

AWARD VERIFICATION

Award verification services confirm that sub-recipient Program activities meet a National Objective defined in controlling HUD and FEMA regulations. ProSource reviews the proposed Program activity before it is undertaken to determine that expenditures for that activity are allowable and meet a specific National Objective.

In addition to verifying that the intended purpose and the result of Program expenditures are not prohibited and satisfy a National Objective, ProSource provides experience and understanding needed to perform essential applicant intake activities and all participant income verification. These critical tasks are required to determine individual participant eligibility or to substantiate overall Program compliance with established criteria.

Awards under NYS storm disaster recovery programs must not duplicate benefits that participants receive or are eligible to receive for the same purposes from other sources. ProSource prevents duplicative disbursements under any NYS Program through the implementation of its time tested Duplication of Benefits (DOB) verification process. Agents interview Program applicants thoroughly and explain the requirement to identify the sources and amounts of any duplicative benefits received. ProSource agents verify the DOB determination according to an approved third-party verification process to assure NYS that awards made comply with regulations, are reimbursable, and properly calculated under Program rules.

ACQUISITION – DEMOLITION

ProSource delivers comprehensive property acquisition and demolition services that enable NYS to place recovered property in service for the use intended under the Program. Our agents and project personnel have the experience, flexibility, and dedication to make the NYS buyout and acquisition programs effective and successful whether the governing authority is HUD and the CDBG-DR regulations, FEMA and its HMGP program requirements, or another public agency or program.

ProSource will self-perform all intake services in this HCR Program. ProSource recognizes that the State Action Plan currently projects that as many as 9,500 homes were damaged by more than 50% of their pre-storm value (“severely damaged”). Our agents and staff have the experience and understanding needed to carry out the critically important applicant intake activities, including all participant income verification, required to determine whether both the individual and the storm-damaged property are eligible to participate under CDBG program rules. ProSource understands also that the State Action Plan anticipates 10% of the owners of severely damaged home will participate in this program although that fraction could be significantly higher.

ProSource agents provide experience and understanding needed to perform essential applicant intake activities and all participant income verification required to determine individual participant eligibility or to substantiate overall Program compliance with established criteria. Our established DOB process and experienced agents avoid prohibited duplicative disbursements. Agents interview Program applicants

thoroughly and explain the requirement to identify the sources and amounts of any duplicative benefits received. ProSource agents verify the DOB determination according to an approved third-party verification process and present the offer to buy the storm-affected property to the owner.

Experienced title searchers and examiners research official property records to confirm that the Program applicant has the legal authority to convey the property to NYS. Title examination identifies each owner of any interest or encumbrance affecting a parcel and analyzes the record to ascertain that NYS will own the land free and clear of all claims of rights or ownership by any other person. Where examination reveals title defects, ProSource agents prepare documents required and obtain signatures, affidavits and other instruments needed to clear title defects.

ProSource agents arrange for title insurance for HCR and schedule a title insurance company representative to attend the transaction closing. ProSource expects most closings to take place at the HCR attorney's offices. ProSource agents will arrange for delivery of HCR purchase funds to the attorney and disbursement of amounts by check to lien claimants, recording fees, title insurance fees, attorney fees, and other closing costs that the seller does not pay. Recordable documents will be recorded by ProSource personnel or by the title insurance company.

ProSource carries out and supervises post-closing activities beginning with delivering settlement statements to NYS and continuing through monitoring deed restrictions until Program closeout to confirm that property use remains in compliance with CDBG program requirements.

Our staff manages demolition contracts, and coordinates structure demolition, site cleanup and site restoration. Where lead hazard, asbestos hazard or other environmental contaminant assessment, control, or remediation is required, ProSource also coordinates the performance of those services.

ProSource staff also provides needed property management and disposition services where acquired parcels include land that does not conform to Program purposes. ProSource property management services also include planning, design, and implementation of public area goals intended for Program areas.

ProSource utilizes its experience working with the National Flood Insurance Program (NFIP) Bureau to complete demolition claims on behalf of NYS. This unique, added value knowledge enables HCR to recover Increased Cost of Compliance (ICC) claims pursuant to applicable rules as an offset to the cost of mitigation measures implemented to reduce the risk of loss resulting from future storm events.

RELOCATION SERVICES

ProSource can evaluate HCR relocation needs and prepare a comprehensive relocation plan for each project area which includes recommending approaches that minimize adverse impacts from the displacement property. ProSource directs relocation efforts toward keeping displaced persons in, or returning them to, their community.

The NYS programs for storm-damaged property buyout and acquisition cannot displace owners of residential property because the programs are voluntary. Owners may retain or sell their storm-damaged homes according to their preferences, and for that reason are *not* eligible for relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended (Uniform Act). A rental dwelling owner's decision to accept the NYS buyout offer is likely to result in displacement of some tenants as the result of the Program. Tenant occupants displaced from their homes as the result of a program that receives Federal funding are entitled to receive relocation assistance according to the Uniform Act. The ProSource Team is fully committed to minimizing hardship to members of the community directly or indirectly impacted by Tropical Storm Lee, Hurricane Irene, and Hurricane Sandy. Our agents provide extensive counseling, information as to other potential sources of assistance, methods of claiming relocation benefits, and other appropriate help that displaced persons are entitled to receive and that they need in order to continue actively participating in their communities.

ProSource prepares and coordinates the issuance of informational materials and all required relocation notices. Agents meet with individuals who may be eligible for relocation assistance, explain the Program and provide all needed intake services. We also help each displaced person prepare claim forms, assemble receipts, invoices and other documents needed to relocate individual or family households into a comparable Decent, Safe and Sanitary (DSS) replacement dwelling. ProSource relocation agents provide assistance according to the applicable Uniform Act or HUD relocation requirements. ProSource professionals have decades of relocation experience to deliver services, track Program and participant status, disburse payments, maintain supporting documentation and fulfill quality assurance requirements. ProSource maintains recipient and property files in standardized format compliant with Uniform Act requirements. Documentation for each participant justifies the determinations made and payments disbursed. Files are maintained in preparation for periodic and Program close-out audits.

REHABILITATION SERVICES

In a general sense, we provide supplemental administrative capacity to serve NYS in situations where the need for that capacity far exceeds what would be efficient for NYS to maintain. We act as intermediaries between NYS and the residents of the communities affected by a disaster. Additionally, we are the contact that the beneficiaries most associate with the Program, the face of the Program. As they perform rehabilitation to their damaged properties, we are their primary source of assistance with anything related to the Program. In addition, we ensure that as the rehabilitation progresses it does so within the guidelines of the Program, thereby providing NYS with the documentation of how the Federal funds were disbursed and that the process complied with the requirements of the Federal program. While we are doing this, we maintain our files in an organized and systematic fashion.

Program Explanation and Document Gathering from Owners:

- Assist owners in completing necessary documents and gather needed items for application. (Intake)
- Front line liaison with homeowners both in person and through written correspondence.
- Verification of documents to ensure owners meet Program eligibility.

- Research titles, insurance, other funding received as noted on DOB form.
- Direct contact with owners on behalf of the NYS for Program guidelines, time lines and requirements.
- Conduct meetings with owners to sign necessary documents, discuss rehabilitation needs, funding and check signings. (Intake and On-going)
- Verify requirements on insurance, licensing and certifications by the local and Federal governments for Contractors and Inspectors.

Active File Once Enrolled:

- Inspections – Identify need for rehabilitation, level of funding needed, items needed to bring property into compliance to meet local, State and Federal regulations and requirements.
- Assist in Bid Collection Process through bid review against Scope and Inspections.
- Contractor verification as needed – ensure contractors supply needed documentation to meet Program guidelines (e.g., insured, registered, and licensed).
- Communication with contractors on Program requirements and expectations for them to complete the work within guidelines. (e.g., lead requirements, inspections, change order and payment processes).
- Review expenses and items submitted for reimbursement for previous out of pockets expenses.
- Funding management and documentation. (e.g., invoicing, check payments, and mortgage document preparation).
- Track file status and provide feedback to local, State, and Federal agencies as requested.
- Test requirements for properties, if applicable, for lead and asbestos or any other tests that may be required.

File Management:

- Ensure that documents are in file, database information is up to date and noted. File organization and audits as needed.
- Recording of all documents required to be recorded.
- Prepare and manage tax documentation and 1099 reporting.
- Provide expert services in regards to liens, subordinations, mortgages and other legal and financial documentation.
- Provide clarity and organization in a uniform and consistent manner regarding adherence to guidelines of government-funded programs.
- Add value to the final product by clear and concise audit policy and procedure.

SMALL BUSINESS STORM RECOVERY SERVICES

We provide supplemental administrative capacity to serve NYS in situations where the need for that capacity far exceeds what would be efficient for NYS to maintain.

We will supplement state resources to assist in the development program guidelines, implementation oversight and verifications of losses. Concurrently, we maintain our files in an organized and systematic fashion.

ENVIRONMENTAL INSPECTIONS AND ASSESSMENTS

ProSource provides complete environmental assessment, inspection, and testing services applicable to NYS storm recovery programs. ProSource prepares a Draft Environmental Assessment where needed in accordance with the State Environmental Quality Review (SEQR) Act. We have the experience and resources to provide oversight for Phase I and Phase II Environmental Site Assessment (ESA) services for the storm-recovery Program. ProSource has completed thousands of ESA's for residential, commercial and industrial properties.

Where a Phase I ESA recommends further investigation, ProSource coordinates a Phase II Environmental Investigation. We work with the governmental units having responsibility for the determination of environmental compliance to ensure environmental due diligence investigation is properly conducted regarding past and present uses of each property to avoid future liability that could result from inadvertent acquisition of a contaminated property.

ProSource performs or coordinates all sampling, testing, analysis, reporting, and clearance required to assure that neither demolition nor rehabilitation of storm-damaged properties exposes the community to asbestos, lead or other contaminant hazards. Environmental services are described more fully in the following sections of this Work Plan.

FINANCIAL MANAGEMENT

ProSource imposes proven accounting and financial controls on every aspect of its business operations will apply the same level of monitoring to the disaster recovery programs it administers on behalf of HCR. ProSource has the knowledge and experience to analyze Program requirements and assess the funding required to affect Program goals and develop the budget. When NYS establishes a Program budget, ProSource tracks obligations, expenses, and progress toward completion, and reports the results.

ProSource also monitors Program sub-recipient financial performance on behalf of HCR to preclude late discovery of problems that a sub-recipient may have lacked the experience to recognize. Our financial and accounting professionals understand that personnel in most state government organizations suddenly finding themselves responsible for disaster recovery in their communities encounter a major work overload challenge. We provide the financial and administrative sub-recipient monitoring that NYS requires now so it will be able at Program close-out to substantiate the expenditure of grant funds in compliance with all applicable State and Federal regulations.

ProSource controls include a formalized system to monitor the GAX process and sub-recipient disbursements to assure that payment authorizations are properly tracked and verified. In addition, all applicant checks are subject to multiple layers of review before issuance and delivery.

AUDITING

ProSource will establish formal QA/QC protocols, policies and procedures, and standards for significant measurable Program elements. QA/QC procedures will include, as applicable, inspection of the agent's records to assess completeness and reliability, inspection of Program documents to determine whether information is complete, assessment of participant-provided information for completeness and accuracy, and verification of every record provided by Program applicants that affect the DOB determination. It is essential that all information an auditor might require in the course of auditing a file not only be present, but also be easily found at a predictable location. File contents are indexed and the documents placed at the applicable locations. Task specific checklists are developed and utilized to perform internal QA/QC Program audits.

Internal audits are performed by experienced individuals who are different than the individuals who were responsible for acquiring, organizing and verifying the data assembled in connection with a specific transaction, activity or parcel. Internal audits are intended to examine files and documents with the same level of scrutiny that any funding source or independent third-party auditor would apply to the records.

ProSource internal audit procedures are, for most Program activities, sufficient to assure that all aspects of participant, task, and transaction records are always maintained in acceptable condition for auditors. When, as with the present NYS HCR disaster recovery program, it is necessary for ProSource to maintain multiple offices to most effectively render recovery assistance to eligible participants, records that an outside auditor could need might be at a different location. ProSource will establish processes and procedures to effectively and efficiently make available the applicable documents/records to enable any audit efforts to proceed efficiently.

REPORTING

Program activity reports keep NYS and the public informed of the Program status and progress. Reporting must be frequent and regular to enable responsible officials to keep the Program on schedule and on budget. ProSource typically schedules reporting summaries and details each week. Milestones may also be presented that include but are not limited to the numbers of property owners in the Program area, parcels in the Program area (eligible parcels), and other factors.

In addition to narrative and tabular reporting, ProSource reports the status of Program benefits delivered on Geographic Information System (GIS) maps that render a clear depiction of Program progress. Parcels acquired, other Program benefits delivered, and the stage of progress may be communicated by appropriate GIS map design.



DATA MANAGEMENT

ProSource prepares forms and templates that agents and other project personnel use to record the information needed to ensure Program compliance and consistency. ProSource forms are adapted for maximum clarity and ease of use. To the greatest extent practical, ProSource uses pre-populated forms to (a) save time by eliminating re-entry of duplicative information, and (b) reduce the incidence of error. Error correction is greatly enhanced because correction at a single location in the project database corrects that information field at each instance where that information is needed throughout the entire HCR Program database.

For all Program activities mentioned, formal documents, checklists and templates specific to the Program must be developed promptly at Program startup to enable agents, support staff, participants, supervisors, and reviewers to work efficiently and accurately. ProSource writers and layout personnel develop materials to follow the course of the activity with which the document is used from beginning to end. Data entry input forms are constructed to follow the same sequence that is used in the agent forms.

ProSource database personnel, in conjunction with HCR, establish the criteria for reporting VOB outcome. The Program database draws DOB information from the database, and presents a report comparing the VOB results with the earlier DOB information calculated from the documents provided by participant. VOB personnel send the resulting report to the agent to resolve any errors and discrepancies detected using records in the acquisition file or with the assistance of the applicant.

SYNCHRONIZATION OF PROGRAM DATABASE APPLICATIONS

ProSource will establish the reporting criteria that meet HCR needs and place the Program participant, property, GIS, tax, floodplain, and other information into the database in coordination with NYS HCR and OCR information management standards and requirements. ProSource's proprietary database is configured to fulfill the specific needs of the CDBG-DR Voluntary Property Acquisition Program and provide a centralized repository of contact information from which we can efficiently generate required Notices, Offers to Buy Real Estate, correspondence and other documents for both the Property Documentation Services and the Intake Services phases. This database and the Agate Software, Inc. Intelligrant™ grant database adopted by NYS specifications allow full synchronization compatibility with existing ProSource database features and will enable the establishment of a single location for each field of Program information to eliminate data corruption and errors that can result if different versions of a record are stored in multiple locations. ProSource will establish interfaces and front-end pages that enable agents and Program personnel to prepare and populate forms, affidavits, applications, authorizations, contact reports, submittals, and other documents needed in the Program from a single source of client and parcel information located in a single database.

2.0 Environmental Services

In order to accomplish the Program objectives, HUD and its contractors must comply with requirements of the National Environmental Policy Act (NEPA) and HUD's implementing regulations entitled *Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities* (24 CFR 58). ProSource proposes to provide NEPA-related support necessary to develop and maintain the required Environmental Review Record (ERR) described in Section 38 of HUD's implementing regulations.

PROGRAM DOCUMENT DEVELOPMENT

ProSource will work with NYS HCR Staff to develop the required program documents including Agency Programmatic Agreements as needed for county or regional CDBG-DR and other funding programs. ProSource will also work with NYS HCR Staff to prepare and develop NEPA documents, including consultation, and response letters, tribal consultations, SHPO communications and approvals, and other related data collection and program documentation as needed.

ENVIRONMENTAL REVIEW RECORD (ERR)

The ERR will include a written record of the environmental review undertaken for the Program. It will contain information and correspondence from a variety of sources and at a minimum will include:

- All ERR Documents, including environmental review documents, public notices, written determinations and/or environmental findings evidencing review, decision-making, and actions pertinent to the Program; and
- Other documents and information such as source documents and relevant base data used or cited in the Program Environmental Assessment (EA).

ProSource anticipates a number of issues that will likely be a focus of concern for NEPA-related analysis. These would be addressed in a series of Environmental Review Documents as presented below. Additional issues may also be identified following discussions with HUD and stakeholders and are not expressly detailed within this Work Plan and budget. ProSource expects that at least the following environmental review documents would need to be prepared.

SOCIOECONOMICS AND ENVIRONMENTAL JUSTICE

The socioeconomic assessment will provide an overview of the demographic characteristics of the Program area and will identify the size and character of the required construction work force for the proposed Program. Potential construction effects on the area economy will be presented in terms of the available construction work force, based on U.S. Department of Commerce Bureau of Economic Analysis (BEA) and NYS Department of Labor input, as appropriate. This assessment will also describe any potential secondary effects regarding induced changes in land use patterns. HUD will be requested to provide information regarding the construction work force as well as the anticipated duration of construction.



The concept of performing an environmental justice analysis (EJ analysis) for proposed agency permit actions is related to the establishment of Executive Order 12898, entitled "Federal Actions to Address Environmental Justice in Minority Populations and Low Income Populations" (February 11, 1994). The order required Federal agencies to consider disproportionate adverse human health and environmental impacts on minority and low-income populations related to proposed agency actions. The focus of an environmental justice analysis is the determination of whether a proposed agency action would have both adverse and disproportionate impacts on an environmental justice community. The environmental justice requirements established by Executive Order 12898 apply to Programs requiring Federal approvals or those subject to environmental review under NEPA.

The NYS Department of Environmental Conservation (DEC) policy sets forth guidance for incorporating environmental justice concerns into the DEC environmental permit review process. The policy amends the DEC environmental permit process by identifying potential environmental justice areas; providing information on environmental justice to applicants with proposed Programs in those communities; enhancing public participation requirements for proposed Programs in those communities; establishing requirements for Programs in potential environmental justice areas with the potential for at least one significant adverse environmental impact; and providing alternative dispute resolution opportunities to allow communities and Program sponsors to resolve issues of concern to the community.

The proposed EJ analysis would examine both the direct impact area (i.e., area to be cleared) as well as the surrounding communities that would be potentially subject to adverse impacts associated with the undertaking and eventual land use.

FLOOD HAZARD AREAS AND ENVIRONMENTALLY SENSITIVE AREAS

Environmental characteristics, such as location within existing 500 or 100-year flood plain limits, and proximity to environmentally sensitive areas such as wetlands, dunes or open waters, will be assessed in relation to the proposed action. Identification of sensitive water resources such as aquifers or coastal protection areas will be performed within a defined radius of the properties or groups of properties. Wetland and tideland maps will be reviewed and stakeholder trust agencies will be contacted for participation in assessment. The environmental review will include the identification of biologically unique or regulated natural resources such as Federally or State endangered or threatened species, or natural communities that may be affected by any proposed actions. Occurrence of any marine or freshwater habitats in the vicinity of the affected properties will be assessed with regard to effects upon existing or future designated uses.

ENVIRONMENTAL LIABILITIES

As part of the property evaluations, a basic assessment of environmental-related issues would be performed (e.g., fuel storage tanks, historical spills and regulatory actions). The assessment would generally include the following tasks, and follow the guidelines of the American Society for Testing and Materials (ASTM) Phase I Environmental Site Assessment (ESA) Standard E1527 and EPA's "All Appropriate Inquiries" Rule:

- A review of available documentation and environmental databases;
- A review of Federal, State and/or local regulatory agency information, requested through the Freedom of Information Law;
- A site reconnaissance of each property (as deemed safe);
- Interviews with personnel knowledgeable about the subject property (as available); and
- Preparation of a checklist-type document per property, detailing the above reviews, reconnaissance and interviews, and specifying any environmental conditions or concerns.

For purposes of this work plan, it is assumed that all of the properties are residential, and do not include any commercial or industrial facilities; a property representative will be present to provide access and to accompany the environmental professional; the travel for the site reconnaissance can be combined (i.e., can view multiple properties per day); and that only one environmental database report will be ordered for the entire set of properties.

CULTURAL RESOURCES

The HUD undertaking has the potential to affect precontact and historical archeological sites that may meet the criteria to be eligible for the National Register of Historic Places. ProSource will consult with the New York City Landmarks Preservation Commission (LPC) and the New York State Historic Preservation Office (SHPO) to gain concurrence on the definition of the Area of Potential Effects (APE) for archeology and historic architecture. ProSource will suggest that the cultural resources issues should be approached on a programmatic level and will discuss with HUD a protocol to be applied to all affected properties. Consensus will be sought from oversight regulators about addressing impacts to cultural resources for the Program.

ProSource will meet Section 106 compliance requirements of the National Historic Preservation Act, through coordination with the New York State SHPO. As outlined by SHPO, ProSource will conduct the review in two stages. First, ProSource will assess the Program area, in coordination with SHPO to determine whether or not affected properties or structures are listed in the New York State or National Registers of Historic Places. ProSource will complete this task using a desktop review of historical records and database searches to identify the specific structures or neighborhoods that are listed.

Following the records search and database review, ProSource will complete an onsite survey of all structures in the Program area to determine if any are eligible for listing on the National Register. During the onsite survey, ProSource will evaluate each structure in the Program area for criteria, such as architecture, style, etc., that would qualify the structure for listing. During the site review, ProSource will coordinate with staff of the SHPO Technical Services Unit who determine whether or not the Program will have an impact/effect on the qualities of the property that make it eligible. ProSource will work with the SHPO to address mitigation and prevention of adverse effects to historic structures, in accordance with SHPO requirements, based on the eligibility criteria identified.

MOLD INSPECTION

ProSource will conduct, or manage the performance by contractors, inspections of the building to assess for water damage and mold. The inspections will include visual assessments and photographs of indoor and outdoor areas of the building. Following the visual inspection, at least three air samples would be collected for analysis of mold. Two of the air samples would be collected from within the building and one would be collected outside of the buildings to determine background conditions. Moisture levels of wood and sheetrock materials will be collected in areas where visible water damage has occurred. This will identify if any areas currently have high moisture levels, which would allow mold to grow. Photographs will be taken of the property and sample locations. Upon completion of the sampling and receipt of analytical data, a report will be prepared and submitted that will include the photographs, laboratory data, a summary of the procedures used, analytical data and an opinion as to remedial actions that may be necessary. ProSource will work closely with State and local health departments and agencies to meet local requirements, use approved methodologies, and use properly licensed and certified mold professionals to perform the mold assessments.

ARCHEOLOGY

Site files maintained by SHPO, LPC, and the Staten Island Institute of Arts and Sciences will be reviewed to determine if there are archeological sites recorded within the APE for archeology. Some of these sites could be affected as a result of demolition activities. A walkover review will be performed to view the APE to identify any sites that may have been exposed following the storm impacts. An evaluation will be made of areas that may be assessed as potentially sensitive for containing National Register of Historic Places (NRHP)-eligible archeological sites. If sites are potentially present, then ProSource will develop protocols for protecting the sites during the activity or alternatively will suggest strategies to test sites to determine if they are eligible for the NRHP. If sites prove to be eligible for the NRHP and will be affected by the Program, the identified archeologists will work with HUD and the regulatory agencies to avoid or minimize potential impacts. If the Program will result in adverse effects for NRHP-eligible or listed archeological properties, correspondence will be developed that will provide the Advisory Council on Historic Preservation (ACHP) an opportunity to comment. Development and implementation of plans to mitigate effects to NRHP-eligible sites are not included within this Work Plan and budget.

HISTORIC ARCHITECTURE

ProSource will review the files maintained by the National Park Service, LPC, and SHPO to determine if there are NRHP-listed or eligible properties within the APE for historic architecture. The contracted architectural historians will also review the structures to be directly affected by the Program to determine if any qualify as potentially eligible for the NRHP. If effects to NRHP eligible or NRHP listed properties will occur as a result of the Program, the architectural historian will discuss effects with LPC and SHPO and develop documents that will allow the ACHP an opportunity to comment on the adverse effects. The architectural historians will work with HUD and the regulatory agencies to develop potential mitigations for adverse effects.

FUTURE LAND USE

A land use impact analysis will provide documentation that the proposed undertaking will not result in significant land use impacts to the adjacent and surrounding communities. Accordingly, an inventory of existing land use in the surrounding community will be compiled using existing mapped sources and aerial photographs and verified through field review. Mapped sources will include, but not be limited to, USGS quadrangle maps and local planning documents. The land use inventory will encompass the area within a one-mile radius of the Program site or as agreed upon with stake-holder agencies. An existing land use map will be prepared at an appropriate scale for inclusion in an EA.

Existing zoning of the Program site and surrounding community will also be determined from local zoning maps. Local zoning ordinances will be reviewed to determine allowable uses and restrictions for the zoning categories represented. Future land use plans for the surrounding community, including any proposed large-scale developments, will be determined through conversations with local planning officials, the review of published planning documents, and feedback/information obtained through public outreach efforts with potentially affected stakeholders.

The Program will be assessed to determine the potential impact on existing and future land use of the surrounding community. To be compatible with an existing land use, the Program would need to avoid, or minimize impacts to that land use, including impacts to air, water, noise, traffic, and the surrounding environmental aesthetics. In addition, the Program will not render existing land uses non-viable.

AIR QUALITY

ProSource will quantify potential emissions of air pollutants related to demolition activities, including criteria pollutants and greenhouse gases from on-road and off-road vehicles and demolition equipment, and fugitive dust emissions from vehicle movements and handling of demolition materials. This assessment will include a review of applicable local air quality regulations, and a qualitative description of mitigation measures that will be taken to minimize emissions. It is assumed that this assessment will not include any field work or ambient monitoring of existing conditions, and that no dispersion modeling of air quality impacts will be required. Any such additional tasks are beyond the scope of this assessment and will require a separate authorization.

TRAFFIC AND TRANSPORTATION

The traffic and transportation impact analysis will be performed to assess the traffic impacts related to demolition activities. Traffic resulting from the undertaking will include construction worker traffic over the anticipated demolition period as well as material and equipment deliveries and removal of debris. The peak and average construction work force will be estimated and the likely hours of travel to and from the Program site will be presented. The number and type of equipment deliveries and debris transport away from the Program area will also be described. Potential impacts will be described in terms of likely travel routes, existing and Program traffic conditions, and level of service analyses. Potential mitigation such as anticipated carpooling and off-peak daily construction start and finish times will be described.



A technical traffic impact assessment report will be prepared that characterizes the existing traffic volumes in the Program area and discusses existing and Program levels of service for roadway intersections in the Program site vicinity.

NOISE

Performance of an ambient noise impact assessment will provide documentation assessing potential effects of the undertaking on surrounding neighborhoods. It will consider projected noise levels of the undertaking in comparison with local and State noise level standards and guidelines.

The DEC guidance recommends that for non-industrial settings, the SPL (Sound Pressure Level) should not exceed ambient noise levels by more than 6 dBA at a given receptor. Therefore, for the proposed Program, an increase in noise levels of 6 dBA or more at the nearby residential locations would be considered a significant noise impact. Typically, local communities have a general, nuisance type noise ordinance that prohibits the generation of loud and unnecessary noises. Construction activities that create excessive noise are typically prohibited during nighttime hours on any day of the week.

ProSource will coordinate ambient noise measurements in the area surrounding the proposed undertaking, and ProSource will identify sensitive receptor locations in conducting the analysis for the proposed Program. Ambient noise monitoring data obtained will be used for the purpose of the preliminary modeling assessment. It is anticipated that a noise monitoring Program will be required. The noise monitoring Program will include:

- Identification of the contributing noise sources;
- Measurement of the Leq, L90 and L10 noise levels;
- One-third octave band measurements at representative locations;
- Short-term measurements to be conducted during the day and late at night (1 a.m. to 5 a.m.); and
- 24-hour monitoring will be conducted for a single continuous 24-hour period to determine background noise levels.

Computer modeling of the major noise sources will be performed in order to determine the Program contribution of the proposed undertaking to the measured ambient noise levels. ProSource will utilize the state-of-the-art CadnaA noise model developed by DataKustik in Germany. This very powerful 3-dimensional model takes into account not only geometric or hemispherical spreading (attenuation with distance), but also the lesser factor of atmospheric absorption. The model can also be configured to accept topographic features. In addition to these features, the model can accept existing and proposed noise sources and incorporate their effect into the calculations. The model will be used to calculate noise levels for discrete receptor points (e.g., the noise monitoring locations) as well as produce noise contour maps that show expected noise levels over the entire area. A direct comparison of calculated noise levels associated with demolition equipment and increased truck traffic will be made to existing ambient noise levels at the monitoring location receptor points.

An environmental review document will be prepared by ProSource that characterizes the existing noise environment, discusses the noise modeling methodology, including noise abatement measures considered, and presents future sound levels for review by HUD and their Program engineer. Mitigation measures, if any, to achieve compliance with applicable standards will need to be reviewed and approved by HUD and their Program Engineer prior to implementation of the undertaking.

A technical noise impact assessment report will be prepared that characterizes the existing noise environment, discusses the noise modeling methodology, including noise abatement measures considered, and presents future predicted sound levels. The assessment will also contain a section discussing applicable standards and compliance.

ENVIRONMENTAL ASSESSMENT

ProSource will prepare the Draft EA in accordance with the State Environmental Quality Review (SEQR) Act or as described in 24 CFR part 58, as required. ProSource will use either the Environmental Assessment Form (EAF) or HUD guidelines to complete the EA and submit the report to the SEQR and HUD for review, comment and approval. If significant adverse impacts are present and the need for an additional assessment is determined by the lead agency, ProSource will follow the SEQR Environmental Impact Statement (EIS) protocols to complete the assessment. ProSource will identify and mitigate the significant environmental impacts of the undertaking through the agency approval process and discussions with stake-holder agencies.

OVERSIGHT OF PHASE I AND PHASE II ENVIRONMENTAL SITE ASSESSMENTS

ProSource has the experience and resources to provide oversight for Phase I and Phase II Environmental Site Assessment (ESA) services for the State. ProSource has completed thousands of ESA's for residential, commercial and industrial properties. We will work with the State to oversee the process to ensure environmental due diligence regarding past and present uses of the properties, to avoid future liability associated with contaminated properties.

The purpose of conducting the Phase I ESA is to provide information about the general environmental character of the properties; and satisfy one of the requirements to qualify for the *innocent landowner, contiguous property owner, or bona fide prospective purchaser* limitations on Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) liability in accordance with 42 USC §9601(35)(B), if the need should arise. That requirement includes conducting "all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial and customary practice." The Phase I ESAs are conducted following guidelines established by the ASTM, (i.e., "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process, Standard E1527-05").

The purpose of the Phase II Investigation is to determine if a release of a regulated substance has occurred to the underlying soils or ground water on the property. The objectives are to assess and confirm the limits of each area of concern identified in the Phase I ESA; further define the horizontal and vertical extent of contamination, if present; evaluate potential treatment and disposal options; assess impacts to potential receptors; and evaluate the potential for natural attenuation of impacts.

PHASE I ESA

ProSource will self-perform and/or subcontract Phase I ESAs, of all commercial properties, all industrial properties, and all other parcels where environmental contamination is suspected within the NYS HCR CDBG-DR buyout Program area. HCR will likely require a Phase I ESA for every property it acquires in some CDBG-DR Program areas if the risk of widespread contamination in an area appears high.

Conducting a Phase I ESA is the first step in the process of environmental due diligence. Its purpose is to preclude HCR from accidental liability for cleanup costs at properties it had no part in contaminating. This is significant in that the current Program does not contain a budget for environmental remediation activities. All Phase I ESA activities must be performed in accordance with the standards promulgated by the EPA, which are based in part, on ASTM Standard E-1527-05.

The Phase I ESA will include for each property, at a minimum:

- On-site visual inspection of present conditions for the presence of chemical spill residue, vegetation die-back, hazardous substances, previous use of petroleum products, above-ground and below-ground storage tanks, and other indicia of environmental hazard;
- Evaluation of the likelihood of contamination from neighboring properties;
- Study of aerial photographs of the area for evidence of contaminant sources;
- Evaluation of the likelihood of the presence of asbestos containing materials (ACM) or lead hazard (including lead-based paint) if they are apparent at the property and the need for a separate asbestos/lead-based paint survey;
- Determination of whether ACM or lead-based paint (LBP) is suspected at the property;
- Examining topographic surveys and maps to determine drainage patterns, if required;
- Searching chain-of-title for Environmental Liens and Activity and Land Use Limitations (AULs);
- Searching public agency (e.g., State and local health and fire departments, Department of Resource Conservation, county clerk's office) records to identify licenses, permits, and citations that may indicate contamination;
- Searching the NYS Environmental Remediation Database to identify any previous studies, remediation, or proceedings affecting the property;
- The Phase I ESA findings will be reported to HCR in electronic or other format that HCR specifies; and
- The Phase I ESA can include the collection of samples at appropriate properties and screening the samples for lead and asbestos hazards or they can be performed in an individual effort. However, if a property has improvements designated for demolition and the contractor is required to perform such testing, care should be taken to prevent the duplication of efforts.

Phase I ESA services will be provided by ProSource or other qualified environmental consulting firms. ProSource environmental personnel will review each Phase I ESA report and forward it to HCR, together with review comments. If the Phase I ESA concludes that a recognized environmental condition or contamination is present at the property, a Phase II Investigation will be recommended. If asbestos or lead-based paint are reported to be likely in the assessed property, ProSource will perform or oversee the completion of an asbestos and lead-based paint survey by an approved Asbestos Inspector and Lead Risk Assessor following HUD, or other required, protocols. Upon completion of the survey(s), ProSource will make recommendations regarding the need for abatement or disposal with demolition debris as required by local and State statutes with appropriate documentation.

PHASE II INVESTIGATION

When recommended by a Phase I ESA, a Phase II Investigation is essential for the property to remain in the CDBG-DR program. A Phase II Investigation determines whether contamination suggested by a Phase I ESA is present, and if so, what additional assessment may be required to determine the full extent of the contamination. Phase II Investigations must be performed in accordance with all standards and procedures adopted by DEC/DER and other governing authorities. HCR will pay the cost for ProSource or the agency's selected environmental consultant(s) to perform the recommended Phase II Investigation at a property. An owner may engage a different consultant at the owner's expense. A copy of the report of any Phase II Investigation performed by the owner must be delivered to HCR.

It may be prudent to enlist a qualified environmental consulting firm that is not related to any entity that performed the Phase I ESA to perform each Phase II Investigation. ProSource has extensive experience with performing Phase I and Phase II ESAs and would best serve the Program by performing the Phase II Investigations to ensure greatest time and cost benefit.

A Phase II Investigation includes, at a minimum:

- Selection of appropriate locations for collecting surface water, ground water, and/or soil samples;
- Determining the optimum methodology and procedure for collecting representative samples using soil borings or other methods at the specific property;
- Preparing a map of the property and boring logs to provide a permanent record of the locations where samples were collected;
- Photographing the property to show the sample collection locations and equipment used to collect and prepare samples for delivery to the laboratory;
- Providing and following approved methodologies for the performance and completion of all aspects of field work, sample collections, quality assurance and control, and all other investigation related activities;
- Preparing a narrative description of the Phase II Investigation work carried out, the property and the surrounding area;



- Delivering properly stabilized samples, documented chains-of-custody, proper transportation conditions, and documented orders for the appropriate tests to the analytical laboratory as needed in view of conditions at the property and regulatory requirements; and
- Reporting Phase II Investigation results in PDF format.

ProSource environmental personnel will review agency comments and revisions of each Phase II Investigation and forward review comments to HCR. If the Phase II report shows contamination levels below applicable standards, parcel acquisition can proceed.

If the Phase II Investigation discloses that contamination levels at the property exceed applicable standards, CDBG-DR acquisition cannot proceed until NYS DEC/DER approves the site condition. The owner must pay all costs to clean up the property according to regulations for contaminated site remediation, including hazardous waste disposal, and bring the site into compliance with all applicable regulatory standards *before* acquisition can proceed.

The environmental assessment and investigation process is further outlined below:

- ProSource environmental staff performs or subcontracts the performance of each Phase I ESA and provides internal review prior to forwarding the results to the responsible ProSource database specialist, the ProSource agent and HCR by email.
- If the Phase I ESA does not recommend further investigation, ProSource prepares and forwards offer documents to the owner and agent according to the standard procedure.
- If the Phase I ESA recommends Phase II Investigation, the agent helps the property owner execute an Affidavit Authorizing Entry on Property for Phase II Environmental Investigation unless the property owner decides to select and retain a licensed, qualified consulting firm to perform the Phase II Investigation.
- For properties where ProSource has not performed the Phase I ESA, ProSource will perform the Phase II Investigation and submit completed reports to the appropriate regulatory agency for approval. For properties where ProSource has performed the Phase I ESA, an approved consultant will be selected to perform the Phase II Investigation with ProSource review and oversight. ProSource will review proposals for the Phase II Investigation and review field and investigation methodologies to ensure that they comply with industry and regulatory standards.
- ProSource environmental staff notify HCR for each parcel where a Phase II Investigation is ordered.
- HCR's Phase II consulting firm forwards each Phase II Investigation report to HCR and ProSource for review.
- If the property owner has undertaken responsibility for coordinating the Phase II Investigation, the owner must provide an electronic copy of the report in PDF or other designated format to the acquisition agent. The agent forwards the owner-coordinated Phase II Investigation report to ProSource environmental personnel by email for ProSource review.

- When finished reviewing the Phase II Investigation report, ProSource forwards its review comments to HCR by email.
- If the Phase II Investigation finds no contaminant levels exceeding applicable standards, Phase II Investigation is complete and acquisition is authorized.
- ProSource database personnel prepare and forward offer documents to the owner and agent according to the standard procedure.
- If contaminant concentrations in the Phase II Investigation samples exceed established standards, including standards promulgated in 6 NYCRR 375-6.8 Remedial Program Soil Cleanup Objectives Table 375-6.8(a) and Table 375-6.8(b), as applicable to a specific property, ProSource will report that fact to HCR. Where necessary in the opinion of HCR and authorized, ProSource will forward the Phase II Investigation Report to the NYS Department of Environmental Conservation (DEC) Division of Environmental Remediation (DER). ProSource will request a letter stating whether the DEC/DER, in view of the restrictions and uses imposed on the property upon acquisition, identifies evidence suggesting the likely existence of a hazardous condition at the parcel.
- The DEC/DER issues its analysis of the Phase II Investigation Report in a letter to the property owner and sends a copy of the letter to HCR by e-mail.
- HCR forwards copies of the DEC/DER-issued letter and HCR's responsive statement to ProSource.
- If the DEC/DER letter states that its review of the Phase II Investigation Report did not identify evidence suggesting the likely existence of a hazardous condition at the acquisition parcel, and if the response of HCR concurs, ProSource prepares and sends offer documents to the owner and agent according to the standard procedure.
- The ProSource acquisition agent contacts the property owner, conveys HCR's decision concerning acquisition of the property, and provides appropriate assistance. If HCR decision is to purchase the parcel, the agent will arrange with the property owner to complete pre-closing activities and schedule a closing of the property acquisition.

If the HCR response states that the Phase II Investigation Report suggests that a hazardous condition is likely to exist, the parcel cannot be purchased under the CDBG-DR Program without remediation. The agent may explain any State, local, or Federal programs available to assist property owners with cleanup costs for parcels in the CDBG-DR program. Property acquisition may proceed when all required remediation activity is complete and demonstrated satisfactory by final clearance testing.

PHASE I AND PHASE II ENVIRONMENTAL SITE ASSESSMENT REVIEWS

ProSource can provide report review services for all Phase I and Phase II ESAs completed for the Program where ProSource has not performed the assessment. The purpose of this third party review is to provide technical analysis and recommendations on the findings, methodologies, and conclusions of the Phase I and Phase II ESA reports, as well as to ensure consistency amongst the statewide ESA efforts. This level of review also provides Program-wide consistency and continuity of methodologies and processes used in all aspects of the undertaking. The

ProSource review, comments, and recommendations are based on our extensive experience with Phase I and Phase II ESAs for residential, commercial, and industrial properties.

The Phase I ESA reviews include the following tasks:

- Review Phase I ESA report.
- Review the database search within the report.
- Provide comments on the recommendations stated in the report.
- Create a spreadsheet of all reviewed Phase I ESA reports which lists the findings and recommendations stated in the report and the ProSource review recommendations.

The objectives of a Phase II ESA are to assess and confirm the presence of adverse environmental impacts of each area of concern identified in the Phase I ESA and to determine the need for further investigation to define the horizontal and vertical extent of contamination, if present. The further investigation would be required to determine the full extent and degree of contamination; evaluate potential treatment and disposal options; assess impacts to potential receptors; and evaluate the potential for natural attenuation of impacts.

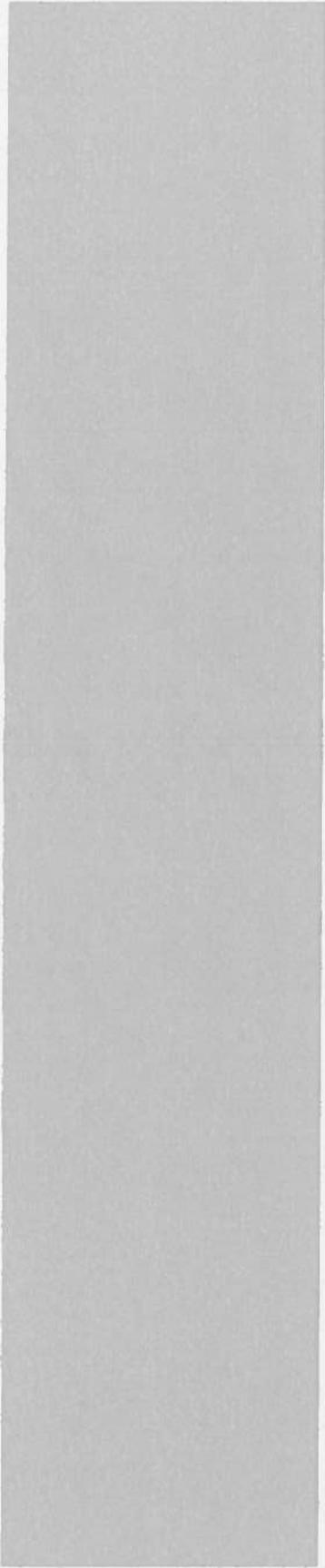
The Phase II ESA reviews include the following tasks:

- Confirm that the Phase II ESA investigated the full concerns recommended in the Phase I ESA.
- Review all analytical testing data and recommendations.
- Provide feedback to the Phase II ESA consultant and State regarding any recommended report revisions.
- If necessary, recommend any additional actions based on the Phase II ESA report review.

ProSource will provide the State with updated spreadsheets that summarize the Phase II ESA findings and the report review comments.

ProSource environmental staff will be available to participate in public meetings and public presentations as required. For the purposes of this Work Plan and associated budget, it is assumed that each lead technical expert will prepare for and attend one public meeting.

ProSource staff will be available to participate in conference calls to provide updates on Program progress and to discuss issues of concern. It is assumed that calls and meetings will take place on a regular schedule with some occasional conference calls. In-person meetings with agencies may also be required.



ProSource environmental staff will manage the Program to assure that subject experts are on target and performing work on schedule. The ProSource Environmental Program Manager will be responsible for tasking Program staff and with assuring that the right person is assigned for respective assignments. The Environmental Program Manager will also assure that invoices are accurate and submitted on time and serve as the liaison for the environmental staff and client contacts.

ENVIRONMENTAL PROGRAM MANAGEMENT

ProSource will manage the Environmental Program to assure that subject experts are on target and performing work on schedule. The Environmental Program Manager will be responsible for tasking Program staff and with assuring that the right person is assigned for respective assignments. The Environmental Program Manager will also assure that invoices are accurate and submitted on time. The program manager will serve as the liaison for the environmental staff and client contacts.

OAKWOOD BEACH LAND ACQUISITION AND RELOCATION

PROGRAM MANAGEMENT

ProSource's Program management role will include acting as the primary liaison with State staff; Program Team scheduling and coordination; scheduling and coordination of progress meetings; and preparation and distribution of weekly updates of acquisition and relocation program status reports in spreadsheet format.

ProSource will provide oversight of all assigned technical and real estate and relocation work tasks needed for the acquisition of parcels. Our general Program management duties will include maintaining close coordination with State staff during the Program's pre-acquisition, acquisition and closing activities.

Upon notice to proceed, the ProSource management team will meet with the State's staff and participate in a Program Kick-off Meeting. The purpose of the Program Kick-off Meeting will be to introduce the Program team members and gain a common understanding of the Program. The Program Kick-off Meeting will also serve as a confirmation of ProSource's proposed process/Work Plan for completing the Program tasks. Each task will be reviewed as well as the Program schedule, Program forms, Program reporting, team meetings, and items critical to the Program. ProSource has staff readily available to immediately commence work on this Program.

Our team believes that effective communication is key to meeting Program objectives. Critical Program staff will be identified and an information flow and communication plan will be established. The following budget management and quality control procedures are incorporated into our Program management approach.

QUALITY ASSURANCE / QUALITY CONTROL PROCEDURES

ProSource will implement its quality assurance / quality control program, which will ensure that this Program will receive quality control reviews, and that each employee is responsible for the quality of the services they provide. As part of this responsibility, ProSource will:

- Serve as the communications link with the State on all site-specific policy and contract matters.
- Provide overall technical direction for work tasks and report preparation.
- Recommend changes, as appropriate, and improve the effectiveness of the Work Plan or associated documents.
- Monitor the correction of quality assurance / quality control issues and alert the State where similar problems might occur.
- Maintain budgetary and schedule surveillance and regularly inform the State of status.
- Maintain and monitor subcontractor performance and budget.



BUDGET MANAGEMENT

ProSource uses a comprehensive budget management system utilizing the Deltek Vision time and expense management software program. This program allows ProSource to:

- Set precise budgets for each task
- Track exact time and expenses incurred for each task
- Print Program status reports for each task
- Track landowner disbursement requests and payments
- Generate detailed invoicing to provide cost control for the State

This system has proven invaluable in enabling large acquisition Programs to stay on task and on budget.

DATABASE CREATION & MAINTENANCE

ProSource will utilize its existing landowner/acquisition database to generate a management tool for tracking all data accumulated for the Program. ProSource has tailored software to provide a turnkey management tool for all aspects of a program from preliminary pre-acquisition issues through tracking acquisition status and program close-out. This database will ensure efficient and accurate production of landowner acquisition materials. This tool has been used to effectively manage acquisition programs throughout the country. We are confident our database will prove to be a valuable program management tool for the State.

ProSource will implement a single, searchable system for the entire Program containing all Program records by landowner. ProSource document/database specialists will enter all data, and manage and maintain the database and website.

This database allows ProSource staff to input landowner data (names, addresses, legal descriptions, contact information, square footage affected, value per square foot, offer dates and amounts, closing dates, etc.) one time, thereby minimizing the opportunity for errors. Utilizing mail merge techniques, the database is then used to generate notices, mail outs, deeds and easement agreements (with legal descriptions), title certificates, land acquisition documents, landowner mailings, damage settlement agreements, tenant consent forms, detailed monthly status update reports, and other Program related materials in an extremely efficient manner.

ProSource's document/database specialists will be the real estate communications hub for the Program. All landowner data (including landowner contacts) will be entered into the database, thereby enabling efficient turn around on requested status reports and ensuring that Program progress and deadlines can be monitored on a daily basis.

The database will also be used to generate pre-defined customizable/searchable status reports. Weekly or monthly reports will be developed and distributed to key Program staff identifying Program metrics, including but not limited to:



- Title work completed
- “Buy” Files created
- Appraisals completed
- Environmental Clearances Secured
- Documents applicable to each parcel
- Legal descriptions prepared
- Initial offers presented
- Parcels/landowners acquired
- Final landowner payments and budget totals
- Lien or mortgagee consents
- Closing Dates

The ProSource database can be customized to suit the State’s needs and handle specific or unique data requirements. This database and the Agate Software, Inc. Intelligent™ grant database that NYS has implemented are expected to fully synchronize to avoid error proliferation arising from storing Program records in multiple locations. With these tools, ProSource can provide key staff with the data to show Program challenges and provide innovative solutions before critical problems arise.

1.0 Pre-Acquisition Activities

TITLE SERVICES

ProSource has extensive experience dealing with title matters and has several abstractors and attorneys on staff specializing in real estate matters. As such, we are uniquely qualified to conduct complex title research services, including the identification of issues that require title curative work.

Under this task, ProSource title agents will research county tax maps, grantor/ grantee indices and other available county records to ascertain all parties that have a legal interest in the subject parcels within the Program area. This research will identify all mortgage holders, contracts for deed, outsells, judgments and other lien holders.

ProSource prepares a Limited Title Certificate (LTC) to identify all owners of the property and any encumbrances affecting the title before the DOB meeting with the seller. This information will be used to aid in the preparation of the initial Program documents. Based on ProSource’s extensive experience, properly conducted title research is a necessity to avoid excessive and unexpected costs and delays in the acquisition phase.

At the time a fully executed purchase agreement is obtained, ProSource will work with Program Attorney(s) to perform standard title services necessary to complete the real estate transaction. In addition, ProSource will coordinate with the Program Attorney(s) to continue titles and secure title opinions, as necessary.

Receipt of the final title report will enable ProSource to prepare an Offer Letter and will allow initiation of document preparation including development of a Settlement Statement (HUD-1).



As part of the real estate closing, ProSource proposes that the title evidence be updated at the day of the closing to verify ownership and to ensure that clear title is conveyed to the State. This update will protect the State from any recent claimants or liens against the real estate title.

This Work Plan does not include provision for attorney's fees, the title guarantee, and report of title, documents for correction of title defects, and any other costs associated regarding matters of title. This portion of the Work Plan does include dollars to assist with correction of title defects and loan mediation, as needed.

FILE AND DOCUMENT PREPARATION

This task consists of the compilation of all landowner data, contact logs, survey permission forms, title work, and easement or purchase documentation into acquisition (and relocation, as applicable) agent files. ProSource will work with the State's legal counsel to develop acquisition document templates. A ProSource database/document specialist will ensure that all proper documentation is included within the files and that the integrity of the files is maintained. Upon completion of the Program, the original files will be turned over to the State.

INTAKE SUPPORT AND PROPERTY DOCUMENTATION SERVICES

The underlying reason to carry out intake services is to develop information that is essential for subsequent steps in the Program, including identification of properties and individuals where tenant relocation assistance must be provided in compliance with the Uniform Act. This will minimize the confusion and inconvenience that could result from multiple agents contacting a property owner regarding matters that could be addressed in a single meeting.

ProSource database specialists will receive intake information, including the property owner's application and agent-prepared information, beginning with the approximately 200 Oakwood Beach applications in PDF format that affected residents submitted through the NYS web page established for this purpose. These applications identify interested current property owners and provide contact information so ProSource agents can immediately begin scheduling one-on-one consultations concurrently with obtaining right of entry documentation. Agents will enter property owner data (names, addresses, contact information, insurance policy status, insurance benefits received, other disaster recovery assistance received, lien holders, correspondence mail out and meeting dates, property descriptions, etc.) and other acquisition-related information one time, at the outset. This procedure maintains an accurate, centralized database of Program information and minimizes the opportunity for errors.

The intake process, in brief, includes:

1. Providing required notices and documentary information.
2. Describing the overall Program process and commitment to treating every participant equally.
3. Informing interested community residents that every aspect of the Program is subject to State and Federal audit and that participants must provide all requested documents needed to substantiate the information contained in their applications and other Program documents.



4. Explaining to affected property owners which properties are eligible.
5. Explaining requirements that owners must meet to participate in the Program.
6. Explaining the application process.
7. Conducting an intake meeting, in person, with each applicant either in the ProSource local office or in the applicant's home.
8. Requesting from the applicant copies of: insurance policies covering the property, income verification, tax returns, documents showing the types and amounts of all other disaster benefits received.
9. Obtaining documentary evidence that the property is a one-unit or a two-unit residential dwelling.
10. Verifying the buyout area in which the property is located.
11. Explaining that ProSource must send certain notices to participants by certified mail with return receipt requested and that the applicants must sign the return receipts to remain in the CDBG program.
12. Explaining the DOB process.
13. Describing how property fair market value (FMV) is determined.
14. Explaining the appeal process available for the single appealable Program determination, the FMV amount, and the potential risk appeal carries. Appeal is limited because this Program is voluntary. No one is compelled to participate.
15. Assisting the applicants with completing the applications fully and completely, including all supporting documents, receipts, insurance payments, eligible expenses, benefits received, FEMA Declarations and Releases, etc.
16. Determining whether the application is complete, whether the property and the owner are qualified, and whether the applicant is accepted as a Program participant.
17. Informing each applicant either of acceptance as a participant or else of the specific reason(s) the application is rejected and what is required to bring the application into acceptable condition.

Intake information, in addition to the preceding, must also be sufficient to determine:

- Whether the applicant is eligible for application processing priority based on a household earning less than 80% of the Area Median Income (AMI).
- Whether the property is in the highest risk area (FEMA flood map "V-Zone") along the water and therefore eligible for Standard Buyout at 100% of *pre-storm FMV*.
- Whether the property is located inside the 500-year flood zone, but not in the V-Zone, and therefore eligible for Standard Buyout at 100% of *the post-storm FMV*.
- Incentives may include the following for residents in select pre-defined targeted buyout areas who participate in a buyout; participants may be eligible for one or more incentive in combination, for a maximum of up to 15%:

- 5% In-County Relocation Incentive. The State will provide residents who participate in a buyout inside an enhanced buyout area this incentive if they permanently relocate within the same county in which their storm damaged property is located, either before or at the completion of their buyout. The rationale for such an incentive is to protect and preserve the community while, at the same time, facilitating the reclamation of land in high risk areas for natural protection against future damage. NOTE: for New York City residents who participate in the State's buyout Program this will be available for permanent relocation anywhere within the five boroughs of New York City.
- 10% Enhanced Buyout Incentive. In an effort to relocate homeowners out of these high risk enhanced buyout areas - to protect as many as possible from future disasters - the State will seek the maximum level of homeowner participation by offering this individual incentive so that as much land as possible within these areas can be returned to and reclaimed by nature. This land will be maintained in perpetuity as coastal buffer zones. This level of incentive was selected in order to ensure that a sufficient incentive is available, as the number of properties involved will need to be significant in these areas to produce the intended outcome.
- In the rare areas in which the purchase of a group of properties together makes sense in order to re-purpose that area, the State believes that graduated incentives are an essential component to induce homeowners to sell their properties.
- Outside of the enhanced buyout areas, the State may, in rare circumstances, provide a 10% Group Buyout Incentive to certain very limited clusters of homeowners (i.e., 2-10 consecutively located properties) whose properties are located inside the high risk V Zone but not inside an identified enhanced buyout area. This incentive may be necessary in certain rare cases to facilitate the reclamation of a concentrated area of high risk and to avoid the patchwork effect of purchasing all but one or two properties inside such a cluster of properties.

In addition to the property owner consultations mentioned above, ProSource will conduct intake meetings with tenants displaced from their dwellings as the result of a property owner's participation in the CDBG program. The intake process is performed in accordance with HANDBOOK 1378, TENANT ASSISTANCE, RELOCATION AND REAL PROPERTY ACQUISITION to establish whether a tenant is eligible for Relocation Assistance. HANDBOOK 1378 states HUD's policy and process for implementing the Uniform Act and implementing regulations.

These intake process consultations provide: (1) an opportunity for property owners and tenants to ask questions specific to their situations; (2) confirmation of the number of participating properties and estimated costs; (3) information needed for NYS to request funding, and (4) the information essential to DOB determination and all subsequent elements of the CDBG program.

To the extent practical, ProSource combines Intake Services with Property Documentation tasks that include explaining the right to demolish properties that are hazardous to public health or safety, obtaining rights of entry (for inspection as required), obtaining consents to demolish, obtaining hazardous materials inventories, etc. Our experience demonstrates that performing Intake Services and Property Documentation tasks concurrently yields significant time and cost savings. Intake meeting participants are asked to bring the title certificate or deeds, mortgages, mechanic's liens and other encumbrances, dissolution decrees, notices of *lis pendens*, insurance policies, evidence of FEMA, SBA, and other disaster benefits received, receipts offsetting benefits, household member incomes and social security numbers, and other documents showing eligibility for all benefits the application requests.

Applicants need to execute releases authorizing insurance companies, mortgage holders, and others in possession of non-public personal information to provide that information to ProSource in connection with this Program. Collecting as much of the required information as possible at the earliest possible time reduces the likelihood of participants losing track of records needed to fully document the benefits they received under other programs and their losses resulting from the disaster.

We understand that NYS has established the CDBG program area boundaries and, upon Program initiation, will provide the property addresses, GIS information, tax parcel numbers, Program area maps, and other information it has acquired and developed.

DUPLICATION OF BENEFITS (DOB) DUE DILIGENCE

Property owners often look for assistance from many sources, including private institutions, the general public, and Federal and State agencies to help rebuild following a natural disaster. This assistance may come in the form of donations, insurance proceeds, volunteer work or grants. With multiple entities providing assistance, it is possible for different sources to allocate funds to repair the same Program. This may constitute a DOB as defined in the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act). ProSource will work to educate property owners and to remind them that certain funds from other sources (e.g., some disaster recovery assistance and insurance proceeds) will be counted toward the purchase price of their property unless they can document that the money was spent on approved repairs. We will emphasize the importance of retaining all receipts and disclosing all previously collected benefits. A "Frequently Asked Questions" (FAQ) fact sheet will be prepared and provided to the property owner as a reference document to explain these requirements.

VERIFICATION OF BENEFITS

We will work with the State to establish Letters of Understanding with FEMA, SBA, NYS Homeownership Repair and Rebuilding Fund, the Empire State Relief Fund and any other source of assistance that may be considered a DOB.

ProSource will provide the necessary forms and reporting documents such as the Voluntary Transaction Statement, Insurance Affidavit, Consent and Release Form, Ownership and Benefit Affidavit and Subrogation Agreement.

ProSource will also provide the database for the application information that will also include the calculation worksheet to issue the verification of benefits that confirms the DOB process has been completed and will advise the CDBG-DR/HMGP award amount. ProSource will have a team of agents that will conduct property owner meetings to gather all necessary documentation to begin the DOB verification process.

When all the documentation is collected a team of ProSource case managers will conduct a 3rd party verification of these benefits and use this in the calculation to determine the award and will issue a verification of benefits statements. Case managers and agents will work together to then move the property through the process to closing.

2.0 Acquisition Services

APPRAISALS

ProSource acquisition agents will work with property owners to demonstrate in good faith that the State's offers are fair and equitable. We are confident that most property owners will agree with us. In the event that some choose to appeal the State's offer for their property, ProSource will coordinate the appeal process between the property owner and the State.

The property owner, as part of the appeal process, shall assume responsibility and expense for securing a pre-flood value appraisal from a New York Certified Appraiser, pre-approved by the State. The appraisal report must be provided within 30 days of submitting the written appeal request unless the property owner has provided a written request for an additional 14 days to secure an appraisal before expiration of the 30-day window. Failure to submit an appraisal from a State approved appraiser within the 30-day (or 44-day if applicable) deadline will cause the State's initial offer to control.

For properties voluntarily purchased post-flood, offer values are capped under the Federal Program at the "as is" purchase price, plus verifiable documented flood repair costs. As such, the State may have to agree to pay any amounts exceeding this allowed cap. Pre-flood appraised values will be considered only after total Program expenses are known and property owners will be advised that this will delay their acquisition process.

NEGOTIATIONS

ProSource will meet with the State's Program Manager to discuss the acquisition approach and all applicable acquisition documents. Upon receipt of the approved acquisition documents and applicable title reports from the State, ProSource will prepare offers and issue a letter (via certified mail) to the property owner including a written Offer to Buy Real Estate and Acceptance along with the written Statement of Determination of Fair Compensation. Coordination with the State will occur to batch and prioritize parcels for purchase. Batches will include residential owner occupied, all other residential, and commercial parcels, in this order. The property owner will



be asked to schedule a meeting with their designated agent to review and answer questions about the Offer to Purchase. To the extent possible, ProSource will conduct one-on-one meetings with all property owners. Staff levels will be maximized to expedite processing requests.

Our agents will follow a checklist to ensure consistent messages are relayed to property owners in our meetings. During the initial meeting we will ensure the property owner understands the acquisition program in general, including DOB, the appeal process and all appropriate State policies and procedures. We will confirm information previously gathered. ProSource will request that the property owner complete and return a hazardous materials property survey.

All contacts will be documented via contact logs. Property owners will be treated professionally and without the threat of condemnation. ProSource will advise property owners that they have two weeks to appeal the offer.

If the property owner accepts the State's offer, the following will be undertaken:

- 1) ProSource will submit the original signed offer to the State for approval.
- 2) The property owner will provide ProSource with the property abstract or Torrens Certificate of Title. We will deliver the abstract to the State contracted program attorney/title company for continuation. If the Registered Abstract Report is Torrens then it will be produced by the State contracted program attorney/title company.
- 3) The updated abstract or Registered Property Abstract, whichever is applicable, will be delivered by ProSource to Legal for issuing a title commitment to the property.
- 4) Through the use of our partners we will function as the Program's closing agent. Upon receipt of the necessary title clearing documents from the property owner or his attorney, the closing agent will prepare a closing statement utilizing the HUD-1 Settlement Statement Form, and set up the closing. ProSource will confirm and coordinate the required property inspections and prepare appropriate requisitions for closing.

If the property owner is occupying the property to be acquired by the State, we will not close the transaction and the State will not take title to the subject property until the property owner has found a rental unit or a replacement home by obtaining an accepted lease or offer, whichever is applicable, and is ready to close and take possession of that replacement property.

ProSource will meet with the State to review field title investigation procedures. With reference to the Title Evidence, Market Data information, and in compliance with standard Field Title Report requirements, ProSource will capitalize on all landowner meeting opportunities to investigate potential title concerns (e.g., unrecorded title transfers, contracts for deed, or private easements). These meetings may include site evaluation field trips, landowner access/consent visits and appraisal evaluation field reconnaissance. Field Title Reports will be compiled and completed for each affected property.

If the storm damaged property is not occupied, ProSource will proceed to close the transaction and take possession of the storm damaged property prior to the property owner finding a replacement home or rental unit. If the property owner previously purchased a replacement property prior to the State's proposed acquisition, we will proceed with the closing and take possession of the storm damaged property.

In the event the offer is rejected and the property owner chooses not to sell the property, the acquisition agent will close the property's file by documenting the rejection and advise the State via database reporting to "unencumber" the funds reserved for the property's acquisition and/or relocation payments.

DISBURSEMENT OF FUNDS

Over the last two years, ProSource has disbursed about \$100 Million in Federal, State, and local money for disaster-related real estate acquisition and property rehabilitation. Federal and State auditors have reviewed our Program files to document that all Program guidelines have been met. In addition, ProSource has been subject to the OMB-A133 Single Audit Act as a third party program administrator and sub-recipient of Federal dollars. No findings of fact (deficiencies) have been documented in the A-133 audits.

We have developed internal processes to verify all payments made are in the correct amount and all interested parties are named on the checks. ProSource will implement a procedure with the State's finance department to ensure that funds are available as needed and that the State has sufficient time to review, authorize, and pre-sign all documents needed for the real estate closings.

3.0 Relocation Assistance

RELOCATION ADMINISTRATION

We are fully committed to minimizing hardship to participants by providing extensive counseling, information as to other potential sources of assistance, methods of claiming relocation benefits, and such other help as may be appropriate. ProSource prepares and coordinates the issuance of all required relocation notices (e.g., General Information Notice, Notice of Eligibility and 90-Day Notice to Vacate). We also assist the displaced persons in preparing claim forms, assembling all invoices, paid receipts and other documentation to support their relocation claims, including conducting and providing a Decent, Safe and Sanitary (DSS) Inspection of the replacement dwellings (when applicable). Packages for payment of benefits, along with all supporting documentation, are processed in a timely manner for review and approval by the State.

ProSource maintains Program files in a standardized format, which complies with the Uniform Act. All files will fully justify determinations made and payments disbursed. The files will be accessible and available as requested and final copies submitted upon completion of the Program or at any time requested. Further, all files will remain confidential unless local and State laws dictate otherwise.

RELOCATION PLANNING

ProSource is able to provide a complete evaluation and assessment of relocation needs and prepare a comprehensive relocation plan in accordance with the Uniform Act. Based on these findings, ProSource would make Program policy recommendations to the State. This would allow issues associated with the displacement of persons to be recognized and solutions to be developed early in the process, in order to minimize any possible adverse impacts the displacement may cause. All relocation assistance provided by ProSource will be focused on a successful relocation of the displacee back into their community.

RELOCATION

When relocation services are requested, ProSource utilizes the following process. Upon approval, a General Information Notice (GIN) describing the Program is furnished to each displacee (farm operations, non-profit organizations, businesses or households, as applicable). The GIN informs the displacee that they may be impacted by the Program; generally describes the relocation benefits for which they may be eligible to receive; provides the basic conditions of eligibility and the procedures for obtaining payment; informs them they will be provided with advisory services; includes referrals to replacement properties; provides necessary aide in filing claims and other assistance to help them successfully relocate; notifies them that they will not be required to move without at least a 90 day advance written notice; and describes the right to appeal the determination.

The GIN is sent via certified mail or hand delivered to ensure that all displaced farm operations, non-profit organizations, businesses or persons are properly notified. Also included is a customized, Program specific, relocation assistance informational brochure prepared by ProSource for their reference. All notices are written in plain, understandable language. Persons who are unable to read and understand the notices will be provided with appropriate translation and counseling.

Subsequent to a fully executed Purchase Agreement, an individualized meeting is conducted at the displacement site with each displacee to discuss their relocation needs and preferences to explain their rights under the Uniform Act. During this initial interview, ProSource surveys and inventories the personal property in order to determine which items are eligible for relocation payments. This allows us to gain a better understanding of how the property is utilized so that we can tailor our relocation process to their unique needs. Further information is gathered and analyzed to determine specific eligibility for each household/business.

ProSource works directly with the displaced persons, farms, non-profit organizations, or businesses to obtain appropriate documentation necessary to support relocation claims. Each displacee is required to provide satisfactory documentation to adequately support the eligible relocation claim as may be applicable (e.g., Fixed Payment in Lieu, Moving Expenses, Reestablishment Payment, Searching Expenses, Replacement Housing Assistance, Rental Assistance/Down Payment Assistance, Mortgage Interest Differential and Incidental Purchase Expenses). The actual calculation of monetary benefits for relocation is completed by ProSource in accordance with the Uniform Act for review and pre-approval by the State. ProSource assists each displacee in fully understanding the benefits by providing in-person, individualized presentations to include a comprehensive discussion of their benefits calculation and to determine which payment is most advantageous.

To be eligible for the Tenant Residential Relocation Benefits, ProSource will ensure the tenant:

- 1) As of the date of initiation of negotiations, is a legal residential occupant of the storm damaged property for which the State has approved acceptance of the purchase offer.
- 2) Purchases or rents a DSS replacement dwelling that is located outside of the Zone on NFIP Storm Hazard rate maps.

The displacee will be given current and continuing information on comparable properties. The calculation of relocation monetary benefits will be completed by ProSource in accordance with the Uniform Act and funding source requirements, which will not exceed \$5,250 (except in Uniform Act allowed circumstances) and will be pre-approved by the State (on the same day) prior to presentation to the displacee. ProSource will then assist displacees in understanding said benefits by providing in-person, individualized presentations to include a comprehensive discussion of their benefits calculation. ProSource will coordinate the issuance of all required relocation notices (e.g., General Information Notice, Notice of Relocation Eligibility and 90-Day Notice to Vacate).

ProSource will work to minimize hardship to participants by providing extensive counseling, information as to other potential sources of assistance, methods of claiming relocation benefits and such other help as may be appropriate. We will utilize our tailored database to provide customized reports as directed by the State and provide a complete copy of this database as a final deliverable to the State. Contact reports and packages for payment of benefits, along with all supporting documentation for review and approval will be tracked in the database. All requests by displacees for appeal of determinations regarding relocation benefits (or for those specific appeal actions allowable for acquisition under the Uniform Act) will be forwarded to State staff for appropriate action along with a recommendation. As further directed by the State, we will provide all information required to respond to the appeal and be available to testify on behalf of the State in the event of a relocation appeal hearing.

ProSource will manage the preparation and submittal/approval process for the physical move. This includes all appropriate advisory services to the Program participant (i.e., inventories, professional/commercial bid process and coordination, special services, etc.). Our agents will obtain and review proof of insurance for each professional/commercial mover to include amount and type (i.e., replacement, depreciated, etc.) of coverage. We will provide complete advisory services to Program participants. ProSource will analyze bids obtained from the moving companies for reasonableness and appropriateness of costs and coordinate approval with the State. Review, preparation and submittal of detailed professional/commercial moving cost estimates to the State will occur within five work days of receipt of request from the displacee.

Counseling and assistance to participants on planning, coordinating, organizing, scheduling and implementing the move, involving both the displacement and replacement locations in accordance with the Uniform Act, will be provided as reasonable and necessary.

When the displacee indicates to ProSource they have identified a suitable replacement dwelling, ProSource will conduct a DSS Inspection on the replacement dwelling, at minimum, for items that are specifically listed in Federal regulations (49 CFR, Part 24). In the event a displacee moves out of the Program area, ProSource will coordinate with local Department of Transportation Real Estate Offices to accomplish the DSS Inspection.

Every attempt will be made to identify all tenants and to provide benefits. In the case where tenants were not identified or we are unable to reach them, the tenants will be allowed two months after property owner's acceptance of the Offer to Purchase storm damaged rental property to file a claim with the State for relocation assistance. The tenant will submit the request in writing to ProSource along with documentation showing proof of leasing said property (signed lease agreement or rent roll affidavit signed by owner of leased dwelling).

ProSource will coordinate with the State on all tenant relocation benefits. Tenant payment recommendations will be submitted to the State upon completion of the internal quality assurance processes.

RELOCATION APPEAL SERVICES

ProSource staff will work with landowners to demonstrate, in good faith, that the Program is fair and equitable in accordance with the Uniform Act. We are confident that most displaced persons will agree with us. In the event that some would choose to appeal the eligibility determination, ProSource is able to coordinate the approved appeal process between the displaced person and the State.

ProSource possesses the in-house knowledge, experience, and commitment to resolve relocation appeals in accordance with the Uniform Act while striving to accomplish Program goals in a timely and cost efficient manner. Based on our experience, we believe a well-crafted appeal policy is beneficial for all parties to resolve claimant's concerns in a non-litigious manner. We have been extremely successful with this process. To-date, none of our appeals have escalated to a law suit or arbitration nor are there any pending relocation claims at this time.

DEBRIS INSPECTIONS

We recommend the Purchase Agreement (PA) language allows the State to have the right to inspect the premises once the property owner accepts the offer. The purpose of the inspection is to determine if there are any hazardous materials on site or serious safety risks or unique fixtures to the property that the State would need to deal with upon its acquisition. A further requirement of the Offer to Buy Real Estate and Acceptance may specify that the property owner agrees to remove from the property, at their expense and prior to closing, all vehicles, wood, construction materials, debris and personal property.

ProSource will work to ensure that the State is not burdened with the cost and risk of injury or expense of removal of the abandoned personal property. With respect to commercial properties, a Clean Site Certification will be obtained. Debris inspection deliverables will include documentation of inspection date, site photos, debris encountered and completion and sign off by the acquisition agent of the Debris Inspection report.

4.0 Other Services

DOCUMENT RECORDING

The easements, deeds and/or other acquisition documents for the Program will be recorded in the appropriate County Recorder's Office. The purpose of recording the documents is to (a) notify the general public of the encumbrance on the property and (b) to protect the seniority of the State's property interest from all subsequent purchasers, lien holders or other encumbrances affecting the property (such encumbrances include, but are not limited to, mortgages, tax liens, civil judgments, contracts for deed and third party easements).

CLOSING ACTIVITIES

Timing is essential to ensure all the requirements for a successful closing are in place. The closing agent will confirm all title work/title opinions are complete. The State contracted program attorney/title company will also prepare the draft HUD-1 for ProSource to review for accuracy and provide recommendations to the State on buyer's closing costs based upon Uniform Act guidelines of eligible closing costs. The HUD-1 outlines all of the costs for both the buyer and property owner associated with the closing. Upon approval of the draft HUD-1 and in coordination with ProSource, State contracted program attorney/title company will schedule a closing for the transaction. On closing day, the property will be transferred from the property owner to the State. The behind-the-scenes process continues after the closing. The settlement agent will forward payment to any prior lender, pay all the other parties who performed services in connection with the closing, pay out any net funds to the property owner and deliver the completed file to the State for recording.

ENVIRONMENTAL OVERSIGHT

ProSource has the experience and resources to provide oversight for Phase I and Phase II Environmental Site Assessment (ESA) services for Oakwood Beach properties requiring Phase I and II ESAs. We will work with the State to oversee the process to ensure environmental due diligence regarding past and present uses of the properties, to avoid future liability associated with contaminated properties.

ProSource can provide report review services for all Phase I and Phase II ESAs completed for the Program where ProSource has not performed the assessment. The purpose of this third party review is to provide technical analysis and recommendations on the findings, methodologies, and conclusions of the Phase I and Phase II ESA reports, as well as to ensure consistency amongst the statewide ESA efforts.

The Phase I ESA reviews include the following tasks:

- Review Phase I ESA report.
- Review the database search within the report.
- Provide comments on the recommendations stated in the report.
- Create a spreadsheet of all reviewed Phase I ESA reports, which lists the findings and recommendations stated in the report and the ProSource review recommendations.

The objectives of a Phase II ESA are to assess and confirm the presence of adverse environmental impacts of each area of concern identified in the Phase I ESA and to determine the need for further investigation to define the horizontal and vertical extent of contamination, if present. The further investigation would be required to determine the full extent and degree of contamination; evaluate potential treatment and disposal options; assess impacts to potential receptors; and evaluate the potential for natural attenuation of impacts.

The Phase II ESA reviews include the following tasks:

- Confirm that the Phase II ESA investigated the full concerns recommended in the Phase I ESA.
- Review all analytical testing data and recommendations.
- Provide feedback to the Phase II ESA consultant and State regarding any recommended report revisions.
- If necessary, recommend any additional actions based on the Phase II ESA report review.

ProSource will provide the State with updated spreadsheets that summarize the Phase II ESA findings and the report review comments.

DEMOLITION MANAGEMENT

ProSource has the staff and resources available to manage the demolition-related services required for this Program. We can also conduct and/or manage the pre-demolition surveys to identify and quantify regulated or hazardous materials present within each building or structure. Materials may include (but are not limited to) asbestos, lead-based paint, mercury, polychlorinated biphenyls (PCBs), chlorofluorocarbons (CFCs), fluorescent light bulbs, chemicals, flammable liquids, household hazardous waste (HHW), etc. When the inspections have been completed and reports have been prepared, we would continue working through the process by preparing specifications and coordinating with the abatement contractors to ensure that all regulated and/or hazardous materials are handled and disposed of in accordance with State and Federal regulations. After the abatement process is complete, the structures will be available for demolition. ProSource will work with the contractors to develop and enhance protocols for demolition and disposal.

NFIP INCREASED COST OF COMPLIANCE (ICC) PROGRAM

ProSource has experience working with the NFIP Bureau and numerous insurance companies to complete demolition claims on behalf of NYS. ICC coverage is one of several resources for flood insurance policyholders who need assistance with the elevation, relocation, demolition or flood proofing of their home after a flood. It provides up to \$30,000 to help cover the cost of mitigation measures that will reduce flood risk. ICC coverage is a part of most standard flood insurance policies available under the Federal Emergency Management Agency's (FEMA's) National Flood Insurance Program (NFIP).

When a policyholder is eligible for an ICC claim payment and decides to participate in a mitigation grant project such as the CDBG-DR Buyout, the policyholder may assign the eligible portion of the claim amount to NYS. These benefits are assigned to NYS through the Assignment of Coverage D form completed at the offer to purchase meeting.

NYS becomes responsible for completing and submitting the necessary ICC claim documentation to the insurer. ProSource staff works directly with the NFIP Bureau and Statistical agent to begin the claims process with the completed Assignment of Coverage D form and the Substantial Damage Notification issued by the community.

ProSource then works with NYS and the insurance company to gather the required property demolition photos, permits, invoices and letter of completion to complete each claim. The ICC claim is paid directly to NYS and should be used towards the non-Federal match for the project. Upon completion of each claim, payments will be processed, coded and returned to NYS by ProSource.

The ProSource ICC database allows the team to input property and claim data. The database is then used to generate claim status information, check transmittals and customizable reports.

PROPERTY MANAGEMENT

If necessary and at the direction of the State, ProSource can provide property management services necessary for the care and maintenance of acquired property including: grounds maintenance, building care and maintenance, security, noxious weed and pest control, etc. ProSource can also provide management services for excess property resale (if required), structure moving (e.g., dwellings, commercial buildings, and grain elevators), rental assessment and agreements.

NON-PUBLIC INFORMATION

Agents will necessarily receive private (non-public personal) documents and information from property owners who apply to participate in the CDBG-DR Voluntary Property Acquisition Program (CDBG program) and from displaced tenants (if any) as part of the intake process. In addition to private areas for meeting with participants, agents will properly safeguard private information in accord with applicable provisions of New York Public Officers Law - Article 6A PERSONAL PRIVACY PROTECTION LAW §§ 96 AND 96A, and other applicable regulations and guidelines issued to ProSource by the Division of Homes and Community Renewal or other agency charged with overall responsibility for administration of this CDBG program.

DOCUMENT STORAGE AND DESTRUCTION

Appropriate acquisition and relocation records must be maintained for a minimum of three years from the date each owner of a property and each displacee receives final payment to which they are entitled. ProSource handles this task for you. Record retention complies with 32 CFR, §33.42. At the conclusion of the regulatory period, documents are shredded to ensure regulatory privacy and confidential shredding requirements. Compliance with the three year file retention and privacy policies is not just good business practice; it is the law.



5.0 Additional Value

LOCAL OFFICE / STAFF

ProSource has begun identifying options for a local office close to the Program area. ProSource staff would work directly out of the office providing maximum visibility, accessibility and personal contact for the Program.

Our local office will ensure a high level of customer service for landowners. The ProSource acquisition agents will be supported by several database/document specialists and have access to local cell phones, laptop computers and printers/scanners for expediting document preparation.

Landowners will have access to ProSource's local office for support and conducting one-on-one property owner meetings. The office will be marked by clear signage with regular business hours posted and easily accessible by the public. The office will be staffed with a full-time local office coordinator and acquisition agents who will be available to answer the phone and accommodate walk-in property owners. ProSource will maintain office hours of 8:00 AM – 5:00 PM, Monday through Friday, and will be available nights and weekends by appointment. Our office will establish a local contact point for landowners and further enhance the customer service component of the Program.

Our local office(s) will be supported by ProSource's current Minneapolis, MN and Cedar Rapids, IA offices. These offices will provide the best office support needed to successfully perform Program needs, including but not limited to quality assurance/quality control, development of Program policies and procedures, call center support, etc.

We have a rigorous interview process and corporate management has identified the skill sets needed for success in this industry. Seeding a Program with experienced personnel and then adding qualified staff to the Program office as the demands of the Program evolve and grow, has allowed us to swiftly ramp up to meet Program timeline goals, gather momentum to ensure that the Program continues on pace, and maintain staff to ensure Program completion on time and within budget constraints.

QUALITY ASSURANCE

ProSource's staff experience provides consistent, seamless quality assurance services utilizing a seasoned management team experienced in land acquisition/ relocation Programs of this size and type. Our field agents are experienced professionals with appropriate training. Internal training includes mentoring of employees by our senior staff and allowing the agent to be immersed in the acquisition process at his or her own pace. Communication is encouraged between the agents to allow for the flow of information and the process to resolve issues with the property owners. This peer communication process allows for consistent work product and confirmed retraining of our staff. For the more difficult issues, the ProSource Program manager or other senior experienced personnel are available to discuss options and provide solutions.

The code of conduct for our field agents is governed by three sources: a) the International Right of Way Association Professional Conduct code, b) the statutory and regulatory requirements pursuant to applicable licensure, and c) the code of conduct from the ProSource employment manual.

Our goal in all acquisitions of real estate rights is to treat the property owner fairly and equitably. Communications are respectful and professional. Our internal communication guideline is that all calls and other inquiries with property owners require a response within 24 hours by the same medium: phones, email, letter, etc.

We view our negotiations with the property owner as the first step in the long-term relationship between them and our client. As such, we create the important first impression of the client with these property owners. When this first impression of the client and the Program is positive, subsequent communications and the process of reaching a voluntary settlement are greatly enhanced. All of our staff are trained on this critical component of our acquisition training program.

Given our long term commitment to these employees, clients should have every confidence that the people commencing work at the start of the Program will continue to be employed by ProSource at the end of the Program. This continuity of personnel will ensure quality control and efficiencies throughout the Program.

PROGRAM LEADERSHIP

Mr. Jason D. Alt will be acting Program Manager. He will be supported by our management team of Gregory A. Wheeler, J.D., Scott T. Stenger, David E. Hennen, Patrick Roberts, Sarah Lenz and Kris Lynn. Together this team brings the recent comparative knowledge of and experience of the City of Cedar Rapids, Fargo-Moorhead Area Flood Diversion and Devils Lake Flood Programs. They are supported by our team of specialists who have established processes, handled Program issues, and provided implementation on the fly with the proven ability to quickly adapt to change. Each member of the team is committed to professionalism on your community's behalf.

Throughout the massive flood acquisition Program in Cedar Rapids, IA, our team was pioneers as they established processes and utilized best practices that better defined future Federal guidelines for other communities faced with a similar disaster, such as NYS. As the program in Cedar Rapids grew and time passed, landowners became frustrated with State and Federal bureaucracy. However, ProSource maintained its 4.9 out of 5.0 customer service rating. Our knowledge of similar Programs, processes and excellent customer service is what ProSource proudly brings to NYS and the impacted landowners.

PROFESSIONAL CUSTOMER SERVICE & QUALITY

ProSource is committed to providing quality service to its clients. Our primary objective is to meet the needs of our client and the community they serve in a professional and fiscally responsible manner. The management of ProSource and its staff are experienced professionals who clearly understand the tasks and challenges of this proposed Program. Together, we offer the commitment and experience necessary to fulfill the needs and requirements of the State.

The State, as a highly visible public entity, has the additional challenge of avoiding adverse publicity and maintaining its image as a responsible and empathetic neighbor. ProSource's approach will emphasize open, honest and consistent communications throughout the Program duration. We view our contacts with impacted parties as the beginning of a long term relationship on behalf of the State. Our staff is trained to treat parties with respect and dignity, and always promptly return telephone calls and other correspondence.

ProSource will integrate Program quality assurance into all tasks for the complete life cycle of activities associated with this Program. The purpose of quality assurance is to ensure that all matters are handled in accordance with the Uniform Act, established policies and procedures, and in accordance with our own internal quality assurance procedures and checklists.

CONCLUSION

The ProSource Team is committed to the purposes of the Program that HCR created and now brings into effect. We will focus on keeping storm-damaged communities intact by enabling individuals and households to return, rebuild their lives and restore their community. Our previous dedication to recovery from natural disaster and community restoration has established a group of professionals with an unparalleled level of experience who stand ready, willing, and able to demonstrate their accumulated ability and experience to assist NYS Office of Community Restoration Homes and Restoration Division with a successful disaster recovery program.

Proposed Budget

NYS HCR and ProSource acknowledge that the Community Development Block Grant Program Disaster Recovery Program is fluid in nature and significant modifications to the State Action Plan, Program Administrative Plan and the policies of the Housing and Economic Development Program will occur. As the scope of work becomes more defined, ProSource will provide budget and staffing projections for NYS-HCR for changes to the assigned work tasks under these Programs. As noted in Section I of this Work Plan, the Administrative Services related to the Program will evolve as the Program is better defined, receives additional funding and quantities and locations of participants/applicants become known. Accordingly, there is no realistic method of applying a specific budget to Program Administrative Services.

To facilitate the Program start up and the commencement of the land acquisition effort and to provide flexibility for future contract amendments, ProSource has provided the below compensation budgets and invoicing rate structure. There may also be occasion to submit a fixed fee/per parcel rate structure for some tasks such as appraisals, Phase I ESAs, etc. Some of these tasks may also be subcontracted. Therefore, ProSource proposes that Program Administrative Services be addressed using a Master Contract concept. As specific new tasks are initiated, a Work Order or other similar Notice to Proceed document can be generated with a task specific budget range. This process will enable the ProSource Team to immediately begin the critical steps necessary to expeditiously bring relief to NYS storm victims as soon as reasonably possible.

Accordingly, NYS HCR shall compensate ProSource for the services provided pursuant to this Agreement as follows:

- a. The NYS HCR shall pay ProSource pursuant to the hourly rates contained in the Compensation Schedule attached as Exhibits A and B from April 16, 2013 to December 31, 2013.
- b. ProSource will provide Program Grant Administrative Services for the State Action Plan for Community Development Block Grant Program Disaster Recovery, with a total compensation to be paid to ProSource pursuant to this Agreement not to exceed 3% for Administrative Fees and 3% for Project Delivery Fees of the total funds disbursed under the Housing and Economic Development categories as described in the State Action Plan for Community Development Block Grant Program Disaster Recovery. The specifics for these Program Grant Administrative Services are more fully detailed in the provided Work Plan. For the purposes of the initial budget, the total for this task will not exceed \$6,000,000.
- c. ProSource will provide the additional specific Third Party Administrative Services for the Oakwood Beach CDBG-DR Land Acquisition and Relocation Program, for a total not to exceed budget of \$7,355,000 in Administrative Fees and Project Delivery Fees.

- d. To accommodate an expedited start-up schedule for the Oakwood Beach Program, office space rental, supplies, equipment and related expenses will be paid by ProSource and reimbursed by NYS. It is anticipated that additional offices will be required to perform future Program activities. We recognize that NYS requires some flexibility and we propose it's reasonable to evaluate other options such as, but not limited to, using existing NYS leased or owned property be considered. In scenarios where utilizing existing NYS offices is deemed most appropriate, NYS will assume responsibility related to new office rental, supplies, equipment and related expenses.

Oakwood Beach Land Acquisition and Relocation	
TASK / ACTIVITY	PROJECTED BUDGET (\$)
Program Management	
Quality Assurance / Quality Control Procedures	
Budget Management	
Database Creation & Maintenance	
1.0 Pre-Acquisition Activities	
Title Services	
File and Document Preparation	
Intake Support and Property Documentation Service	
Duplication of Benefits (DOB) Due Diligence	
Verification of Benefits (VOB)	
2.0 Acquisition Services	
Appraisals*	
Negotiations	
Disbursement of Funds	
3.0 Relocation Assistance	
Relocation Administration	
Relocation Planning	
Relocation	
Debris Inspections	
Relocation Appeal Services	
4.0 Other Services	
Document Recording	
Closing Activities*	
Environmental Oversight & Program Compliance	
Demolition Management	
NFIP Increased Cost of Compliance (ICC) Program	
Property Management	
Non-Public Information	
Document Storage and Destruction	
Office / Infrastructure	
Total Projected Budget	7,355,000

ASSUMPTIONS

- * Outside services with a budget placeholder
- 1. 250 Applicants will apply to the Program
- 2. 225 Applicants will be eligible for the Program
- 3. 175 Applicants will complete the Program
- 4. Offers will be made to 225 Applicants
- 5. Average property value is \$400,000
- 6. Closing services are assumed to be \$500 with title insurance premiums of \$500 per parcel
- 7. 100 properties will require NFIP ICC services
- 8. While not reflected in the budget totals, NFIP ICC is projected to reimburse \$900,000 to the Project Delivery costs of the Program
- 9. Property management assumes an average demolition of property to occur 90 days after the date of acquisition
- 10. Assumes a one year contract with an option to renew for at least one additional year.
- 11. The Oakwood Beach Program office space rental, supplies, equipment and related expenses will be paid by ProSource and reimbursed by NYS at actual costs (including tax and applicable fees) projected to be approximately \$200,000 per year.