

AMENDMENT NO. 2

PROFESSIONAL SERVICES CONTACT
Between the
VIRGIN ISLANDS HOUSING FINANCE AUTHORITY
and
HORNE LLP

This Second Amendment (“Amendment”) is made this 16th day of July, 2021 by and between the **Virgin Islands Housing Finance Authority** (“VIHFA”) and **Horne LLP** (“Horne”).

WHEREAS, on April 11th, 2019, VIHFA and Horne entered into a professional services contract for Horne to perform housing case management services and manage a case management system (“Agreement”) for the Community Development Block Grant Disaster Recovery (“CDBG-DR”) program; and

WHEREAS, on April 14, 2020, the Parties executed a First Amendment which (a) increased the contract amount by Four Thousand Five Hundred and Thirty-Three Dollars and Seventy-Five Cents for security costs; (b) added liquidated damages; and (c) added the updated federal cross-cutting measures; and

WHEREAS, the contract ended on April 10, 2021; and

WHEREAS, the VIHFA exercised its option to renew the contract by providing the 90 days written notification per Paragraph 2 of the Contract; and

WHEREAS, this Second Amendment extends the contract for an additional two (2) years; and

WHEREAS, this Second Amendment increases the contract amount by an additional Two Million Nine Hundred Ninety-Three Thousand and Sixty Dollars (\$2,993,060).

NOW THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound by this Agreement, the parties hereto do covenant and agree as follows:

Section 1: The agreement between VIHFA and Horne is hereby reinstated.

Section 2: The reinstated agreement is made retroactive to April 11, 2021 and shall terminate on April 10th, 2023.

Section 3: Paragraph 3 “Compensation” is amended by (a) increasing the compensation amount by an additional Two Million Nine Hundred Ninety-Three Thousand and Sixty Dollars (\$2,993,060) to read (b) “not to exceed Nine Million Two Hundred Seven Eight Hundred Ninety-Five Dollars (\$9,207,895)”.

Section 4: Paragraph 3 “Compensation” is amended by adding a subsection e to read as

follows:

Liquidated Damages: The Contractor shall pay to VIHFA, as liquidated damages, \$150.00 for each calendar day that a required deliverable, as outlined in Appendix(s) A and B-1, is late until deemed in compliance, subject to a maximum penalty of \$1,000.00 per occurrence. Liquidated damages may be assessed at the sole discretion of VIHFA. For the purpose of calculating such liquidated damages, a grace period of ten (10) days shall be observed and the contracts schedule shall be extended by any additional time or delays outside the control of the Contractor cause by an act of commission, omission or delay of VIHFA, or as stipulated in Paragraph 18 – Force Majeure.

Section 5: Paragraph 3 “Compensation” is amended by adding a subsection f to read as follows:

Duplication of Benefits: The Contractor has agreed to undertake duplication of benefits verification of applicants to the CDBG-DR Housing Program and to ensure compliance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The Contractor agrees to repay to VIHFA the actual grant amount deemed an error or miscalculation by HUD, that is over and not covered by the Errors and Omissions.

VIHFA may deduct and retain out of the monies, which may become due hereunder the amount of any such liquidated damages, and in case the amount which may become due hereunder shall be less than the amount of the liquidated damages due to VIHFA, the Contractor shall be liable to pay the difference.

Section 6: A supplemental Appendix B-1 is added which outlines deliverables, which shall be measured and monitored for optimum contract performance.

Section 7: Appendix C is amended by removing the following provisions: (a) Liquidated Damages and (b) Duplication of Benefits provisions and adding a new subsection d.

Section 8: A supplemental Appendix C-1 is hereby added outlining the budgetary cost lines for the additional Two Million Nine Hundred Ninety-Three Thousand and Sixty Dollars (\$2,993,060).

Section 9: All other requirements and provisions of Agreement between the VIHFA and Horne (Contract No.: 2019-CDBG-DR-001) et. al., dated the 11th of April 2019, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties intending to be legally bound hereby, caused these presents to be executed as of the day and date first above written.

WITNESSES:

(1) Althia Thomas

(2) Megan B. Conner

HORNE LLP

Jonathan M. Krebs
JONATHAN M. KREBS
Partner

DATE: July 9, 2021

Reviewed for Legal Sufficiency:

Denise Rhymer
Denise Rhymer Esq.

Dated: 14th day of July, 2021

WITNESSES:

(1) Claudia Pao

(2) Valdez Shelford

VIRGIN ISLANDS HOUSING FINANCE
AUTHORITY

Daryl Griffith
Daryl Griffith, Executive Director

DATE: 07/16/2021

APPENDIX B-1: DELIVERABLES

Contractor shall work with the VIHFA Management to determine which metrics shall be measured and monitored for adequate contract performance. The Contractor should also develop processes and systems for routinely measuring and reporting deliverables and evaluation results. Contractor and VIHFA will also work to create collaborative training segments for each phase of the case management process as training opportunities for VIHFA staff. These processes should also include goal setting and process improvement to foster a continuous evaluation and improvement of environment.

Changes and additions to deliverables will be made upon thirty (30) days prior written notice to Contractor, subject to a mutual agreement of the parties, VIHFA may (i) add or delete deliverables and/or (ii) modify existing deliverables.

Appendix B is a supplementary to Appendix A and is not intended to replace Appendix A. Appendix B defines the respective deliverables and outcomes for each subset of outlined tasks.

Phase 1: Applicant File Set Up & Eligibility Determination

Deliverable (1): Complete applicant file, pursuant to an established File Checklist and with preliminary duplication of benefits review. The file and all required documentation must be transferred electronically to VIHFA in a folder that can be maintained on the agency's SharePoint site.

Deliverable (2): Contractor will prepare and deliver weekly reports detailing applicant status at each stage of the process. This report will cover the cohort of applicants determined to be initially eligible by the Contractor.

The Contractor shall perform, at a minimum, the following duties associated with applicant intake, documentation collection, and preliminary eligibility determination, pursuant to the EnVIision Program policies and procedures.

1. Provide a high-quality customer service for all applicants throughout the entire Program process.
 - a. Applicant calls must be returned within 48 hours of the call being placed.
 - b. All communications with applicants must be documented in the system of record and must include date, time, person making contact, and the result of the contact.
 - c. Sufficient detail must be provided in the applicant case notes that HFA staff can easily ascertain applicant status.
2. Create applicant files and documents for eligibility determination that capture all of the required VIHFA applicant file data points.
3. Perform case management, in an established manner, with each applicant, during the entire process to ensure successful project setup.
 - a. Re-eligibility reviews, including income review, must be completed for all

applicants not currently within the construction stage that have been determined to be eligible by the Contractor as of April 12, 2021. Contractor shall provide a listing of applicants with income eligibility expirations; which listing shall be updated and provided to VIHFA every 90 days. Recertification to begin once applicant is scheduled for construction. VIHFA will provide Contractor a listing of procurement schedules once prepared.

- b. All documentation must be clearly legible and complete; documents in the file must be scanned, uploaded into Canopy. Continual/refresher training should be provided to all case managers to ensure that documentation is accurate, complete, and legible.
- c. To be considered acceptable, documents must meet the following requirements:
 - i. Documents confirming identity must have a picture and be either current, or without expiration date.
 - ii. Documents confirming income must be from the most current period (e.g., social security benefit letters from 2021 only, income tax returns from 2019, until May 18, then must be 2020 return, bank statements (past three months), pay stubs past 3 consecutive months). Any documentation that is over 1 year must be renewed. Property tax status must be current or a payment plan in good standing.
 - iii. Any expired or incomplete documentation must be obtained from the applicant.
- d Applicants needing to submit additional documentation shall be contacted and assisted to obtain the required documents.
- e. Home should follow the non-responsive procedure as outlined in the Homeowner Reconstruction Program and Policies and Procedures, V. 2.4, effective February 23, 2021 or revised:
 - i. Three consecutive unreturned phone calls,
 - ii. E-mail notification of attempted phone calls and request for applicant contact, and
 - iii. U.S. Postal Service notification via certified mail with return receipt required.

If after the full succession of these communication attempts an applicant still fails to contact the Program within thirty (30) days of the U.S. Postal Service notification mail date, the applicant will be placed on an inactive status. The applicant will be notified by e-mail and certified mail that they are on an inactive status. If the applicant does not contact the Program within thirty (30) days of notification of inactive status, the applicant file will be withdrawn and administratively closed.

- f. All contacts with, or on behalf of, applicants are to be entered into the case notes, or client contact log that becomes part of the applicant's file.
- g. Duplication of benefits review will be conducted by the Contractor and placed in the applicant file. That review will contain documentation of all sources of assistance received, a report on repairs made, and any receipts provided by the applicant.

4. The file will be reviewed for eligibility by VIHFA staff. Files determined to be complete and eligible will be forwarded for environmental review. File determined to be incomplete, incorrect, or lacking legible documentation will be returned for corrective action.

Phase 2: Final Duplication of Benefits Determination and Preparation for Bid

Deliverable (3): *Provide weekly update on the status of applicants with escrows and with outstanding funding requirements including details of final duplication of benefits resolution.*

Deliverable (4): *Provide a complete and accurate applicant eligibility recommendation package to VIHFA staff.*

1. Utilizing allowable activity report and the documentation of assistance received, the Contractor will perform final duplication of benefits assessment with the goal of resolving duplication of benefits as is possible within program guidelines.
2. Collect any additional documentation from the inspectors and applicant to satisfactorily complete the duplication of benefits analysis.
3. Develop and present for VIHFA approval, a plan for corrective action to address any HUD findings, including documentation regarding any duplication of benefits analysis.
4. For applicants needing to provide additional funding to move forward, assist in exploring options and document assistance provided.
5. For those who can provide the required escrow, refer them to VIHFA for final review and collection of deposit.
6. For those who require additional time to secure funding, maintain at least monthly contact and document the file.
7. Case Managers will be responsible to ensure that the applicant has executed all of the required forms as part of the eligibility determination.
8. Ensure all program requirements are discussed with the applicant, including the form of loan/grant and subrogation agreement, escrow requirements, relevant policies and procedures and secure loan/grant agreement signature from applicant.
9. If it appears that the applicant may need to provide additional funds, determine fund availability prior to moving the file to environmental review and damage assessment, provide recommendations to VIHFA regarding preliminary project feasibility.

10. Case Managers shall track completion of Environmental Review, Damage Assessment, and duplication of benefits analysis for each applicant uploaded in Canopy to prepare weekly reports on applicant status for VIHFA.
11. Provide necessary documentation, forward completed case files as required for review and approval by VIHFA staff to move applicants into construction in accordance with established Program Policies.
12. Notify applicant when their properties are included in the bid packages.
13. In emergency or special circumstances per URA rules, re-evaluation of award calculation if temporary and unforeseen relocation is required.

Phase 3: Provide Relocation Assistance and Advisory Services (as needed)

Deliverable (5): *Provide a complete and accurate applicant relocation package to VIHFA staff for review and approval. Provide weekly report outlining relocation and advisory activities, if any.*

1. Issue required relocation notices to Landlords and Tenants in a timely manner
2. Identify units that are occupied and vacant
3. Provide relocation advisory Services for eligible households and estimate the amount needed for relocation assistance payments
4. Communicate requirements to Landlords and Tenants
5. Create a brochure to simply and explain the relocation process
6. Conduct Interviews with Occupants
7. Process Relocation Appeals
8. Create option recordkeeping and monitoring within Applicant and Tenant file
9. Assist Program Managers in identifying opportunities to minimize displacement

Phase 4: Addendum to Loan/Grant Agreement/ Ongoing Case Management

Deliverable (6): *Complete loan/grant amendment and document execution for applicant. Generate a weekly report on number of grant signings conducted.*

1. Prepare loan/grant documents for signature.

2. Prepare escrow agreement for signature (as needed).
3. Communicate construction timeline and options for temporary relocation (as needed) to applicants.
4. Secure VIHFA approval for all documents prior to loan/grant signing.
5. Participate in pre-construction meeting to discuss program requirements and expectations with the applicant and builder, using an agenda provided by VIHFA staff.

Phase 5: Construction and Closeout

Deliverable (7): *Complete a compliant file uploaded to VIHFA for its SharePoint site.*

The Contractor shall perform the following duties post-loan/grant signing through file closeout.

1. Provide case management services to applicant during the construction process as needed. Assist the applicant in obtaining construction updates and file complaints.
2. Provide case management support in collaboration with construction manager and applicant on warranty and punch list issues.
3. Ensure file is complete and all appropriate documentation has been uploaded to applicant's file on SharePoint site within 14 days of final draw request.
4. Obtain closeout approval from VIHFA.

APPENDIX C-1: PROJCT BUDGET (Contract Term of Two Years)

| Position | # of Staff | Hourly Rate | Estimated |
|--|------------|-------------|-----------------------|
| Section 1 | | | |
| Project Director | 1 | | |
| IT Lead and Support Team | 1 | | |
| Housing & CM SME Team | 1 | | |
| Case Worker Site Manager/Sup. | 2 | | |
| Case Workers | 4 | | |
| Case Worker Asst. | 1 | | |
| Subtotal | N/A | N/A | N/A |
| Section 2 (Pre-approved costs and billed only as needed or as applicable) | | | |
| Office equipment and supplies for on-island intake centers | | | |
| Lease payments for on-island intake centers/call center | | | |
| Utilities | | | |
| Title Review | | | |
| Subtotal | | | |
| Section 3 (Pre-approved costs and billed only as needed) | | | |
| Travel, Housing, and Per Diem | | | |
| Subtotal | | | |
| | | | |
| Total | | | \$2,992,370.00 |

Contractor shall invoice for the items outlined above as follows, not to exceed the total amount per the Project Budget.

- a) Section 1: Personnel costs to be billed on an hourly basis x rate (per personnel).

Documentation: Timesheets indicating Name of Person, Title/Labor category, hours worked (by day), bill rate and description of work provided (to potentially include applicant identifier).

Performance Criteria: Performance metrics report as determined and agreed to by the parties regarding data such as applicants per case worker, outreach numbers, number of applicants.

- b) Section 2: Operating costs to be billed as actual costs incurred.

Documentation: Invoices & other supporting documentation to demonstrate actual costs incurred and actual system deployment to demonstrate the electronic system lump sums.

Performance Criteria: Contractor to incur costs on an as needed basis relative to both actual costs or electronic systems deployment.

c) Section 3: Costs to be invoiced monthly and will be substantiated by adequate receipts to support invoices. No additional costs related to travel, housing or per diems will be reimbursed to the Contractor that exceed \$75,000.00 over the term of this amendment.

Documentation: Invoice based on monthly basis with adequate receipts and documentation to support costs.

Documentation: Invoices & other supporting documentation to demonstrate actual costs incurred.

- d) Contractor should provide a deliverables report as an attachment to all invoices. The Deliverable Report will outline applicant's cases worked upon for the invoice period. Information should include applicant ID, tasks performed, and amount of time worked on that case, assigned case worker, case status and next steps required.
- e) **Liquidated Damages:** The Contractor shall pay to VIHFA, as liquidated damages, \$150.00 for each calendar day that a required deliverable, as outlined in Appendix B, is late until deemed in compliance, subject to a maximum penalty of \$1,000.00 per occurrence. Liquidated damages may be assessed at the sole discretion of VIHFA. For the purpose of calculating such liquidated damages, a grace period of ten (10) days shall be observed and the contracts schedule shall be extended by any additional time or delays outside the control of the Contractor cause by an act of commission, omission or delay of VIHFA, or as stipulated in Paragraph 18 – Force Majeure.
- f) **Duplication of Benefits:** The Contractor has agreed to undertake duplication of benefits verification of applicants to the CDBG-DR Housing Program and to ensure compliance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The Contractor agrees to repay to VIHFA any grant amounts deemed an error or a miscalculation by HUD and submitted to VIHFA for repayment, recapture and/or claw-back, and which value and/or amount is not covered by the Contractor's Errors and Omissions Insurance Policy, if there is evidence to illustrate that the grant funds issued in error resulted from the negligence of the Contractor.

Prior to assessment of any penalty associated with the repayment of funds, an assessment will be conducted by VIHFA utilizing standards associated with HUD policy to determine if the error associated with DOB is the proximate cause of negligence on the part of HORNE. HORNE shall be allowed to present evidence relative to the funds and culpability, if any, associated therewith.

HORNE shall not be liable to pay back any funds issued in error if the error resulted from information that was not provided by the applicant, or information withheld by the applicant that HORNE could not have reasonably obtained through other timely, normative measures, or for information that is later obtained that could not have been reasonably known at the time

of calculation of benefits.

VIHFA may deduct and retain out of the monies, which may become due hereunder the amount of any such liquidated damages, and in case the amount which may become due hereunder shall be less than the amount of the liquidated damages due to VIHFA, the Contractor shall be liable to pay the difference.