

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

THIS SUBRECIPIENT AGREEMENT is entered this 8th day of August 2018 by and between the West Virginia Development Office (the "Grantee") and The Appalachia Service Project, Inc. (the "Subrecipient").

I. RECITALS

WHEREAS, Pursuant to Public Law 114-223 and the *Federal Register* Notice dated, November 21, 2016, (81 FR 83254); and pursuant to Public Law 114-245 and the *Federal Register* Notice dated, January 18, 2017, (82 FR 5591) pursuant to Public Law 115-31 and the *Federal Register* Notice dated, August 7, 2017, (82 FR 36812); the U.S. Department of Housing and Urban Development ("HUD") has awarded \$149,875,000 in Community Development Block Grant Disaster Recovery (CDBG-DR) funds to the West Virginia Development Office for activities authorized under title 1 of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) and described in the West Virginia Disaster Recovery Action Plan Amendment 2; and

WHEREAS, the West Virginia Development Office is the agency responsible for administering the CDBG-DR funds on behalf of the State of West Virginia for the RISE program.

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds to carry out a part of the Grantee's CDBG-DR Federal grant award by committing **\$10,656,449** of the Grantee's Federal award from the RISE program, pursuant to this Subrecipient Agreement (the "Agreement"); and

WHEREAS, the CDBG-DR funds made available for use by the Subrecipient under this Agreement constitute a subaward of the Grantee's Federal award, the use of which must be in accordance with requirements imposed by Federal statutes, regulations, and the terms and conditions of the Grantee's Federal award; and

WHEREAS, Subrecipient shall be engaged to provide single family owned housing rehabilitation, reconstruction and as needed replacement of manufactured housing as deemed appropriate for qualified residents; and

WHEREAS, the Subrecipient has legal authority to enter this agreement. The Subrecipient President and Chief Executive Officer is authorized to enter this agreement with the Grantee, and by signing this agreement, to assure the Grantee that the Subrecipient will comply with all the requirements of the subaward described herein.

NOW, THEREFORE, in consideration of the need for recovery from the June 2016 Floods addressed in the Presidential Disaster Declaration 4273 and the premises and mutual covenants described herein, the parties mutually agree to the terms described in this Agreement.

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II. GENERAL AWARD INFORMATION

The subaward from the Grantee to the Subrecipient, which is described below, is for the purpose of carrying out a portion of a Federal award described in section I of this agreement and creates a Federal assistance relationship with the Subrecipient. This agreement must be amended to reflect any changes to the federal award and the following award information.

Contact information:

Grantee:

Jeffrey A. Wood

Title: Director

West Virginia Community Advancement and Development

1900 Kanawha Boulevard, East, Building 3, Room 700
Charleston, WV 25305

(304) 558-2234

Fax (304) 558-2246

Subrecipient:

Walter B. Crouch

Title: President/Chief Executive Officer

Appalachia Service Project, Inc.

4523 Bristol Highway
Johnson City, TN 37601

(423) 854-4428

Fax (434) 854-9771

Federal Award Identification Number: B-16-DL-54-0001

CFDA Number and Name: 14.228 Community Development Block Grant/State's program and Non-Entitlement Grants

Indirect cost rate for the Federal award:

CDBG-DR grant funds will not be used for payment of indirect costs pursuant to 2 CFR part 200, subpart E – Cost Principles.

Federal Award Date: September 15, 2017

Federal award initial project description: The West Virginia June 2016 flood event resulted in substantial damages throughout the state. The West Virginia Community Advancement and Development Office (WVCAD) will provide Community Development Block Grant-Disaster Recovery (CDBG-DR) funds to individual homeowners throughout West Virginia whose homes were damaged or destroyed by Federal Disaster 4273. Projects include single-family homeowner repair and reconstruction and replacement of Manufactured Housing Units. All of the CDBG-DR funds will be allocated in the following counties: Kanawha, Greenbrier, Clay, Nicholas, Fayette, Jackson, Lincoln, Webster, Monroe, Pocahontas, Roane, and Summers with 80% of funding meeting the unmet needs in Kanawha, Greenbrier, Clay, and Nicholas counties.

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Subrecipient's unique entity identifier: EIN: 62-0989383

Subaward Period of Performance: 15 September 2017 until 30 June 2022

Total Amount of the Federal Award Committed to the Subrecipient by the Grantee: **\$10,656,449.**

Amount of Federal funds obligated by this agreement: **\$10,656,449.**

Total Amount of Federal Funds Obligated to the Subrecipient: Total funds obligated to the Subrecipient by the grantee, including the current obligation is **\$10,656,449.**

Indirect cost rate applicable to the Subaward to the Subrecipient: The subaward will not include an indirect cost rate that can be utilized by the Subrecipient.

III. SCOPE OF SERVICE / STATEMENT OF WORK IS AT ANNEX A.

IV. PERFORMANCE COORDINATION, MONITORING & REPORTING.

A. Monitoring

Grantee will monitor the performance of Subrecipient in accordance with regulations of Subrecipient Monitoring and Management, 2 CFR 200.330 – 2 CFR 200.332, to ensure compliance with all of the requirements of this Agreement and the goals/activities and performance standards as described in Annex A. Subrecipient shall provide Grantee all necessary reporting information as required by the WV Development Office Compliance Unit. If action to correct substandard performance is not taken by the Subrecipient within 30 days after being notified by Grantee, the Grantee may impose additional conditions on the Subrecipient and its use of CDBG-DR funds consistent with 2 CFR 200.207, suspend or terminate this Agreement, or initiate other remedies for noncompliance as appropriate and permitted under 2 CFR 200.338.

Noncompliance Standard.

Substandard performance as determined by the Grantee through the construction management process including property damage assessment, in-progress review and final inspection will constitute noncompliance with this Agreement.

B. Request Process for Change Orders

In the event a home will exceed standard costs a Request for Change Order letter accurately describing the additional work and added costs will be submitted by the construction superintendent and will be provided to the following address: The West Virginia Development Office, Community Advancement and Development Division, RISE West Virginia CDBG-DR Housing Reconstruction Program, ATTN: Mr. Jeffery Wood, 900 Washington Street E # 553, Charleston WV 25305. The request will be date stamped upon receipt by U.S. Postal Service or upon the date of transmission when e-mailed to

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jeffrey.a.wood54.nfg@mail.mil and then the Director or his designated representative will render an approval or disapproval stamp and signature on the request letter within 3 business days of receipt. The approved Change Order will then be included with the payment request when it is submitted to the Grantee for payment of grant funds.

C. Reporting

The Subrecipient shall submit regular monthly operational progress and financial report overviews and quarterly detailed overviews to the Grantee. In quarterly reporting, and when requested by the Grantee, additional reports detailing the employment, contracting and training accomplishments of the Subrecipient shall also be submitted by the Subrecipient to Grantee in accordance with the Grantee's documented Policies and Procedures. Subrecipient shall submit reports with details pertaining to approved projects that are under construction, completed, awaiting final inspection/approval, and the budgeted funding.

V. PERIOD OF PERFORMANCE AND TERM

The period of performance for the Subrecipient, meaning the time during which the Subrecipient may incur new obligations to carry out activities under this agreement, shall start on the 15th day of September, 2017 and end on the 30th day of June, 2022.

VI. BUDGET TABLE AND BUDGET NARRATIVE IS AT ANNEX B.

VII. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the Grantee under this agreement shall not exceed **\$10,656,449**.

The Subrecipient may submit to the Grantee monthly requests for payments of activities under this agreement and consistent with the approved budget (the "Request for Payment"). Each Request for Payment shall be broken down into requested draws against the budget line items specified in Section VI (Annex B).

The Grantee shall pay to the Subrecipient CDBG-DR funds available under this agreement based upon information submitted by the Subrecipient for allowable costs permitted under this agreement and consistent with the approved budget. With the exception of advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with advance fund and program income balances available in Subrecipient accounts.

Payment will be made within 30 days of submission by the Subrecipient of a properly executed Request for Payment, together with supporting invoices, bills and time sheets. The Request for Payment form must also be accompanied by documentation from the Subrecipient demonstrating that all

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SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

procurements for which payment is requested have been made in accordance with this agreement. The Subrecipient may request 50% of the cost of each individual project at the time of job assignment. The remaining 50% may be requested after satisfactory completion of each individual project. Grantee will release payment to the Subrecipient within 30 days of receiving a properly executed Request for Payment.

VIII. AMENDMENT AND TERMINATION

A. Amendments

The Grantee and Subrecipient may agree to amend this agreement at any time provided that such amendments make specific reference to this agreement, are approved by the Grantee's executive leadership, and are signed in writing by a duly authorized representative of the Grantee and the Subrecipient. Such amendments shall not invalidate this agreement, nor relieve or release the Grantee or Subrecipient from obligations under this agreement. Amendments will generally be required when any of the following are anticipated: i) revision to the scope or objectives of the Program, including purpose or beneficiaries; ii) need to extend the availability of Grant Funds; iii) revision that would result in the need for additional funding; and iv) expenditures on items for which applicable cost principles require prior approval (see 24 CFR 570.200h for pre-award/pre-agreement costs).

The Grantee may, in its discretion, upon written notice to the Subrecipient, amend this agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Subrecipient.

B. Suspension or Termination:

This agreement may be terminated in whole or in part by either the Grantee or the Subrecipient, or based upon agreement by both the Grantee and the Subrecipient in accordance with the requirements in 2 CFR 200.339.

Termination for Cause by Grantee:

The Grantee may terminate this agreement, in whole or in part, upon 30 days' notice, whenever it determines that the Subrecipient has failed to comply with any term, condition, requirement, or provision of this agreement. Failure to comply with any terms of this agreement, include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

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2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this agreement;
3. Ineffective or improper use of funds provided under this agreement; or
4. Submission by the Subrecipient to the Grantee reports that are incorrect or incomplete in any material respect.

Termination for Convenience of the Grantee:

The Grantee may terminate this Agreement any time by a notice in writing from the Grantee to the Subrecipient. If the Agreement is terminated by the Grantee as provided herein, the Subrecipient will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Subrecipient covered by this Agreement, less payments of compensation previously made provided that if less than sixty percent of the services covered by this Agreement have been performed upon the effective date of such termination, the Subrecipient shall be reimbursed (in addition to the above payment) for that portion of actual out-of-pocket expenses (not otherwise reimbursed under this Agreement) incurred by the Subrecipient during the Period of Performance of the Agreement which are directly attributable to the incomplete portion of the services covered by this Agreement.

Notification and Recoupment of Costs Incurred Prior to Termination:

The Grantee shall promptly notify the Subrecipient, in writing, of its determination and the reasons for the termination together with the date on which the termination shall take effect and any other notifications required under 2 CFR part 200, subpart D. Upon termination, the Grantee retains the right to recover any improper expenditures from the Subrecipient and the Subrecipient shall return to the Grantee any improper expenditures no later than thirty (30) days after the date of termination. In the case of a Termination for Convenience only the Grantee may, at its sole discretion, allow the Subrecipient to retain or be reimbursed for costs reasonably incurred prior to termination, that were not made in anticipation of termination and cannot be canceled provided that said costs meet the provisions of this agreement, 2 CFR Part 200, Subpart E, Cost Principles, and any other applicable state or Federal statutes, regulations or requirements.

Termination for Cause by Subrecipient:

The Subrecipient may terminate this agreement, in whole or in part, upon 30 days' notice, whenever it determines that the Grantee has failed to comply with any term, condition, requirement, or provision of this agreement. Failure to comply with any terms of this agreement, include (but are not limited to) the following:

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Failure, for any reason, of the Grantee to fulfill in a timely and proper manner its obligations under this agreement, including payment of the amounts set forth in Annex A in accordance with the timing set forth in Annex A and section III.

IX. OTHER REQUIREMENTS TO COMPLY WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD

The CDBG-DR funds available to the Subrecipient through this agreement constitute a subaward of the Grantee's Federal award under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR part 200. This agreement includes terms and conditions of the Grantee's Federal award that are imposed on the Subrecipient, and the Subrecipient agrees to carry out its obligations in compliance with all of the obligations described in this agreement.

A. General Compliance

The Subrecipient shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, and the regulations at 24 CFR part 570, as modified by the Federal Register notices that govern the use of CDBG-DR funds available under this agreement. This includes without limitation applicable Federal Registers; 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200); 24 CFR Part 570 Community Development Block Grant dollars; applicable waivers; Fair Housing Act, 24 CFR Part 35, 24 CFR Part 58, 24 CFR Part 135; National Historic Preservation Act, 36 CFR Part 800, Executive Order 11593; and any other applicable state laws or regulations, including the requirements related to nondiscrimination, labor standards and the environment; and Action Plan amendments and HUD's guidance on funds. Notwithstanding the foregoing, (1) the Subrecipient does not assume the any of Grantee's responsibilities for environmental review, decision-making, and action, described in 24 CFR part 58 and (2) the Subrecipient does not assume any of the Grantee's responsibilities for initiating the review process under the provisions of 24 CFR Part 52. The Subrecipient shall also comply with all other applicable Federal, state and local laws, regulations, and policies that govern the use of the CDBG-DR funds in complying with its obligations under this agreement, regardless of whether CDBG-DR funds are made available to the Subrecipient on an advance or reimbursement basis. Subrecipient agrees to utilize as required and approved documents such as a Request for Cash Form, Request for Cash Consolidated Support Sheet and Cash Summary Support sheet along with other required documentation to support the expenditures.

B. Duplication of Benefits

The Subrecipient shall not carry out any of the activities under this agreement in a manner that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 USC 5155) and described in Appropriations Act. Specifically, Section 312 prohibits any person, business concern, or other entity from receiving "any part of such loss as to which he has received financial assistance under any other program or from insurance or any other

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SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

source.” 42 USC 5155 (a). A duplication occurs when a beneficiary receives assistance from multiple sources of cumulative amount that exceeds the total need for a particular recovery purposes. The amount of the duplication is the amount of assistance provided in excess of need.

The Subrecipient must comply with HUD’s requirements for duplication of benefits, imposed by Federal Register notice on the Grantee.

C. Drug-Free Workplace

Drug-free workplace. Subrecipients must comply with drug-free workplace requirements in Subpart B of part 2429, which adopts the governmentwide implementation (2 CFR part 182) of sections 5152-5158 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701-707).

D. Insurance & Bonding

The Subrecipient shall comply with the bonding and insurance requirements of 24 CFR §200.325 and §200.310”. The parties acknowledge that the \$5,000,000.00 bond currently in place by Subrecipient is adequate.

E. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Subrecipients shall comply with 24 CFR 570.502 (a) and (c), 24 CFR 570.489 (d), 24 CFR 570(j) and any applicable Federal Register Notices.

The Subrecipient shall comply with the applicable provisions in 2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR part 200. These provisions include:

1. Financial & Program Management

The Subrecipient shall expend and account for all CDBG-DR funds received under this agreement in accordance with the requirements in 2 CFR part 200, including 2 CFR part 200, subpart D, which covers Standards for Financial and Program Management.

Ultimately, the requirements and procedures applicable to Subrecipients for expending and accounting for the Grantee’s CDBG-DR funds will depend on the requirements imposed by Federal statute, regulations, and the terms and conditions of the Grantee’s Federal awards.

2. Cost Principles

Costs incurred, whether charged on a direct or an indirect basis, must be in conformance with 2 CFR part 200, subpart E. All items of cost listed in 2 CFR part 200, subpart E, that require prior

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SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

Federal agency approval are allowable without prior approval of HUD to the extent they comply with the general policies and principles stated in 2 CFR part 200, subpart E and are otherwise eligible under this agreement, except for the following:

- (i) Depreciation methods for fixed assets shall not be changed without the approval of the Federal cognizant agency.
- (ii) Fines penalties, damages, and other settlements are unallowable costs to the CDBG program.
- (iii) Costs of housing (e.g., depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses (goods or services for personal use) regardless of whether reported as taxable income to the employees (2 CFR 200.445);
- (iv) Organization costs (2 CFR 200.455); and
- (v) Pre-Award Costs, as limited by this agreement.

3. Program Income.

The Subrecipient shall report quarterly all program income (as defined at 24 CFR 570.500 (a)) generated by activities carried out with CDBG-DR funds made available under this Agreement. The use of program income by the subrecipient shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the Grantee at the end of the contract period. Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving loan fund account is not program income and shall be remitted promptly to the Grantee.

4. Use and Reversion of Assets:

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient shall transfer to the Grantee any CDBG-DR funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this Agreement [or such longer period of time as the Grantee deems appropriate]. If the Subrecipient fails to use CDBG-DR assisted real property in a manner that meets a CDBG National Objective for the

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AND
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SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

prescribed period of time, the Subrecipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG-DR funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period [or such longer period of time as the Grantee deems appropriate].

In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG-DR program or (b) retained after compensating the Grantee [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG-DR funds used to acquire the equipment].

F. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall establish and maintain records sufficient to enable the Grantee to (1) determine whether the Subrecipient has complied with this agreement, applicable Federal statutes and regulations, and the terms and conditions of the Grantee's Federal award and (2) satisfy recordkeeping requirements applicable to the Grantee. These records include the records described in Section III. of this agreement, Scope of Service.

At a minimum, the Subrecipient shall maintain records required by 24 CFR 570.506, as if the requirements in 24 CFR 570.506 were directly imposed upon the Subrecipient and additionally include any additional recordkeeping requirements imposed by Federal Register notice governing the use of the funds.

Each recipient shall establish and maintain sufficient records to enable the Grantee and the U.S. Secretary of Housing and Urban Development to determine whether the recipient has met the requirements of this part. At a minimum, the following records are needed:

(a) Records providing a full description of each activity assisted (or being assisted) with CDBG funds, including its location (if the activity has a geographical locus), the amount of CDBG funds budgeted, obligated and expended for the activity, and the provision in subpart C under which it is eligible.

(b) Records demonstrating that each activity undertaken meets one of the criteria set forth in §570.208.

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
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SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

2. Access to Records

As required by 2 CFR 200.331(a)(5), the Subrecipient shall permit the Grantee and auditors to have access to the Subrecipient's records and financial statements as necessary for the Grantee to meet its audit requirements under the Federal award.

3. Record Retention and Transmission of Records to the Grantee

Prior to close out of this agreement, the Subrecipient must transmit to the Grantee records sufficient for the Grantee to demonstrate that all costs under this agreement met the requirements of the Federal award.

Subrecipient shall retain financial records, supporting documents, statistical records, and all other Subrecipient records pertinent to this agreement and Subrecipient's subaward per the preceding provisions and in accordance with the provisions prescribed in § 91.520 and in the applicable Federal Register notices governing the use of the funds, in which the specific activity is reported on for the final time.

The preceding requirement is however, subject to the following exceptions:

- (i) Records for activities subject to the reversion of assets provisions at 24 CFR § 570.503(b)(7) or change of use provisions at 24 CFR § 570.505 must be maintained for as long as those provisions continue to apply to the activity, otherwise, records for real property and equipment acquired under this agreement must be retained for 3 years after final disposition;
- (ii) Records for individual activities for which there are outstanding loan balances, other receivables, or contingent liabilities must be retained until such receivables or liabilities have been satisfied;
- (iii) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken;
- (iv) When the Subrecipient is notified in writing by HUD, the cognizant agency for audit as defined in 2 CFR 200.18, the oversight agency for audit as defined in 2 CFR 200.73, the cognizant agency for indirect costs as defined in 2 CFR 200.19, or the Grantee, the Subrecipient shall extend the retention period consistent with the notification;
- (v) When records are transferred to or maintained by HUD or the Grantee, the 3-year retention requirement is not applicable to the Subrecipient;

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(vi) (If the Grantee is required to report on program income after the period of performance) The retention period for the records pertaining to the earning of the program income (as defined in this agreement) starts from the end of the Grantee's fiscal year in which the program income is earned; and

(vii) For indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates), and their supporting records:

a. If submitted for negotiation. If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the Grantee) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.

b. If not submitted for negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the Grantee) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

Notwithstanding the term of this agreement, all records the Subrecipient is required to maintain, including supporting documentation, shall be retained for the greater of three years from closeout of the Federal award to the Grantee, or the period required by other applicable laws and regulations as described in 24 CFR § 570.487 and 24 CFR § 570.488.

4. Client Data and Other Sensitive Information

the Subrecipient may be requested by Grantee to assist with casework. If Subrecipient agrees to assist, Subrecipient will to maintain data demonstrating client eligibility for activities provided under this agreement. Such data may include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of activities provided. To the extent Subrecipient is requested to oversee eligibility, the Subrecipient will be compensated for additional administrative effort involved in casework on terms agreed to by the Subrecipient.

The Subrecipient must comply with 2 CFR §200.303 and take reasonable measures to safeguard protected personally identifiable information, as defined in 2 CFR 200.82, and other information HUD or the Grantee designates as sensitive or the Subrecipient considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
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AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

G. Close-out

The Subrecipient shall closeout its use of the CDBG-DR funds and its obligations under this agreement by complying with the closeout procedures in 2 CFR § 200.343 and 24 CFR 570.509. Activities during this close-out period may include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records.

Notwithstanding the terms of 2 CFR 200.343, upon the expiration of this agreement, the Subrecipient shall transfer to the recipient any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds, further, any real property under the Subrecipient's control that was acquired or improved in whole or in part with CDBG funds (including CDBG funds provided to the subrecipient in the form of a loan) shall be treated in accordance with 24 CFR 570.503(b)(7) and 24 CFR 570.509. Subrecipient shall be responsible for a final performance and expenditure report for completed activities which will be submitted to the Grantee.

H. Audits, Inspections, and Monitoring

1. Single Audit

The Subrecipient must be audited as required by 2 CFR part 200, subpart F when it is expected that the Subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.

2. Inspections and Monitoring

The Subrecipient shall permit the Grantee and auditors to have access to the Subrecipient's records and financial statements as necessary for the Grantee to meet the requirements of 2 CFR part 200.

The Subrecipient must submit to monitoring of its activities by the Grantee as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of this agreement.

This review must include: (1) reviewing financial and performance reports required by the Grantee; (2) following-up and ensuring that the Subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the Subrecipient from the Grantee detected through audits, on-site reviews, and other means; and (3) issuing a management decision for audit findings pertaining to this Federal award provided to the Subrecipient from the Grantee as required by 2 CFR §200.521.

The State of West Virginia, Federal monitors and auditors and any persons duly authorized by the Federal government, the State of West Virginia and/or WVCAD shall have full access to and

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

the right to examine and copy any or all books, records, documents and other materials regardless of form or type which are pertinent to performance under this Contract or which reflect costs related to this Contract. Access rights shall continue during the Record Retention Period after the Contract's ending date. These access rights shall extend to all business hours and places where any Contract-related activity is conducted.

3. Corrective Actions

The Grantee may issue management decisions and may consider taking enforcement actions if noncompliance is detected during audits. The Grantee may require the Subrecipient to take timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means. In response to audit deficiencies or other findings of noncompliance with this agreement, Grantee may impose additional conditions on the use of the CDBG-DR funds to ensure future compliance, or provide training and technical assistance as needed to correct noncompliance.

In the event the Grantee is required by Federal Register Notice to make reviews and audits, including onsite reviews of the Subrecipient as may be necessary or appropriate to meet the requirements of 42 U.S.C. 5304(e)(2). In that event, the Subrecipient shall also be subject to reviews and audits by the Grantee, including onsite reviews of the Subrecipient as may be necessary or appropriate to meet the requirements of 42 U.S.C. 5304(e)(2).

I. Procurement and Contractor Oversight

The Subrecipient shall comply with the procurement standards in 2 CFR §200.318 - §200.326 when procuring property and services under this agreement.

The Subrecipient shall impose the Subrecipient's obligations under this agreement on its contractors, specifically or by reference, so that such obligations will be binding upon each of its contractors.

The Subrecipient must comply with CDBG regulations regarding debarred or suspended entities at 24 CFR 570.609. CDBG funds may not be provided to excluded or disqualified persons.

The Subrecipient shall maintain oversight of all activities under this agreement and shall ensure that for any procured contract or agreement, its contractors perform according to the terms and conditions of the procured contracts or agreements, and the terms and conditions of this agreement.

All contracts and agreements (with subrecipients, recipients, and contractors) must clearly state the period of performance or date of completion, incorporate performance requirements and liquidated damages into each procured contract or agreement, or other similar contract oversight provisions. They

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

also may include limitations on the types of procurements for administrative responsibilities, or reporting requirements that all procurements be posted on the Grantee's website.

J. Property Standards

In the event that real property is acquired by the Subrecipient under this agreement it shall be subject to 24 CFR 570.489(j)" and 24 CFR 570.200(j). The Subrecipient will then also comply with the Property Standards at 2 CFR 200.310, 2 CFR 200.312, 2 CFR 200.314 through 2 CFR 200.316. The Subrecipient shall also comply with 2 CFR 200.313 Equipment, except that when the equipment is sold, the proceeds shall be program income, and equipment not needed by the Subrecipient for activities under this agreement shall be transferred to the Grantee for its CDBG-DR program or shall be retained after compensating the Grantee.

K. Federal Funding Accountability and Transparency Act (FFATA)

The Subrecipient shall comply with the requirements of 2 CFR part 25 Universal Identifier and System for Award Management (SAM). The Grantee must have an active registration in SAM in accordance with 2 CFR part 25, appendix A, and must have a Data Universal Numbering System (DUNS) number. The Grantee must also comply with provisions of the Federal Funding Accountability and Transparency Act, which includes requirements on executive compensation, and 2 CFR part 170 Reporting Subaward and Executive Compensation Information.

L. Relocation, Real Property Acquisition, and One-for-one Housing Replacement

The Subrecipient shall comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), 42 USC 4601 – 4655, 49 CFR part 24, 24 CFR part 42, and 24 CFR 570.606 and those URA alternative requirements set forth under the Federal Register which governs the Grantee's CDBG-DR Award and this Program.

In addition to other URA requirements, these regulations (49 CFR § 24.403(d)) implement Section 414 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 USC § 5181, which provides that "Notwithstanding any other provision of law, no person otherwise eligible for any kind of replacement housing payment under the [URA] shall be denied such eligibility as a result of his being unable, because of a major disaster as determined by the President, to meet the occupancy requirements set by such Act".

M. Nondiscrimination

1. 24 CFR part 6

The Subrecipient will comply with 24 CFR part 6, which implements the provisions of section 109 of title I of the Housing and Community Development Act of 1974 (Title I) (42 U.S.C. 5309). Section 109 provides that no person in the United States shall, on the ground of race, color,

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

national origin, religion, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Federal financial assistance.

The Subrecipient will adhere to the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) (Age Discrimination Act) and the prohibitions against discrimination on the basis of disability under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (Section 504). Section 109 of the HCDA makes these requirements applicable to programs or activities funded in whole or in part with CDBG-DR funds. Thus, the Subrecipient shall comply with regulations of 24 CFR part 8, which implement Section 504 for HUD programs, and the regulations of 24 CFR part 146, which implement the Age Discrimination Act for HUD programs.

2. Architectural Barriers Act and the Americans with Disabilities Act

The Subrecipient shall ensure that its activities are consistent with requirements of Architectural Barriers Act and the Americans with Disabilities Act.

The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of "residential structure" as defined in 24 CFR 40.2 or the definition of "building" as defined in 41 CFR 101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 CFR part 40 for residential structures, and appendix A to 41 CFR part 101-19, subpart 101-19.6, for general type buildings).

The Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218 and 225) (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 26, 1993, that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable—that is, easily accomplishable and able to be carried out without much difficulty or expense.

3. State and Local Nondiscrimination Provisions

4. Title VI of the Civil Rights Act of 1964 (24 CFR part 1)

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

(i) General Compliance:

The Subrecipient shall comply with the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352), as amended [if the Grantee is subject to 24 CFR part 570, subpart K, insert: "and 24 CFR 570.601 and 570.602". No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this agreement. The specific nondiscrimination provisions at 24 CFR 1.4 apply to the use of these funds. The Subrecipient shall not intimidate, threaten, coerce, or discriminate against any person for the purpose of interfering with any right or privilege secured by title VI of the Civil Rights Act of 1964 or 24 CFR part 1, or because he has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under 24 CFR part 1. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of 24 CFR part 1, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

(ii) Assurances and Real Property Covenants:

No expectation of real property transfer to or acquisition by Subrecipient.

5. Affirmative Action

(i) Plan Approval

The Subrecipient agrees that it shall carry out pursuant to the Grantee's specifications an Affirmative Action Program in compliance with the President's Executive Order 11246 of September 24, 1966, as amended, and implementing regulations at 42 CFR chapter 60. The Grantee shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. Prior to the release of funds the Subrecipient shall submit a proposed Affirmative Action Program plan to the Grantee for their consideration.

(ii) Women- and Minority-Owned Businesses (W/MBE)

The Subrecipient shall take the affirmative steps listed in 24 CFR 200.321(b)(1) through (5) to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible when the Subrecipient procures property or services under this agreement.

(iii) Notifications

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(iv) Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Subrecipient shall, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer. Appalachia Service Project, Inc. provides equal opportunity employment and prohibits discrimination and harassment of any type without regard to race, color, religion, age, sex, national origin, disability status, sexual orientation, etc.

N. Labor and Employment

1. Labor Standards

The Subrecipient shall comply with the in labor standards in Section 110 of the Housing and Community Development Act of 1974, as amended and ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this agreement shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 3141, et seq.), and 29 CFR part 1, 3, 5, 6, and 7, provided, that this requirement shall apply to the rehabilitation of residential property only if such property contains not less than 8 units.

The Subrecipient agrees to comply with the Copeland Anti- Kick Back Act (18 U.S.C. 874) and its implementing regulations of the U.S. Department of Labor at 29 CFR part 3 and part 5. The Subrecipient shall maintain documentation that demonstrates compliance with applicable hour and wage requirements. Such documentation shall be made available to the Grantee for review upon request.

2. Exemption of Volunteers to Certain Labor Standards

When the Subrecipient intends to utilize volunteer labor to conduct projects that could be subject to Davis-Bacon they will coordinate through the Grantee with HUD to verify that the project is exempt from the Davis-Bacon and HUD determined wage rates requirements based on 24 CFR Part 70 § 70.1, § 70.2, § 70.3, § 70.4, § 70.5 as authorized by Sec. 955, Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437(j), 5310 and 12 U.S.C. 1701q(c)(3); Sec. 7(d) Department of Housing and Urban Development Act (42 U.S.C. 3535(d)).

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

O. Section 3 of the Housing and Urban Development Act of 1968

Compliance

The Subrecipient shall comply with the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC 1701u, and thereby implementing its regulations at 24 CFR part 135.

The Subrecipient shall include the "Section 3 clause" at 24 CFR 135.38 in every "Section 3 covered contract" (as defined in 24 CFR 135.5). Subrecipient shall also comply with the Grantee's Section 3 Program Policies and Procedures.

Specifically, the Subrecipient shall include the "Section 3 clause" at 24 CFR 135.38 in every "Section 3 covered contract" (as defined in 24 CFR 135.5) as follows:

1. The work to be performed under the Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701 u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
2. The parties to the Agreement agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Agreement, the parties to the Agreement certify that they are under no contractual or other impediments that would prevent them from complying with the Part 135 regulations.
3. The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
4. The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the Subcontractor has been found in violation of the regulations in 24 CFR Part 135.

5. The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR Part 135.
6. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of the Agreement for default, and debarment or suspension from future HUD assisted contracts.
7. With respect to work performed in connection with Section 3 covered Indian Housing Assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under the Agreement. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to the Agreement that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

The Contractor agrees to submit, and shall cause its subcontractors to submit, quarterly reports to the State detailing the number of new employees hired, the number of new Section 3 employees hired, and any affirmative efforts made to direct hiring efforts to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing during the previous quarter.

P. Conduct

1. Hatch Act

The Subrecipient shall comply with the Hatch Act, 5 USC 1501 – 1508, and shall ensure that no funds provided, nor personnel employed under this agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

2. Conflict of Interest

In the procurement of supplies, equipment, construction, and services pursuant to this agreement, the Subrecipient shall comply with the conflict of interest provisions in the Grantee's procurement policies and procedures which must follow 2 CFR 200.318- 200.326. In all cases not governed by the conflict of interest provisions in the Grantee's procurement policies and procedures, the Subrecipient shall comply with the conflict of interest provisions in 24 CFR 570.489(h).

Subrecipient agrees to complete State of West Virginia Purchasing Division form Certification of Non-Conflict of Interest as per §5A-3-31 of the West Virginia Code, see Annex C.

3. Lobbying Certification

The Subrecipient hereby certifies that:

- (i) No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- (ii) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- (iii) It shall require that the language of paragraph (a) through (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly; and
- (iv) This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is required by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

Q. Religious Activities

The Subrecipient agrees that funds provided under this agreement shall not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

R. Environmental Conditions

1. Prohibition on Choice Limiting Activities Prior to Environmental Review

The Subrecipient must comply with the limitations in 24 CFR 58.22 even though the Subrecipient is not delegated the requirement under Section 104(g) of the HCD Act for environmental review, decision-making, and action (see 24 CFR part 58) and is not delegated the Grantee's responsibilities for initiating the review process under the provisions of 24 CFR Part 52. 24 CFR 58.22 imposes limitations on activities pending clearance, and specifically limits commitments of HUD funds or non-HUD funds by any participant in the development process before completion of the environmental review. A violation of this requirement may result in a prohibition on the use of Federal funds for the activity.

2. Air and Water

The Subrecipient shall comply with the following requirements insofar as they apply to the performance of this agreement:

Air quality. (1) The Clean Air Act (42 U.S.C. 7401 et. seq.) as amended; particularly section 176(c) and (d) (42 U.S.C. 7506(c) and (d)); and (2) Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency—40 CFR parts 6, 51, and 93).

Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq., as amended, including the requirements specified in Section 114 and Section 308 of the Federal Water Pollution Control Act, as amended, and all regulations and guidelines issued thereunder;

3. Flood Disaster Protection

The Subrecipient shall comply with the mandatory flood insurance purchase requirements of Section 102 of the Flood Disaster Protection Act of 1973, as amended by the National Flood Insurance Reform Act of 1994, 42 USC 4012a. Additionally, the Subrecipient shall comply with Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a), which includes a prohibition on the provision of flood disaster assistance, including loan assistance, to a person for repair, replacement, or restoration for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditioned on the person first having obtained flood insurance under

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property. Section 582 also includes a responsibility to notify property owners of their responsibility to notify transferees about mandatory flood purchase requirements. More information about these requirements is available in the Federal Register notices governing the CDBG-DR award.

4. Lead-Based Paint

The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-DR-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

The Subrecipient shall follow the Grantee's procedures with respect to CDBG assistance that fulfill the objectives and requirements of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, and R of this title.

5. Historic Preservation

The Subrecipient shall comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended, codified in title 54 of the United States Code, and the procedures set forth in 36 CFR part 800 insofar as they apply to the performance of this agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

(No Additional Entries on This Page)

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

- X. The below Annexes and Attachments are included in this agreement.
- A. Annex A Scope of Service / Statement of Work
- B. Annex B Budget
- C. Annex C West Virginia Purchasing Division Form Certification of Non-Conflict of Interest
- D. Annex D Experience and Capabilities Statement for Appalachia Service Project, Inc.

(No Additional Entries on This Page)

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

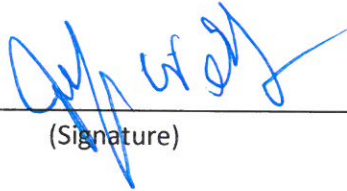
THE UNDERSIGNED, as authorized officials on behalf of the parties, have executed this Subrecipient Agreement for the Community Development Block Grant for Disaster Relief described in Federal Award notification B-16-DL-54-0001. The agreement is effective as of the date of execution hereof on behalf of the Grantee.

GRANTEE West Virginia Community Advancement and Development

Name: Jeffrey A. Wood

Title: Director

Date: August 8, 2018

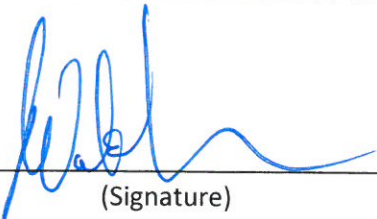
By: 
(Signature)

SUBRECIPIENT Appalachia Service Project, Inc.

Name: Walter B. Crouch

Title: President and Chief Executive Officer

Date: August 8, 2018

By: 
(Signature)

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

ANNEX A

SCOPE OF SERVICE / STATEMENT OF WORK

The Subrecipient will be responsible for administering a CDBG-DR award for the project to accomplish Single Family Home Repair, Rehabilitation, Reconstruction as well as Replacement of Manufactured Single Family Housing. Principle activities will be conducted in the counties affected by the 2016 Flood that led to Presidential Disaster Declaration 4273. The Subrecipient will administer all tasks in connection with the aforesaid program in compliance with all applicable Federal, state, and local rules and regulations governing these funds, and in a manner satisfactory to the Grantee.

The primary outcome of the Subrecipient's efforts under this Agreement will be to provide assistance to the State in ensuring the provision of single family housing to victims of the 2016 floods that meets State and Federal requirements. Toward that goal the major activities that the Subrecipient will assist with include, but are not necessarily limited to, the following:

- 1) Assist in the establishment of eligibility through receipt of applicants, verification of ownership, and legal document review as needed. To the extent Subrecipient is requested to oversee eligibility, the Subrecipient will be compensated for additional casework on terms agreed to by the Subrecipient.
- 2) Establish appropriate work plans including extent and length of each individual project.
- 3) Performance of work on single family homes.
- 4) Final review, internal audit and closeout.

A. Eligible Use of Funds

As a condition of receiving this subaward, the Subrecipient shall administer the program, which includes performing all of the work described in this section. The Subrecipient shall complete the activities in a manner satisfactory to the Grantee and consistent with the terms of conditions of this agreement and applicable Federal statutes and regulations.

Prohibited Activities

The Subrecipient may only carry out the activities described in this agreement. The Subrecipient is prohibited from charging to the subaward the costs of CDBG ineligible activities, including those described at 24 CFR 570.207, and from using funds provided herein or personnel employed in the administration of activities under this agreement for political activities, inherently religious activities, or lobbying.

Program Delivery (CDBG-DR Eligible Activities)

Subrecipient shall undertake and complete the activities as set forth in this portion of the agreement, which provides a description of each activity including the services to be performed, identifies the

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

person or entity providing the services, and the recipients of the services. In order to meet unmet housing needs and other urgent needs identified by the West Virginia Disaster Recovery Action Plan Amendment 2, Subrecipient will have the ability to use a subaward to purchase building materials for reconstruction, rehabilitation, and/or mobile home unit replacements. Subrecipient will notify and seek approval from the Grantee prior to purchasing and assist with developing an amendment to this Subrecipient agreement within 30 days if needed.

Startup, Mobilization and Establishment of Project Management System

The total amount of Startup, Mobilization and Establishment of Project Management System costs to be paid for costs for program related activities totals \$341,499. The activity for which these costs are being incurred is included in the West Virginia Disaster Recovery Action Plan Amendment 2 which supports significant contribution to the goals and purposes of the CDBG-DR program.

When the Subrecipient follows the Grantee's required documentation and process steps to request the payment then it is agreed that any failure of the Grantee to pay the above noted costs would result in an undue hardship to the Subrecipient. The parties acknowledge that the effectiveness of this Agreement is conditioned upon receipt by Subrecipient of payments for Startup, Mobilization and Establishment of Project Management System costs and Subrecipient shall have no additional performance obligations until such payment is received in full.

General Administration of Subaward

Subrecipient will have general administrative costs to support activities listed in the Scope of Services. These administrative costs cannot exceed 5% of the subaward grant. The Grantee is requiring the Subrecipient to provide the following:

1. Project Fiscal Management to include the submission of invoices.
2. Project monthly overview reporting and quarterly detailed reporting that includes all operations and costs.

B. National Objectives

All activities funded with CDBG-DR funds must meet the criteria for one of the CDBG-DR program's National Objectives. The Subrecipient certifies that the activities carried out under this Agreement will meet the national objective to benefit low and moderate income persons (households) through eligible housing activities.

C. Levels of Accomplishment –Performance Goals and Timelines

The project timeline is included within annex A. The Subrecipient shall use commercially reasonable efforts to ensure that the project attains the target dates specified in the timeline. Subrecipient must

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

report measures as units assisted (i.e. through rehabilitation, reconstruction or MHU replacement). Subrecipient must also provide a report determined necessary by the Grantee which details the persons and households assisted. In the event that dates must be adjusted, the Subrecipient must provide a revised timeline to the Grantee, including justification for said adjustment(s). Should the Subrecipient consistently fail to meet the deadlines set forth in the timeline, the Grantee shall have the right to terminate this Agreement for cause by giving written notice to the Subrecipient of such termination and specifying the effective date of such termination.

D. Staffing

Subrecipient shall ensure adequate and appropriate staffing are allocated to each activity identified in this annex. Subrecipient agrees to provide documentation that Key Personnel are qualified in their tasks delivering services under the *RISE* program. Subrecipient will also designate a Project Manager as Key Personnel to ensure quality of services and manage well qualified volunteer labor, if any. Subrecipient may use well qualified volunteer labor to deliver services indicated in this annex. 24 CFR Part 70, defines an exemption from the requirement to pay prevailing wage rates determined under the Davis-Bacon Act to volunteers that are not otherwise employed at any time on the work for which they volunteer. Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance. Any changes in the Key Personnel assigned or their general responsibilities under this Agreement are subject to the prior approval of the Grantee.

E. Activities Overview

Activity #1: Construction management

Appalachia Service Project (ASP) will oversee/manage the satisfactory completion of all construction related activities listed within this agreement. Construction management includes but is not limited to: planning and oversight of adherence to scheduled timelines, progress reporting as needed, budget oversight, site assessment and site control, ensuring insurance and warranty requirements, adherence to all applicable codes and inspections, coordination of work schedules of subcontractors, partners and/or volunteers, communication/coordination with homeowners, paperwork/record-keeping compliance, determinations regarding any required change order needs and other management tasks as needed to complete construction related activities. In any case when a construction Change Order, such as in the case of a requirement for additional structural elevation, is required that will increase the cost of a home it must be approved by the Grantee.

Activity #2: Home rehabilitation and reconstruction activities as required.

ASP will perform home rehabilitation, reconstruction activities and/or mobile home replacement as needed for qualified residents affected by the West Virginia floods of summer 2016. Home

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

rehabilitation and reconstruction activities may include, but are not limited to: site evaluation, work scope determination, demolition, site work, and all building activities as needed to complete the work scope. This will NOT ordinarily include elevation related work. It is however anticipated that some properties eligible for rehabilitation and reconstruction will require additional structural elevation. Properties requiring additional structural elevation shall meet the criteria provided for in the Federal Register Notice 81 FR 5989 published on November 21, 2016; specifically, the items addressed under the section titled, "Elevation standards for new construction, repair of substantial damage, or substantial improvement." The addition of structural elevation requirements per unit of 8 inches for any property will require the Subrecipient to process a Change Order in a letter format from the Subrecipient construction supervisor to the Grantee's office of the Director that will specify the amount of structural elevation required and the resulting additional cost. In all instances the inclusion of elevation work will require a change order approved by the Grantee. The number of homes and work scope is estimated in subsequent sections but will be determined based on the needs of flood-affected residents and will be assigned to ASP through the RISE West Virginia Case Management process.

Activity #3: Management of procurement procedures and subcontractor and/or partner activities.

ASP will manage the procurement and coordination of all subcontractors, volunteers and partnering agencies as well as all equipment and materials/supplies not supplied by subcontractors for completion of projects. ASP will ensure compliance with federal procurement regulations and ASP's internal procurement policies. ASP will oversee bidding processes, invoicing and payment procedures in accordance with federal guidelines, ASP's fiscal procedures and GAAP.

Activity	Performance Goal	Timeframe for Completion
Activity #1: Construction Management	Estimated: 126 Home Rehabilitations and 54 Reconstructions = 180* TOTAL Units	30 June 2022
Activity #2: Home rehabilitation and reconstruction activities as required.	Estimated: 126 Home Rehabilitations and 54 Reconstructions = 180* TOTAL Units	30 June, 2022
Activity #3: Management of procurement procedures and subcontractor and/or partner activities.	Estimated: 126 Home Rehabilitations and 54 Reconstructions = 180* TOTAL Units	30 June, 2022

All activities work toward the accomplishment of the same performance goal and timeline.

*The estimated number of homes is derived from the list of RISE qualified homes (presented on 7/19/2018) in need of rehabilitation services. At that time, there were 109 identified rehabilitation cases and an additional 138 unclassified cases. Out of the 138 unclassified cases, the parties estimate 71 will be classified as rehabilitation, bringing the total number of rehabilitation projects to 180. Based on past

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

experience working with flood affected properties in West Virginia, the parties anticipate about 30% (54) of the 180 rehabilitation cases will be being converted into reconstruction cases due to: the extent of rehabilitation needed (if the costs of repairs required exceeds 50% of the assessed value of a property), the extent of foundation issues on a property or if a property needs mitigation for flood elevation requirements. These numbers are subject to change based on actual conditions on each site. Amendment(s) to the Agreement will be required if the total number of Reconstructions exceeds 54, the total number of projects exceeds 180 or if the total cost of agreed upon scope exceeds the amount of this contract.

(No Additional Entries on This Page)

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

ANNEX B

BUDGET.

The Subrecipient shall complete all activities in this Agreement in accordance with the Budget Table and Budget Narrative in this annex. Any amendments to the budget must be approved in writing by both the Grantee and the Subrecipient. CDBG-DR funds shall be used solely for the stated purposes set forth in this Agreement. Project costs shall be paid in accordance with the budget allocations outlined in this annex. All costs incurred must be fully documented. In addition, the Grantee may require an additional detailed budget breakdown or narrative explanation. Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by Grantee. Expenditures shall be supported by contracts, invoices, vouchers and other data as appropriate, including any reports required by the Grantee, evidencing the costs incurred.

A. Budget Table

Project Type	Est. # Units	Price per unit	TOTAL
Startup, mobilization and program management system establishment for the RISE related CDBG-DR Program		-	\$341,499
Home Rehabilitation (average) Turn-key price (with NO elevation work)	126	\$30,000	\$3,780,000
Home Reconstruction Turn-key price (with NO Elevation work) 3 bedroom/2 bathroom configuration*	54	\$98,000	\$5,292,000
ADA Modifications (estimated that 12.5% of homes will need ADA Modifications)	23	\$8,500	\$195,500
Structural Elevation	54	\$10,000	\$540,000
Administrative Costs (5% of total program activities (Rehab, Recon, ADA, Elevation, Startup) budget)	-	-	\$507,450
TOTAL:			\$10,656,449

*Home reconstruction prices based on the 3 bedroom/2 bathroom floorplan, with no elevation work, that was previously submitted and approved in ASP's previous RISE West Virginia contract documents. If structural elevation is required a change order will be required as noted in annex A.

Based on work load, annual total expenditures are projected to be:

Year 1: \$2,835,544

Year 2: \$3,675,707

Year 3: \$3,675,707

Year 4: \$469,491

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

B. Budget Justification

Appalachia Service Project is a non-profit organization committed to the elimination of substandard housing in central Appalachia. ASP believes that adequate and affordable housing is a major factor that allows families to overcome poverty. ASP serves low-income families with the goal of making their residences warmer, safer, and drier. If a family’s home is beyond reasonable repair, ASP builds modest new homes at no financial burden to the homeowners. As a non-profit, ASP is mission rather than profit driven. As such, the wellbeing and needs of our client families are our first priority. This overriding philosophy is why ASP is already doing long-term recovery rebuilds in West Virginia and interested in this opportunity, so we can continue building homes for families in need. In disaster recovery efforts, our goal is to shorten the time as much as possible between the disaster and the family returning to repaired or new home.

ASP is also committed to buying materials and hiring subcontractors locally as much as possible. With this project, we will also hire local workers as needed for the completion of the project as supplemented by our volunteer force and partner agencies. We are non-discriminatory in our hiring practices.

Work will be completed by a combination of volunteer and subcontracted labor. Assignment of work scope will depend on the skill and availability of volunteers. Generally, volunteers are involved in: repairs of various kinds, framing, drying –in, finishes, flooring, paint, trim work, some sitework/landscaping, porches and ramps. Subcontractors are hired for licensed and skilled-trade work.

We believe, based on our experience doing flood recovery to date, that we are well equipped to perform at a high level and ensure families are returned to homes as quickly as possible. All key staff are in place and able to begin execution of program logistics and construction immediately. As properties are assigned, we will hire and train additional carpenters as needed.

Staffing Plan: At a minimum, the Subrecipient shall assign the following staff with the identified responsibilities (the “Key Personnel”) to the identified activities:

Staff Member	Title	ResponsibilitiesTime Allocation
Walter Crouch	President/CEO	Overall responsibility for administrative responsibility for reporting, construction and program compliance. 10% time allocation
Greg DeGennaro	Chief Financial Officer	Overall responsibility for financial report compliance on program related expenses. 10% time allocation

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

Melisa Miller	Executive Vice President/Chief Ministries Officer	Overall responsibility for program performance and compliance to program goals and guidelines. Prior to actual construction 10% time allocation, past that date, 25-35% time allocation
Chris Schroeder	WV Flood Recovery Coordinator	Oversight of all flood recovery efforts in West Virginia. Maintain successful partnerships with other service organizations, VOADs, governmental agencies and other community contacts. Ensure compliance with all standards of: home selection, project excellence, volunteer, vendor, subcontractor and homeowner interaction, paperwork/record keeping, financial controls and office/facility upkeep. Manage staff, ensure budget and project schedule adherence. 100% time allocation
Sebby Volpe	Construction Superintendent	Logistical oversight of building activities- secure permits and general conditions, site preparation, schedule adherence, budget management, material ordering, delivery and inventory control, quality control/code compliance, hiring and oversight of subcontracts, ongoing evaluation of subcontractor performance and safety enforcement. Site staff management. 100% time allocation
5-10 skilled trades people/carpenters and/or skilled partners	Construction Liaisons	Ensure quality and safe work from volunteer crews on site. Perform physical labor in sites as needed. Deliver materials, tools and equipment as needed. Assist with general conditions as delegated by the Construction Superintendent. 100% time allocation
2-4 ASP fellows	ASP Fellows	Fellows commit to a year-long assignment to carry out the logistics of program management within a given service area. Responsibilities include: financial accounting/office work, case management, volunteer coordination and partner coordination. 100% time allocation
Volunteers	Various volunteers	In addition to the key positions listed above, ASP mobilizes volunteers throughout the year to assist

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

		with construction activities. Depending on the volunteer skill level, they are assigned to an appropriate project with supervision by ASP staff. 100% time allocation when on site (volunteer time on sites can range from 1 day to 2 months at a time)
ASP Headquarters	Various support staff	The staff at ASP's Headquarters in Johnson City, TN supports all field operations with: volunteer recruitment and placement, program marketing, financial reporting and oversight, resource raising, business regulation compliance, fleet and warehouse supplies.

With the exception of the Skilled Trades People/Carpenters, this team is currently in place. ASP has constructed 69 homes and completed repairs on 20 homes in response to the summer 2016 floods. Most key subcontractors are also already in place, but would be supplemented as necessary to meet the needs of the workflow and procurement requirements at any given time.

C. Indirect Costs

The Subrecipient will not charge any indirect costs to this subaward.

(No Additional Entries on This Page)

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

ANNEX C

WEST VIRGINIA PURCHASING DIVISION FORM CERTIFICATION OF NON-CONFLICT OF INTEREST

Subrecipient agrees to complete State of West Virginia Purchasing Division form Certification of Non-Conflict of Interest as per §5A-3-31 of the West Virginia Code.

See instructions and form on the following pages.

(No Additional Entries on This Page)

WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT

NON-CONFLICT OF INTEREST FORM
Completion Instructions

The Purchasing Division requires all evaluators of solicitations, despite the type of transaction, to sign a **Certification of Non-Conflict of Interest**, in accordance with the *West Virginia Code* §5A-3-31. The Purchasing Division also requires that the agency procurement officer sign this certification. By signing this certification, the evaluator(s) and/or advisor(s) attest that (1) his or her service on the evaluation committee is not in violation of West Virginia Code § 5A-3-31, § 6B-2-5, or any other relevant code section; (2) his or her service on the evaluation committee does not create a conflict of interest with any of the participating vendors; and (3) he or she has not had or will not have contact relating to the solicitation identified herein with any participating vendors between the time of the bid opening and the award recommendation without prior approval of the Purchasing Division. Agency procurement officers should discuss the non-conflict of interest issue with potential committee members to ensure that individuals who may have a conflict are not chosen to participate as evaluation committee members.

Please note that this requirement applies to all transaction types.

This certification must be submitted at the following time frames:

- Requests for Proposals (RFP) / Expressions of Interests (EOI): Agencies must submit this certification prior to beginning the evaluation of an RFP or EOI.
- Requests for Quotations and All Other Transaction Types: The evaluator(s) must sign the Certification of Non-Conflict of Interest and submit it, along with the recommendation for award, to the Purchasing Division.

This certification applies to all transactions processed through the Purchasing Division. In addition, it is required for agency delegated purchases exceeding \$5,000. Agencies may adopt this policy at their discretion for purchases of \$5,000 or less.

If you have any questions, please feel free to contact Mike Sheets, Assistant Purchasing Director for the Acquisition and Contract Administration Section, at (304) 558-0492. Thank you for your cooperation in this matter.

(No Additional Entries on This Page)

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.**

**FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**



STATE OF WEST VIRGINIA
Purchasing Division

CERTIFICATION OF NON-CONFLICT OF INTEREST

West Virginia Code § 5A-3-31: "It shall be unlawful for any person to corruptly combine, collude or conspire with one or more other persons with respect to the purchasing or supplying of commodities or printing to the state under the provisions of this article if the purpose or effect of such combination, collusion or conspiracy is either to (1) lessen competition among prospective vendors, or (2) cause the state to pay a higher price for such commodities or printing than would be or would have been paid in the absence of such combination, collusion or conspiracy, or (3) cause one prospective vendor or vendors to be preferred over one or more other prospective vendor or vendors. Any person who violates any provision of this section shall be guilty of a felony, and, upon conviction thereof, shall be confined in the penitentiary not less than one nor more than five years, and be fined not exceeding five thousand dollars."

West Virginia Code § 6B-2-5(b)(1): "A public official or public employee may not knowingly and intentionally use his or her office or the prestige of his or her office for his or her own private gain or that of another person."

West Virginia Code § 6B-2-5(d)(1): "[N]o elected or appointed public official or public employee or member of his or her immediate family or business with which he or she is associated may be a party to or have an interest in the profits or benefits of a contract which the official or employee may have direct authority to enter into, or over which he or she may have control."

The individual(s) listed below have been charged to evaluate or serve as members or advisors of an evaluation committee for the solicitation as specified [_____]

By signing this form, each individual acknowledges that: (1) his or her service on the evaluation committee is not in violation of West Virginia Code § 5A-3-31, § 6B-2-5, or any other relevant code section; (2) his or her service on the evaluation committee does not create a conflict of interest with any of the participating vendors; and (3) he or she has not had or will not have contact relating to the solicitation identified above with any participating vendors between the time of the bid opening and the award recommendation without prior approval of the Purchasing Division.

Name/Title	Agency	Signature	Date
Christopher Schroeder/ WV Flood Recovery Coordinator	ASP		7/27/18
Sebby Volpe/ Construction Superintendent	Independent Contractor		7/27/18
Melisa Miller/ EVP/CMO	ASP	<i>Melisa Miller</i>	7/27/18
Walter Crouch/ President/CFO	ASP	<i>Walter Crouch</i>	
Barbara Gail Pond/ Director of HR	ASP	<i>Barbara Pond</i>	8/4/18
Hart Teague/ Executive Assistant	ASP	<i>Hart Teague</i>	8/4/18

Revised March 5, 2012

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**



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Walter Crouch/ President/CEO	ASP		
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**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

ANNEX D

EXPERIENCE AND CAPABILITIES STATEMENT FOR APPALACHIA SERVICE PROJECT, INC.

Appalachia Service Project was founded in 1969. We generally maintain 59 full-time employees and 197 seasonal summer staff members. ASP's corporate headquarters are located in Johnson City, TN, and we also operate 29 field centers, including an average of 8 locations in West Virginia. While many of these centers are operational only during the summer, ASP has permanent locations in Tennessee, Kentucky, Virginia, and West Virginia.

The focal point of ASP's operation is low-income families in need of home repair or replacement; since 1969, ASP has repaired nearly 18,000 homes and constructed approximately 150 new homes. Since the fall of 2016, ASP has worked to rebuild homes for low-income families who lost their homes as the result of the June 23, 2016 flood in West Virginia. ASP broke ground on the first new home September 15, 2016 and in October of that year, ASP became the first nonprofit organization to complete a new home for a flood survivor in West Virginia. Since then, 69 new homes and an additional 20 major repairs have been completed.

Additionally, ASP has successfully performed at managing the following federal funding sources:

HUD Grant Program

Type: Reimbursement Special Projects HUD grants to repair homes for very low-income families in WV, TN, KY and VA

Years: 2005-2015

Amount: \$3,300,000

Contact:

Community Planning/Development Specialist: Angela Dyer, (202)402-7111; angela.dyer@hud.gov

Compliance: Submitted reimbursement request annually.

Submitted performance and financial reports annually.

Completed Grant close-out agreements.

Submitted invoices for all qualified grant expenditures annually.

Appalachian Regional Commission

Type: ARC administrative reimbursement for Sevier Co, TN, Hancock Co, TN and New Build Appalachia areas in East Tennessee

Years: 2015-2019

Amount: \$800,000

Contacts:

ARC Project Coordinator: Julie Lawhorn; (202)884-7776; jlawhorn@arc.gov

State Administration/Liaison Officer: Brooxie Carlton; (615)741-8806; Brooxie.carlton@tn.gov

Compliance: 120-day ARC Performance Progress Report and Reimbursement Requests submitted three times annually.

**WEST VIRGINIA DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
SUBRECIPIENT AGREEMENT BETWEEN
WEST VIRGINIA COMMUNITY ADVANCEMENT AND DEVELOPMENT OFFICE
AND
APPALACHIA SERVICE PROJECT, INC.
FOR
SINGLE FAMILY REHABILITATION & RECONSTRUCTION PROGRAM: WV 2016 FLOOD EVENT**

CDBG/HOME Program

Type: City of Johnson City CDBG funds (5 HOUSES)

Years: 2014-2018

Amount: \$133,000

Contact: Adam Williams (AdamWilliams@jchousing.org)

Compliance: Regular monthly reports, Inspections by City

Type: Northeast Tennessee HOME Consortium (3 HOUSES)

Year: 2016-2017

Amount: \$75,000

Contact: Bill Forrester (bforrester@ftdd.org)

Compliance: This contract was administered through the First Tennessee Development District. The district inspected all jobs at several points during the construction process.

(No Additional Entries on This Page)