

# Durham City-County Disaster Recovery Plan

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A proposal for Durham County

**RFP No. 19-005**

August 20, 2018

Submitted by:



P.O. Box 110265

Research Triangle Park, NC 27709

(919) 990-8191 or (800) 977-8191

[www.iem.com](http://www.iem.com)

## Proprietary Notice

*This proposal or quotation includes data that shall not be disclosed outside the receiving organization and shall not be duplicated, used, or disclosed—in whole or in part—for any purpose other than to evaluate this proposal or quotation. If, however, a contract is awarded to Innovative Emergency Management, Inc. (IEM) as a result of—or in connection with—the submission of this data, the receiving organization shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not apply where information was known to the recipient prior to receipt of such information from IEM, or becomes publicly known through no fault of the recipient, or is received without obligation of confidentiality from a third party owing no obligation of confidentiality to IEM.*



2801 Slater Road, Suite 110 Morrisville, NC 27560

Mailing Address: P.O. BOX 110265 Research Triangle Park, NC 27709

1.800.977.8191 919.990.8191 www.iem.com

August 20, 2018

TO: Durham County Purchasing Division  
Hilda W. Williams  
200 East Main Street, 4<sup>th</sup> Floor  
Durham, NC, 27701

RE: Durham City-County Disaster Recovery Plan (RFP No. 19-005)

IEM welcomes this opportunity to present our qualifications to provide disaster recovery planning services to Durham City-County. IEM is the largest woman-owned emergency management and disaster recovery firm in the United States and has been helping government agencies prepare for, respond to, and recover from natural, technological, and human caused disasters since 1985. IEM is a national leader in emergency management services and our performance-oriented and experienced recovery professionals will provide unparalleled support to Durham City-County throughout the duration of this project.

IEM has a history of supporting disaster recovery planning projects across the U.S. While we support a wide range of large, complex projects nationwide, we at IEM also have a strong commitment to North Carolina and the Research Triangle Area. Our headquarters is located in RTP and we are proud to have supported local projects for Durham County, Wake County, and Raleigh-Durham International Airport.

By partnering with IEM, Durham City-County will develop a disaster recovery plan that is consistent with federal guidance and enhanced by best practices. In addition to standard plan elements, IEM will support Durham City-County in developing a plan that also addresses the following areas:

- |  |                                   |  |
|--|-----------------------------------|--|
| ■ Recovery Leadership                  | ■ Metrics and Accountability      | ■ RSF Coordination   |
| ■ Funding Strategies                   | ■ Scalability                     | ■ People with Disabilities and Others with Access and Functional Needs |
| ■ Response to Recovery Transition Team | ■ Short- and Long-Term Priorities |  |

We appreciate the opportunity to bid on this important work and look forward to continuing our partnership with Durham City-County on a path to building a safe, secure, and resilient world.

If you have any questions, please contact Kerry Cassidy, Contract Administrator, at (919) 237-7535 or [contracts@iem.com](mailto:contracts@iem.com).

We thank you for your consideration.

Sincerely,

Jennifer Menaker  
Acting Director of Business Development

*I Think ∴ IEM*



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## 1.0 Forms

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IEM has included the following forms in this tab:

- Signed Proposal Signature Sheet
- Proposal Form
- Addendum Acknowledgement Form
- Non-Collusion Affidavit
- Affidavit of Compliance (E-verify)
- Vendor Application/W-9 Form
- Affidavit B

Note\* IEM is able to perform 100% of this work, and therefore we have not included Affidavits A and C, as they do not apply.







## REQUEST FOR PROPOSALS

### Durham City-County Disaster Recovery Plan (RFP No. 19-005)

**ISSUE DATE:**

**Date: July 18, 2018**

**ISSUING DEPARTMENT:  
Division**

**County of Durham Purchasing**

**4<sup>th</sup> Floor / 200 East Main Street  
Durham, NC 27701**

Proposals will be received until 2:00 P.M., Eastern Time, on August 20, 2018, for a Durham City-County Disaster Recovery Plan.

All inquiries concerning the Scope of Services, Proposal Submission Requirements or Procurement Procedures should be directed to:

**Hilda W. Williams, Senior Procurement Specialist, (919) 560-0054**

**Purchasing Division**

**Email: [purchasinggroup@dconc.gov](mailto:purchasinggroup@dconc.gov)**

Proposals shall be mailed and/or hand delivered to the Issuing Department shown above, and the envelope shall bear the name and number of this Request for Proposals (RFP). It is the sole responsibility of the Proposer to ensure that his/her Proposal reaches the Purchasing Division by the designated date and hour indicated above.

**In compliance with this Request for Proposals and to all the terms and conditions imposed herein, the undersigned offers and agrees to furnish the goods and services described in accordance with the attached signed proposal.**

Firm Name: Innovative Emergency Management, Inc.

Date: August 17, 2018

Address: 2801 Slater Road, Suite 110

By: Jennifer Menaker

Morrisville, NC 27560

(Name Typed/Printed)

Phone: (919) 990-8191

Jennifer Menaker  
(Signature in Ink)





## PROPOSAL FORM (RFP No. 19-005)

In accordance with the attached instructions, terms, conditions, and Scope of Services we submit the following proposal to the County of Durham.

PERSONNEL/LABOR BY CATEGORY	HOURLY RATE	COST
Administration/Clerical	\$ 55.55	\$ 4,999.50
Project Management	\$ 143.66	\$ 2,154.90
Plan Writing/Editing	\$ 92.13	\$ 23,677.41
Subject Matters Experts	\$ 286.20	\$ 6,868.80
Planner II	\$ 112.12	\$ 11,212.00
Advisor	\$ 152.26	\$ 913.56
Other	\$ -	\$ -
<b>Subtotal</b>		<b>\$ 49,826.17</b>

TRAVEL - Per Diem	COST
Airfare	\$ -
Car	\$ -
Taxi/Uber/Lyft/etc.	\$ -
Hotel	\$ -
Fuel	\$ -
Parking	\$ -
Tolls	\$ -
Meals (No alcohol permitted)	\$ -
<b>Subtotal</b>	<b>\$ -</b>

OTHER DIRECT COSTS (ODC)	COST
Printing/Copies	\$ 120.44
Supplies/Material	\$ -
Other	\$ -
<b>Subtotal</b>	<b>\$ 120.44</b>

### **TOTAL PROPOSED COST**

\$ 49,946.61

Forty-Nine Thousand, Nine Hundred Forty-Six Dollars and Sixty-One cents.

(Total Proposed Cost in Writing)

**The above Total Proposed Cost should be based on being awarded the entire project.**



I certify that the contents of this proposal are known to no one outside the firm, and to the best of my knowledge all requirements have been complied with.

Date: 8-17-2018

Authorized Signature:

Jennifer Menaker  
Name

Jennifer Menaker

Title

Acting Director of Business Development

Firm's Name

Innovative Emergency Management, Inc.



Attachment A

**ADDENDUM ACKNOWLEDGEMENT  
(RFP No. 19-005)**

Receipt of the following Addendum is acknowledged:

Addendum no. 1 Date 8/6/2018

Addendum no. \_\_\_\_\_ Date \_\_\_\_\_

Addendum no. \_\_\_\_\_ Date \_\_\_\_\_

Addendum no. \_\_\_\_\_ Date \_\_\_\_\_

Addendum no. \_\_\_\_\_ Date \_\_\_\_\_

Signature: Jennifer Menaker Date: 8-17-2018

Acting Director of Business Development

Title

Innovative Emergency Management, Inc.

Name of Firm





Attachment B

**COUNTY OF DURHAM  
NON-COLLUSION AFFIDAVIT**

STATE OF NORTH CAROLINA  
COUNTY OF DURHAM

Jennifer Menaker, being first duly sworn, deposes and says that:

1. He/She is the Acting Director of Business Development of Innovative Emergency Management, Inc., the bidder that has submitted the attached bid;
2. He/She is fully informed respecting the preparation and contents of the attached bid and of all pertinent circumstances respecting such bid;
3. Such bid is genuine and is not a **collusive** or **sham** bid;
4. Neither the said bidder nor any of its officers, partners, owners agents, representatives, employees, parties of interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other bidder, firm or person to submit a **collusive** or **sham** bid in connection with the contract for which the attached bid has been submitted or to refrain from bidding in connection with such contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other bidder, firm or person to fix the price or prices in the attached bid or of any other bidder, or to fix any overhead, profit or cost element of the bid price of any other bidder or to secure through collusion, conspiracy, connivance or unlawful agreement any advantage against the County of Durham or any person interested in the proposed contract; and
5. The price or prices quoted in the attached bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

Jennifer Menaker

Acting Director of Business Development  
TITLE

Subscribed and sworn before me,  
this 17 day of August, 2018.

Kerry Anne Cassidy

(SEAL)

Notary Public

My Commission Expires June 2023





**Attachment D**

**STATE OF NORTH CAROLINA**

**COUNTY OF DURHAM**

**AFFIDAVIT OF COMPLIANCE  
with N.C. E-Verify Statutes**

I, Jennifer Menaker (hereinafter the "Affiant"), being duly authorized by and on behalf of Innovative Emergency Management, Inc. (hereinafter "Contractor") after first being duly sworn hereby swears or affirms as follows:

1. Contractor understands that E-Verify is the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Article 2 of Chapter 64 of the North Carolina General Statutes; and
2. Contractor understands that an "Employer", as defined in NCGS§64-25(4), is required by law to use E-Verify to verify the work authorization of its employees through E-Verify in accordance with NCGS§64-26(a). The term "Employer" does not include State agencies, counties, municipalities, or other governmental bodies.
3. Contractor is a person, business entity, or other organization that transacts business in this State and that employs 25 or more employees in the state of North Carolina. (mark Yes or No)
  - a. YES ☒
  - b. NO ☐
4. Contractor will ensure compliance with E-Verify to the extent applicable and will ensure compliance by any subcontractors subsequently hired by Contractor to perform work under Contractor's contract with Durham County.

This 17 day of August, 2018.

Jennifer Menaker  
Signature of Affiant

Print or Type Name: Jennifer Menaker

State of North Carolina  
County of Wake

Signed and sworn to (or affirmed) before me, this the 17  
day of August, 2018.

My Commission Expires:

June 2023  
Kerry Anne Cassidy

Notary Public

(Affix Official/Notarial Seal)







### Vendor Application

IT IS CRITICAL TO THE COUNTY THAT YOU COMPLETE ALL DATA - PLEASE PRINT OR TYPE  
(A W-9 FORM IS REQUIRED AND MUST BE SUBMITTED WITH THIS FORM)

1. Vendor Name: Innovative Emergency Management, Inc.
- Do you require a 1099? Yes ☐ No ☒
2. Mailing address for payments: 2801 Slater Road, Suite 110  
Morrisville, NC 27560
3. Mailing address for purchase orders, proposals and bids: 2801 Slater Road, Suite 110  
Morrisville, NC 27560
4. Contact Person Kerry Cassidy Phone #: (919) 237-7535  
Email: contracts@iem.com Fax #: (919) 237-7535
5. In what City and State is your firm licensed? Morrisville, NC  
If licensed in NC, indicate County (for tax purposes) Wake
6. Indicate your firm's organizational type:  
Individual ☐ Partnership ☐ Corporation ☒ Governmental Agency ☐ Other \_\_\_\_\_
7. Is your firm a large business? Yes ☒ No ☐ 8. Is your firm a small business? Yes ☐ No ☒
9. Is your firm 51 percent or more owned and operated by a woman? Yes ☒ No ☐  
If yes, with what governmental agencies are you certified? Women's Business Enterprise National Council
10. Is your firm 51 percent or more minority owned and operated? Yes ☒ No ☐  
If yes, with what governmental agencies are you certified? No NC agencies  
Identify appropriate minority group:  
Black American ☐ Native American ☐ Hispanic ☐ Asian/Pacific ☒ Asian Indian ☐
11. Is your firm incorporated? Yes ☒ No ☐
12. Is your firm a not-for-profit business? Yes ☐ No ☒
13. Is your firm identified as a disabled business? Yes ☐ No ☒
14. Give a brief description of goods or services your firm provides:  
Emergency management consulting--planning, response, mitigation, and recovery  
assistance to all levels of government and businesses

Signature: Jennifer Menaker Title: Acting Director of Business Development  
Print name: Jennifer Menaker Date: August 17, 2018

If you have any questions concerning this form, call Durham County Purchasing Division - (919) 560-0051.

**FOR DEPARTMENT COMPLETION**  
(Prior to Vendor Distribution)

Email to:

or

Fax to:

Department Contact Email

Department Contact Fax No.





# Request for Taxpayer Identification Number and Certification

► Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Give Form to the  
requester. Do not  
send to the IRS.

Print or type.  
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Innovative Emergency Management, Inc.		
2 Business name/disregarded entity name, if different from above		
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► <b>Note:</b> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is <b>not</b> disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ►	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ (Applies to accounts maintained outside the U.S.)	
5 Address (number, street, and apt. or suite no.) See instructions. 2801 Slater Road, Suite 110	Requester's name and address (optional)	
6 City, state, and ZIP code Morrisville, NC 27560-8477		
7 List account number(s) here (optional)		

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
				-			-		
or									
Employer identification number									
7	2		-	1	0	4	5	8	8

## Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign  
Here

Signature of  
U.S. person ►



Brad Tiffie, Director of Operations Date ► 01/12/2018

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

## Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.





**Affidavit B**

**ATTACH TO BID – IF YOU ARE NOT UTILIZING SUBCONTRACTORS**

**State of North Carolina AFFIDAVIT B - Intent to Perform Contract with Own Workforce**

**COUNTY OF DURHAM**

Affidavit of Innovative Emergency Management, Inc.  
(Name of Bidder)

I hereby certify that it is our intent to perform 100% of the work required for  
the Durham City-County Disaster Recovery Plan contract.  
(Name of Project)

In making this certification, the Bidder states that the Bidder does not customarily subcontract elements of this type project, and normally performs and has the capability to perform and will perform all elements of the work on this project with his/her own current work forces; and  
agrees to provide any additional information or documentation requested by the owner in support of the above statement.

The undersigned hereby certifies that he or she has read this certification and is authorized to bind the Bidder to the commitments herein contained.

Date: August 17, 2018 Name of Authorized Officer: Jennifer Menaker

Signature: Jennifer Menaker  
Title: Acting Director of Business Development



State of North Carolina, County of Wake  
Subscribed and sworn to before me this 17 day of August 2018  
Notary Public Kerry Anne Cassidy  
My commission expires June 2023

Kerry Anne Cassidy



## 2.0 Executive Summary

Two years ago, we lost 26 North Carolinians to Hurricane Matthew. Rivers across the eastern part of the state crested at higher levels than records set decades before. An estimated 100,000 structures were flooded. Here in the Triangle, many residents lost power and experienced damage to their homes from wind and rain. While our community was able to bounce back relatively quickly, residents in Edgecombe, Cumberland, and Wayne counties are still rebuilding.

IEM is headquartered here in Research Triangle Park, and we are dedicated to the safety and security of our hometown community and our state. We understand the challenge of transitioning from a disaster response to long-term recovery, which can last months or even years. Following a large-scale disaster, there are many competing short-term and long-term recovery priorities—debris removal, temporary housing, repairs to roads and infrastructure, getting students back to school, reconstructing and rebuilding of homes and businesses, etc. IEM will support Durham City-County's effort to pre-plan coordinated efforts to immediately tackle these areas and return the community to a sense of normalcy as quickly as possible. Key elements of IEM's approach include:

- **Effective Project Management.** Durham County has worked on previous projects with Program Manager, Don Griffith, and Project Manager and Lead Planner, Meghan Aminto, who are both local. They will work to ensure Durham City-County is supported through every step of the project.
- **Inclusive Whole Community Planning.** Long-term recovery often involves assistance from partners with limited emergency planning experience. IEM will ensure that Durham City-County engages a diverse group of whole community stakeholders from the public, private, and nonprofit sectors.
- **Comprehensive Data Gathering.** IEM uses a variety of forums to gather stakeholder input. Not only do we hold traditional planning meetings and workshops, but we also conduct one-on-one interviews and webinars to reach stakeholders beyond just those who attend planning meetings.

### Why IEM?

#### National Disaster Recovery Framework (NDRF) Application Expertise

The IEM project team has had first-hand recovery planning experience integrating the NDRF into existing recovery plans and annexes. Meghan Aminto has direct knowledge of the implementation of the NDRF having previously worked in the FEMA Recovery Division applying best practices in support of local communities during recovery. Senior Planner, John Chung, supported Los Angeles County to develop a recovery plan that adapts state and federal recovery guidance to meet the unique needs of the region.

#### Nationally Renowned Recovery Subject Matter Experts (SMEs)

IEM SME, Dr. Gavin Smith, was appointed as a Senior Recovery Advisor to Governor Cooper and the North Carolina Division of Emergency Management following Hurricane Matthew to advise on policy and assist communities in developing disaster recovery plans. IEM's team also includes a deep bench of advisors in recovery areas like housing, infrastructure, public health, mitigation, and federal assistance programs.

#### Local Triangle-Based Team

Program Manager, Don Griffith, Project Manager, Meghan Aminto, and Recovery SME, Gavin Smith, all live and work in the Triangle. Our knowledge of the area and the local stakeholders gives us an efficiency advantage. Our team understands our community's hazards and vulnerabilities, operating environment, and regional whole community stakeholders. Our management team has provided support to many North Carolina clients—including Durham County—and take pride in helping our community prepare for disasters.

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## 3.0 Corporate Overview

### 3.1 IEM Overview


**IEM**®

IEM is the largest woman-owned emergency management and disaster recovery firm in the United States. For more than 33 years, IEM's core mission has been helping government agencies prepare for, respond to, and recover from natural, technological, and human-caused disasters. While

that mission is important everywhere, it hits home when our clients are also the places where our employees work and live. IEM's headquarters office is in Research Triangle Park, and many of our proposed team members live in the Triangle Region.

IEM has worked in all 50 states and three territories supporting local, state, and federal agencies. We recently supported local pre-disaster recovery planning for Los Angeles County and San Diego County, in addition to supporting states' administration of Federal recovery programs, such as the Public Assistance (PA) Grant Program and Homeowner Assistance through the Community Development Block Grant Disaster Recovery (CDBG-DR) assistance program. IEM has supported some of the Nation's foremost recovery initiatives, including for the State of New York following Superstorm Sandy, the State of Louisiana following the severe flooding of 2016, and most recently, IEM was selected by the State of North Carolina to administer the Rebuild NC recovery program following Hurricane Matthew. Our recovery experience spans from pre-disaster planning to post-disaster long-term recovery.

IEM brings local planning best practices from dozens of communities across the country. IEM provided support to FEMA's planning technical assistance (TA) program for over ten years. As part of this contract, IEM developed more than 600 information resources, models, templates, samples, and delivery tools for local governments to implement 60 different planning areas. IEM planners and subject matter experts used these tools to conduct more than 290 on-site planning workshops spanning 46 states, the District of Columbia, four U.S. territories, and several tribal nations. As part of IEM's development of the Recovery Planning TA program, our planners developed 27 products and conducted workshops for eight local and state jurisdictions. A sampling of the TA programs include:

Recovery Planning and Regional Recovery Planning	Planning for Persons with Disabilities, Access, and Functional Needs
Critical Infrastructure Mitigation	Mass Care/Mass Feeding Planning
Local Hazard Mitigation Planning	Housing Task Force Development
Regional Disaster Housing Planning	Community/Individual Preparedness
Debris Management Planning	Logistics and Resource Management Planning

IEM has a strong track record of working successfully with our North Carolina clients. In addition to IEM's support for development of Emergency Action Plans for Durham County, IEM has supported North Carolina clients across the state. IEM supported capability and gap assessments for North Carolina counties, and reviews of Emergency Operations Plans (EOPs) for all but one North Carolina county. We are currently supporting the City of Fayetteville and Fayetteville Public Works Commission (PWC) with post-Hurricane Matthew recovery efforts. We developed Operations Plans and Emergency Operations Center training for Raleigh-Durham International Airport. We are currently supporting the CDBG-DR Rebuild NC program that administers assistance to homeowners throughout our state.


**IEM**

## 3.2 IEM History

IEM is a privately held woman- and minority-owned company founded in 1985. The company's first project was evacuation planning for southeast Louisiana, one of the most hurricane-vulnerable regions of the nation. An early contract with the U.S. military and FEMA's Chemical Stockpile Emergency Preparedness Program (CSEPP), a relationship which continues to this day, fueled IEM's early growth.

Since its founding, IEM has been recognized as one of the leading emergency management companies in the U.S. through a succession of major contracts with FEMA and other branches of the Department of Homeland Security (DHS), the Department of Defense (DOD), other federal agencies, states, major jurisdictions, and international clients.

Today, IEM regularly supports a wide range of large, complex projects nationwide, and we provide the full spectrum of emergency management expertise—from planning for and responding to disasters to helping our customers mitigate and recover from their consequences. Because of our rigor, attention to detail, and extensive on-the-ground experience, we are frequently engaged by customers for complex planning tasks, from local to regional to national. We will support Durham City-County in developing an effective and operational Recovery Plan that will build resiliency for our local community.

## 3.3 Contact Information

Contact Information	
<b>Company Name</b>	Innovative Emergency Management, Inc.
<b>Address</b>	2801 Slater Road, Suite 110, Morrisville, NC 27560
<b>Phone</b>	(919) 990-8191
<b>Fax</b>	(919) 237-7468
<b>Contact Name</b>	Kerry Cassidy
<b>Phone</b>	(919) 237-7535
<b>Email Address</b>	<a href="mailto:contracts@iem.com">contracts@iem.com</a>

## 3.4 Company Financial Assurance

IEM's finances showing we can operate on the proposed payment schedule without disruption of services. Supporting financial statements are included in Appendix C.

## 4.0 Approach

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Once immediate lifesaving operations are complete, affected communities must begin the difficult task of recovery. In the days following the disaster, response operations will wind down and recovery partners will ramp up to handle short-term recovery priorities such as debris removal and reunification. This transition is vital to maintain momentum of operations. IEM will support Durham City-County in identifying a transition team that will ensure continuity from response operations by taking steps to effectively transfer information and resources from response partners to recovery partners.

In the weeks and months following the disaster, jurisdictions must tackle intermediate recovery priorities, such as temporary housing, establishing Local Assistance Centers, and getting residents back to work and children back to school. In the months and years following a disaster, local governments shift the focus to rebuilding homes and businesses and mitigating against future disasters. Pre-planning for all phases of recovery will enable Durham to organize support for disaster survivors quickly and efficiently to get the community back to a new, more resilient normal.

IEM's approach to disaster recovery comes from decades of experience providing operational products for implementation across local, regional, state, and federal jurisdictions. We understand that no two communities are alike. While the National Disaster Recovery Framework (NDRF) is a valuable guide for developing effective recovery plans, we think it's important to listen to the concerns of Durham City-County recovery stakeholders and adapt the framework to meet their needs.

### 4.1 Project Methodology

#### 4.1.1 Task 1. Project management

Within two weeks of award, the Project Manager, Meghan Aminto, and Program Manager, Don Griffith, will hold an in-person project kickoff meeting with the Durham City-County Point of Contact (POC) and other core stakeholders Durham City-County deems necessary. The purpose of this initial kickoff meeting will be twofold. First, IEM will review the proposed schedule and work plan detailing the project tasks, timeline and activities, and will outline the stakeholder engagement strategy. This will confirm IEM's understanding of Durham City's and County's objectives and anticipated outcomes of the project. It will also be helpful to review IEM's proposed stakeholder engagement strategy so that formation of the core planning team and whole community planning teams can begin as early as possible.

Second, we will use this as an opportunity to begin gathering input from Durham City-County and other local representatives to inform the planning process. IEM will request that Durham City-County provide any relevant preparedness plans, such as the recently updated emergency operations plan (EOP), debris removal plans, disaster housing plans, and mitigation plans that our planners should use to inform the recovery plan. We also expect that the kickoff meeting will be a prime opportunity to discuss planning considerations and gather initial input into the plan from Durham City-County and others present.

#### Monthly Status Meetings

Program Manager, Don Griffith, and Project Manager, Meghan Aminto, will conduct monthly status meetings and submit monthly project status reports to document and review the progress made, note anticipated activities for the upcoming month, and discuss challenges or risks that need to be mitigated. IEM also recommends holding brief, 20-minute weekly or bi-weekly coordination calls between IEM management staff and the Durham City-County POC to ensure we have a scheduled opportunity for the IEM team to touch base and request any information or approvals needed to move forward.

## 4.1.2 Task 2. Planning Team

### Core Planning Team Members

IEM follows FEMA's Comprehensive Preparedness Guidance (CPG-101) for all of our planning projects. The first step in this process is to establish a planning team. A core planning team of internal city-county department representatives help to direct planning activities, identify other stakeholders for participation, and provide expertise to shape the plan. IEM recommends including at least one key representative for each Recovery Support Function (RSF) in the core planning team. The core planning team will meet regularly throughout the project.

### Extended Planning Team Members

IEM will help Durham City-County convene an extended planning team of whole community stakeholders. The NDRF suggests that stakeholders be organized into RSFs. IEM will support Durham City-County to identify lead and support organizations for each RSF and identify roles and responsibilities for each. The following are general suggestions of local Durham departments and community organizations that could contribute to Durham City-County RSFs.

- **Community Planning and Capacity Building RSF** engages the community in recovery activities. The RSF may include City-County Planning, Department of Community Development, Durham County Public Schools, County Emergency Management, and nonprofit groups that represent minority and special needs populations.
- **Economic Recovery RSF** helps local businesses return to normal operations. The RSF may include City-County Planning and Economic Development, the City Small Business Advisory Committee and Office of Economic and Workforce Development, Chamber of Commerce, locally-based corporations and local small business owners.
- **Health and Social Services RSF** coordinates ongoing services to disaster survivors. The RSF may include County Public Health, Social Services, and Veteran Services, the local chapter of the American Red Cross, local healthcare/hospital networks, and local faith-based and nonprofit organizations focused on public health, counseling, childcare, mental health.
- **Housing RSF** provides assistance to displaced persons and homeowners throughout the repair and rebuilding process. The RSF may include City-County Planning Department and the Planning Development Services Center (a collaboration between City-County Inspections, City-County Planning, and City Public Works), City Department of Community Development, and low-income and affordable housing advocacy organizations.
- **Infrastructure Systems RSF** supports repairs and reconstruction of essential infrastructure. The RSF may include Public Works, Utilities, City-County Planning, and County Engineering and Environmental Services.
- **Natural and Cultural Resources RSF** supports rehabilitation of natural areas and retention of historical or culturally significant places. The RSF may include County Engineering and Environmental Services, City-County Planning, Forest Protection, and Soil and Water Conservation District.

Above are suggestions based on the RSFs identified in the NDRF. The IEM team will work with Durham City-County and stakeholders to identify the right RSFs that meet your whole community needs. For instance, during IEM's support to the County of Los Angeles in developing their Recovery Plan, the Office of Emergency Management struggled with the enormity of the RSFs. Our planner, John Chung, worked with County representatives to adjust the conventional six-RSF framework to better align with their RSFs



and their anticipated recovery operations. The Health and Social Services RSF was split into a medical and public health RSF and a separate social services RSF. The County also decided to add an external affairs RSF to ensure consistent, coordinated messaging and outreach campaigns to reduce confusion during the weeks and months following a disaster. It's important to remember that the NDRF is guidance, but the plan must work for the community and the people who will implement it.

#### Urban Planning in Long-term Recovery

Local urban planners play a role in several RSFs and often oversee redevelopment efforts after a major disaster. But in many communities, planning departments aren't exposed to emergency planning. IEM's SMEs fully understand how local planners must work hand-in-hand with emergency managers to facilitate long-term recovery. Gavin Smith is a Research Professor in the Department of City and Regional Planning at the University of North Carolina at Chapel Hill who has also led recovery efforts on the ground following Hurricanes Floyd, Katrina, and Matthew. Pete Parkinson is the President of the California Chapter of the American Planning Association who also worked on the ground supporting housing recovery in the North Bay area following the October 2017 wildfires. These experts can help define the operational role of the Durham City-County Planning Department following a disaster.

### Meeting Preparation and Support

IEM will work with Durham City-County and regional stakeholders to schedule core planning team and extended planning team meetings. IEM will develop meeting objectives and agendas and provide them to Durham City-County in advance of the meeting for review and approval. IEM will develop relevant PowerPoint presentations and provide hard-copies of presentations or draft documents as appropriate. The local IEM team will conduct core and extended team meetings in-person at Durham County facilities and provide screen sharing and conference lines for remote participants. Lead Planner, Meghan Aminto, will facilitate all planning meetings, and Camille Hesterberg will be in attendance to take detailed notes and provide administrative support. IEM will provide meeting notes to Durham City-County within three business days following the meeting.

#### 4.1.3 Task 3. Stakeholder Engagement and Outreach

It is often said that if you are shaking hands for the first time after a disaster, it is too late. The greatest benefit of pre-disaster planning is that recovery partners have the opportunity to meet others they will need to work with in the days, weeks, and months following a disaster. The main objective of stakeholder engagement will be to introduce agencies and organizations who will support each RSF, determine how they will coordinate with each other, and then document those roles and processes in the plan. IEM planners will provide Durham City-County with a preliminary Stakeholder Engagement and Outreach Strategy for discussion at the Kickoff Meeting with the intention of having an approved strategy within the first few weeks of the project. It is important that the strategy be approved early on so meetings can be scheduled to accommodate all critical participants.

To build an effective plan, it is important to provide stakeholders with opportunities for participation through various methods and at multiple stages in the process. Incorporating different methods of participation helps ensure whole community collaboration and high quality data.

- **Core Planning Team Meetings.** IEM will convene the core planning team throughout the project. The core planning team will oversee the planning process, identify stakeholders, validate and make recommendations on plan content, and help determine how best to fill planning gaps. IEM anticipates having several core planning team meetings. One will be held following Durham City-County's approval of core planning team members (Task 2 Deliverable), another will be held to

review the plan outline and discuss information gathered during stakeholder workshops, and we will hold a meeting to review the draft plan before it is circulated to the extended planning team.

- **RSF Workshops.** IEM will organize and facilitate workshops for each RSF. IEM will work with the core planning team to identify stakeholders to invite to each RSF workshop. The purpose of the workshop will be to introduce stakeholders to the project, explain the post-disaster recovery process, and give an overview of the types of activities that the RSF will be responsible for. IEM will facilitate a discussion to capture any lessons learned from participants' past disaster experiences. IEM will then present a basic disaster scenario and talk with stakeholders about the process for coordination and expected roles and responsibilities. This discussion will likely identify areas for further discussion and planning gaps that need to be addressed.
- **Follow-up Interviews (phone or in-person).** IEM planners will conduct short, 30-minute interviews with stakeholders to collect specific information relevant to their organization to fill gaps in the plan. These are generally conducted to gather more details, continue discussions from workshops, or collect information from a stakeholder who was not able to participate in a workshop or was identified at or after the workshop. IEM can conduct these interviews by phone or in-person. Meghan Aminto and John Chung have had great success using this approach for collecting needed information for the San Diego recovery planning efforts. It allows for an efficient way to gather important information while using stakeholders' time effectively.
- **Planning Meeting Webinars.** IEM has found that webinars are an easy way to increase participation from a large segment of the whole community. IEM has used webinars as an add-on to in-person planning meetings to review draft and final versions of the plan. Often it is difficult for stakeholders to make time to read draft documents and provide written comments, and a webinar can be helpful in focusing attention on the plan and soliciting input from stakeholders who would otherwise not review the plan.
- **Written Comment Periods.** Planning partners may have specific comments about the text of the documents. Plan drafts will be sent electronically to core planning team members for a comment period. IEM will document all comments in an adjudication matrix and review proposed changes with Durham City-County. Once the core planning team has approved the plan for distribution, IEM will hold a second comment period for the extended planning team, develop an adjudication matrix, and review changes with Durham City-County to finalize the draft.

#### 4.1.4 Task 4. Disaster Recovery Plan Development

IEM planners will ensure the Durham City-County Recovery Plan is a flexible roadmap for recovery that is grounded in applicable regulations, guidance, and best practices. IEM will use format and language consistent with the FEMA Comprehensive Preparedness Guidance 101, and will include the standard elements defined in the guidance. IEM will apply the following FEMA planning guidance when developing Durham City-County's plan:

- National Disaster Recovery Framework
- Pre-Disaster Recovery Planning Guide for Local Governments
- Long-term Community Recovery Planning Process: A Self-Help Guide
- Effective Coordination of Recovery Resources for State, Tribal, Territorial, and Local Incidents
- National Mitigation Framework
- National Disaster Housing Strategy

IEM will also conduct a document review to ensure the plan is in-sync with relevant city, county, state and federal plans. Durham County just finished an Emergency Operations Plan update, and review of this plan will be important for developing a transition team to bridge response and recovery operations.

IEM will also review After-Action Reports for past incidents, such as Durham City-County's response to Hurricane Matthew, or exercises that may document areas for improvement related to recovery or transitioning from response to recovery. Previous recovery plans or plans related to debris management, temporary housing, and other functions undertaken during the recovery phase are essential for outlining RSF roles and responsibilities. IEM will also apply best practices from several relevant recovery research publications, including Gavin Smith's book "Planning for Post-Disaster Recovery."

Our planners will ensure the plan addresses the following planning areas:

- **Response to Recovery Transition Team.** Recovery strategies and actions are not always determined early in the response, but many decisions and actions taken early can ease the transition. IEM will work with Durham City-County to understand the needs of a transition team, and establish an organization and procedures that align with EOC operations.
- **Recovery Leadership.** The NDRF and FEMA's Pre-Disaster Recovery Planning Guide for Local Governments emphasizes the need for designating a Local Disaster Recovery Manager (LDRM) to serve as the central manager for recovery coordination activities. Having an LDRM designated pre-disaster and a well-defined recovery governance structure and decision-making process will help the County quickly stand up recovery operations.
- **RSF Coordination.** Establishing operational RSFs with lead and supporting agencies is a critical outcome of this project. Working with the whole community to anticipate recovery needs and create a flexible, scalable concept of operations will be a large part of the planning process.
- **Address Short- and Long-Term Priorities.** As with response, recovery has phases that necessitate different mindsets and approaches, and priorities. The understanding of how short-term, intermediate, and long-term recovery affect operations, processes, decisions, and associated activities has to be reflected in the plan.
- **People with Disabilities and Others with Access and Functional Needs.** IEM will work with Durham City-County to ensure the plan has a whole community focus. Ensuring accessibility of recovery services to everyone is critical, and recent disasters and incidents have emphasized not only the importance, but the benefit of including the individuals with disabilities and others with access and functional needs in the recovery planning process.
- **Metrics and Accountability.** Core tenants of the recovery process are transparency and indicators of progress. Whether it is meeting deadlines and fulfilling programmatic requirements or communicating to the community and those whose livelihoods, houses, jobs, or otherwise depend on successful recovery, there must be clear, quantitative controls in place. Developing a process for measuring recovery progress is a significant challenge. Meghan Aminto worked with Gavin Smith to develop recovery indicators that were the subject of the resulting research article, "Developing Indicators to Measure Post-Disaster Community Recovery in the United States." These indicators were later tested in a pilot project at the Joint Field Office (JFO) in New York City following Superstorm Sandy.
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- **Funding Strategies.** Communities are faced with the difficult task of managing a variety of funding sources and programs to conduct recovery activities. State and federal recovery resources and programs can be unfamiliar to local stakeholders. It is important to not only identify existing resources and funding, but understand how the local community can make the best use of those resources.

IEM will work with Durham City-County stakeholders to ensure these key areas are addressed and that the plan provides a scalable, adaptable framework to support recovery operations in the days, weeks, months, and years following an incident.

## 4.2 Timeline for Project Completion

IEM will submit all final deliverables on or before June 28, 2019. The following timeline is based on a start date of September 4, 2018.

Task	Milestone	Completion Date
<b>Task 1: Project Management</b>	Kick-off meeting	September 11, 2018
	Submit final schedule and work plan	September 18, 2018
	Submit status report and conduct status meeting	End of each month
<b>Task 2: Planning Team</b>	Submit final core and extended planning team rosters	September 20, 2018
	Core planning team meeting	October 9, 2018
	Core planning team meeting	December 11, 2018
	Core planning team meeting	February 12, 2018
<b>Task 3: Stakeholder Engagement and Outreach</b>	Acquire Durham City-County approval of stakeholder engagement strategy	September 27, 2018
	Conduct RSF workshops	November 2018 – January 2019
	Conduct follow up stakeholder interviews	November 2018 – January 2019
	Conduct draft review meeting with core planning team; comment period	March 7, 2019
	Conduct in-person meeting and webinar to review draft with extended planning team; comment period	April 4, 2019
	Conduct final plan review meeting with core planning team	May 7, 2019
	Conduct in-person meeting and webinar to present final plan to extended planning team	May 24, 2019
	Submit progress reports for officials	Bi-monthly
<b>Task 4: Disaster Recovery Plan Development</b>	Submit plan outline to core planning team	January 25, 2019
	Submit draft plan to core planning team	February 21, 2019
	Update draft based on core team feedback	March 28, 2019
	Update draft based on extended team feedback	May 2, 2019
	Submit final plan to core planning team for acceptance	May 14, 2019
	Submission of final plan	May 30, 2019
	Submission of all project deliverables	June 28, 2019

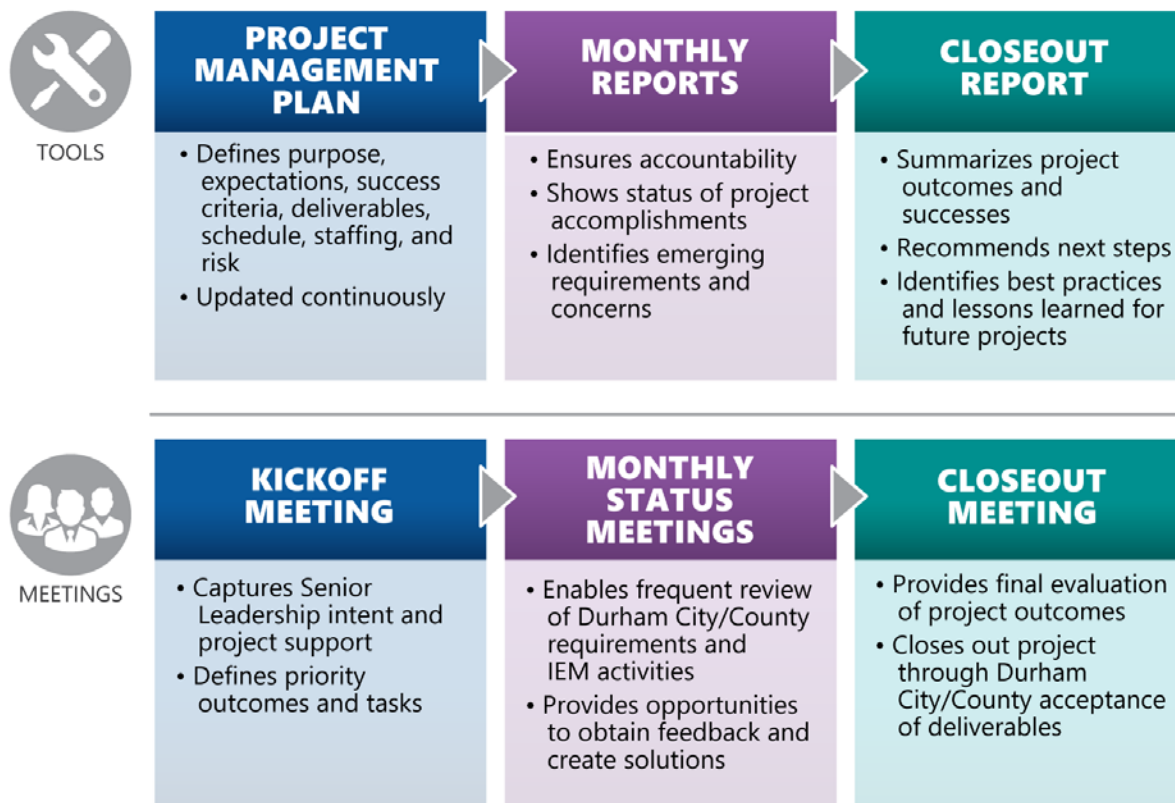
**Table 1: Project Timeline.**



## 4.3 Plan for Managing the Work Requirements

### 4.3.1 Project Management Approach

IEM's project management approach has been honed over the course of 33 years of providing high-quality, cost-effective services and excellent customer responsiveness. We are experienced in managing contracts with local, state, regional, and federal governmental bodies in a collaborative and supportive environment. We continually analyze and refine our corporate processes through lessons learned and multiple feedback loops in project implementation so that all of our customers benefit from our experiences.



**Figure 1: Project management process.** Our process ensures that we are continually seeking out and responding to customer feedback throughout the project cycle.

IEM's project management process is used for all of our projects to develop, design, execute, and close out our work. This process aligns with the Project Management Institute's best practices. The key elements of our process include:

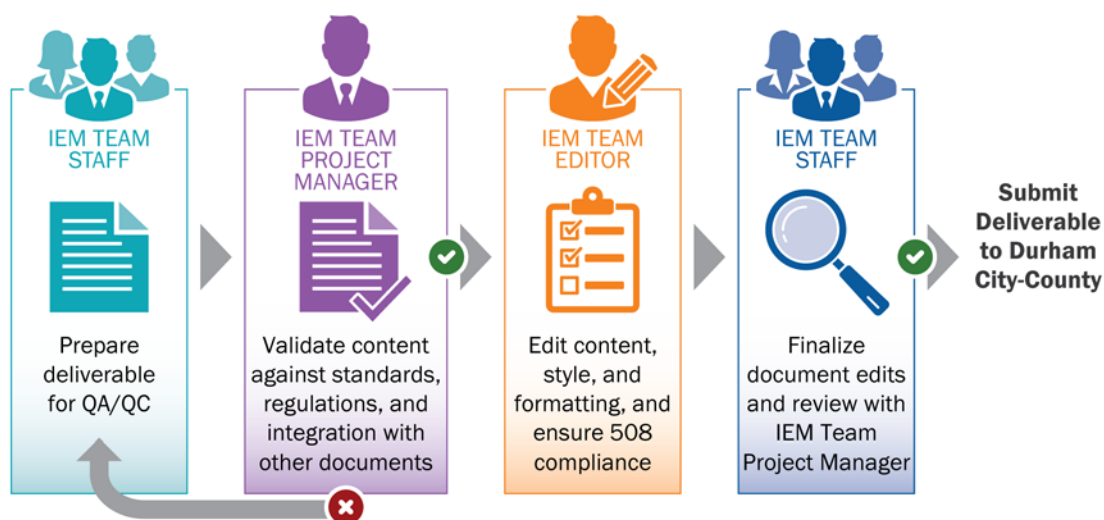
- **Project Management Plan.** We develop a detailed work plan that outlines the objectives, activities, milestones, and dependencies to complete the project tasks within the project timeline. This serves as a confirmation that IEM will meet project requirements and client expectations. The Project Management Plan is first reviewed at the kickoff meeting and is then updated with any changes as the project progresses.
- **Monthly Reports.** IEM provides monthly reports that document project accomplishments and progress and identifies next steps and dependencies for activities moving forward. The reports also

incorporate any concerns that may need to be mitigated. These reports will be reviewed during Monthly Status Meetings to ensure the project remains on track.

- **Closeout Report.** IEM provides a detailed Closeout Report to document the project successes and outcomes, as well as recommended next steps. It is important to identify best practices and lessons learned so that information can be used for future planning efforts or during annual plan updates. At the end of the project, IEM will facilitate a final Closeout Meeting with project leadership to review the closeout report and confirm project outcomes have been met.

#### 4.3.2 Quality Assurance

IEM uses a formal quality assurance process for all deliverables. Draft documents must be submitted to an IEM Project Manager for review. The Project Manager reviews its content to ensure it is compliant with necessary guidelines and meets the objectives of the task. The Project Manager provides comments back to the team and, once adjudicated, the document is sent to our technical editor. The technical editor reviews the document for content, style, formatting, and ensures 508 compliance so the document can be posted on the web and be accessible to individuals who are blind. The technical editor provides feedback to the team, and once the feedback is adjudicated and the Project Manager gives approval, the deliverable is submitted to Durham City-County. This process ensures we provide high-quality, technically accurate, and customized products for our clients.



**Figure 2: Quality Assurance Process.** Our process puts deliverables through multiple reviews to ensure accuracy.

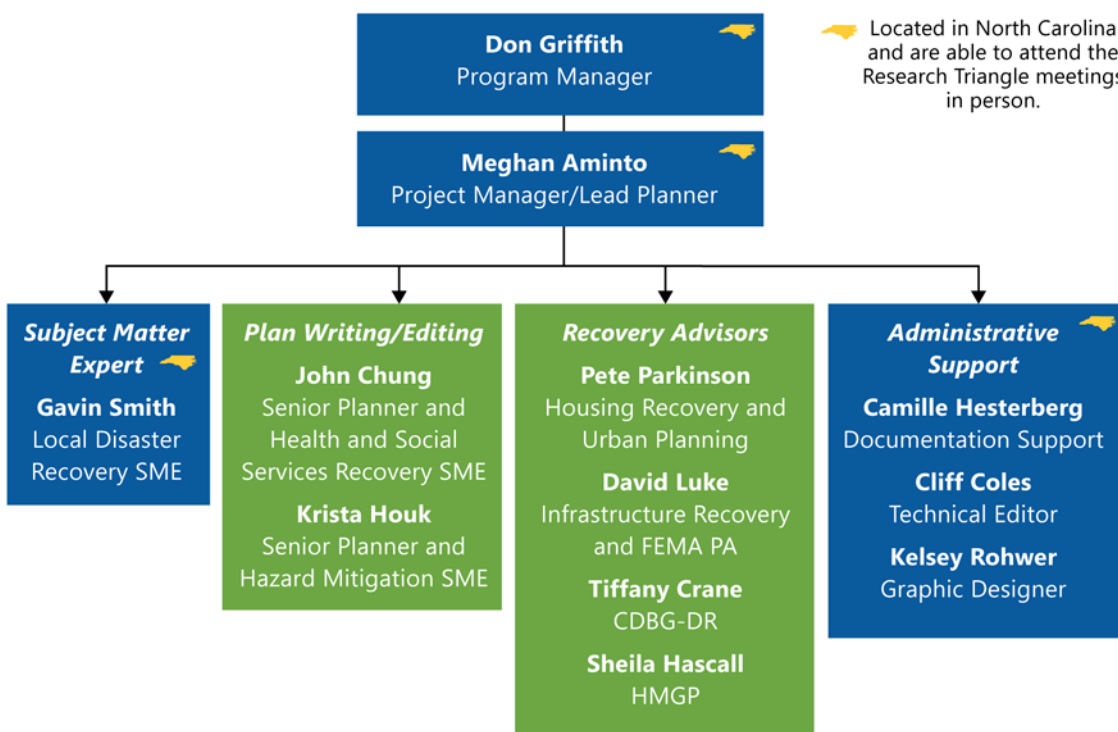
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## 5.0 Organization and Staffing

### 5.1 Organizational Structure

Many of our key proposed staff work from our Morrisville Headquarters, making it easy for our team to conduct all planning workshops and stakeholder follow-up meetings in-person. Meeting with regional stakeholders face-to-face will build cooperation and help to foster a whole community planning process. **Figure 3** below presents the organizational structure of our team and its reporting relationships.



**Figure 3: Project Organizational Chart.** Many of our key staff are based out of IEM's North Carolina office, located in the Research Triangle Region.

## 5.2 Staffing Chart

All positions for this project are filled by employees who will be available on average as shown in the third column of the following table as a percentage of one FTE for the duration of the project. The total percentage of FTE for the entire project is shown at the bottom of the table. **Employees marked with an asterisk (\*) are considered key personnel and their resumes are provided in Appendix B.** Non-key staff include advisors who will provide subject-matter expertise as-needed; a summary of our staff's qualifications is included in Section 6.1 Staff Qualifications.

Personnel	Position	% of FTE
Don Griffith*	Program Manager	1.2%
Meghan Aminto*	Project Manager/Lead Planner	20.1%
John Chung*	Senior Planner/Public Health SME	3.9%
Krista Houk*	Senior Planner/Hazard Mitigation SME	3.9%
Gavin Smith*	Local Disaster Recovery SME	1.3%
Pete Parkinson	Housing Recovery and Urban Planning Advisor	.6%
David Luke	Public Assistance Program Advisor	.2%
Tiffany Crane	CDBG-DR Program Advisor	.2%
Sheila Hascall	HMGP Program Advisor	.2%
Camille Hesterberg*	Documentation Support	3.9%
Cliff Coles*	Technical Editor	2.3%
Kelsey Rohwer*	Graphic Designer	.8%
<b>Total Number of FTEs</b>		<b>38.6%</b>

**Table 2: Employee Full-Time Equivalent**

## 5.3 Subcontracting and M/WBE Utilization

IEM is capable of providing 100% of the work for this opportunity, and therefore will not be subcontracting on this opportunity. IEM is a large business and will have zero M/WBE utilization on this opportunity. However, in the case of future needs or other projects, IEM has provided our M/WBE Utilization plan in Appendix A.

## 6.0 Qualifications and Experience

### 6.1 Staff Qualifications

IEM has put together a team with breadth and depth of experience to support Durham County. Key qualifications of proposed staff are presented below.

Key Personnel	Summary of Qualifications
<b>Don Griffith,</b> <i>Program Manager</i>	<ul style="list-style-type: none"> <li>14 years of emergency management and homeland security experience, including 10 years of experience managing projects.</li> <li>Served as Project Manager for development of three EAPs for Durham County, NC, high-value facilities.</li> <li>Served as Program Director for two full-scale and five tabletop exercises, an EOC functional assessment, EOC operations plan development, and development of rules and regulations for RDU Airport.</li> <li>Served as Project Manager for North Carolina HazMat studies of 15 counties and their vulnerabilities. Also served as Project Manager for a Wake County, NC, hazardous facilities study.</li> <li>Managed aerial data collection related to Fayetteville Public Works Commission (PWC) facilities and property for Hurricane Matthew post-storm damage assessment.</li> </ul>
<b>Meghan Aminto,</b> <i>Project Manager and Lead Planner</i>	<ul style="list-style-type: none"> <li>More than 13 years of professional experience focused on emergency management, urban planning, and disaster mitigation and recovery.</li> <li>Served as Lead Emergency Planner for development of Emergency Action Plans (EAPs) and an EAP template for facilities in Durham County, NC.</li> <li>Served as Lead Emergency Planner for multiple recovery plans for the County of San Diego, including regional plans for Financial Donations Management, Commodities Donations Management, and Reunification.</li> <li>Analyzed dozens of local plans to identify strategies for post-disaster recovery and hazard mitigation and develop recovery indicators for the University of North Carolina (UNC) Institute for the Environment and the Natural Hazards Center.</li> </ul>
<b>John Chung</b> <i>Senior Planner/ Public Health SME</i>	<ul style="list-style-type: none"> <li>More than 10 years of emergency management experience.</li> <li>Supported the County of Los Angeles in the development of their Operational Area Recovery Plan including transition from response phase to short term and long term recovery.</li> <li>Supported Medical and Health catastrophic pre-disaster planning for mass care, mass evacuation, mass reception, and regional recovery in the Los Angeles Area.</li> </ul>

Key Personnel	Summary of Qualifications
	<ul style="list-style-type: none"> <li>Co-chaired the Health and Social Services RSF work group representing five counties in the Southern California Area in the development of the Regional Recovery Guide.</li> <li>Supported the development of a Resource Management Annex for the New Mexico State Department of Health Emergency Operations Plan.</li> </ul>
<b>Krista Houk</b> <i>Senior Planner/ Hazard Mitigation SME</i>	<ul style="list-style-type: none"> <li>More than 16 years of experience in emergency management.</li> <li>Served as Project Manager for development of the County of San Diego's Reunification Plan, Financial Donations Management Plan, and Commodities Management Plan to coordinate regional recovery actions.</li> <li>Served as Project Manager for a multi-phase recovery planning project for the Los Angeles Operational Area Recovery from 2016-2017.</li> <li>Supported Eddy County, New Mexico hazard mitigation planning efforts.</li> <li>As Emergency Services Director for City and County of San Francisco, coordinated the city's Resiliency and Recovery Planning Committee; also managed the 2009 update of the CCSF Hazard Mitigation Plan.</li> <li>Former Director of the Madison County, OH, Emergency Management Agency; developed the county's first FEMA approved hazard mitigation plan in 2004.</li> </ul>
<b>Gavin Smith</b> <i>Local Disaster Recovery SME</i>	<ul style="list-style-type: none"> <li>More than 30 years of emergency management expertise.</li> <li>Director of the Department of Homeland Security's Coastal Resilience Center of Excellence and leads the graduate certificate program in Natural Hazards Resilience.</li> <li>Appointed Senior Recovery Advisor to Governor Cooper and the NC Division of Emergency Management following Hurricane Matthew.</li> <li>Authored Planning for Post-Disaster Recovery: A Review of the United States Disaster Assistance Framework (Island Press) as well as several book chapters on hazards analysis and planning.</li> <li>Worked in the Mississippi Office of the Governor, serving as the Director of the Office of Recovery and Renewal Following Hurricane Katrina.</li> <li>Served as the Assistant Director for Hazard Mitigation in the State of North Carolina.</li> </ul>
<b>Pete Parkinson</b> <i>Housing Recovery and Urban Planning Advisor</i>	<ul style="list-style-type: none"> <li>More than 30 years of urban planning experience.</li> <li>Serves as President of the California Chapter of the American Planning Association</li> <li>Served as Director of Sonoma County's multi-disciplinary Permit and Resource Management Department and Environmental Coordinator and Planning manager for the County of Santa Cruz.</li> </ul>

Key Personnel	Summary of Qualifications
	<ul style="list-style-type: none"> <li>■ Oversaw preparation of Local Hazard Mitigation Plans for Sonoma and Santa Cruz counties.</li> <li>■ Organized and managed a post-disaster recovery permitting division following the Loma Prieta earthquake.</li> <li>■ Served as Planning and Intelligence Section Chief in EOC activations for flooding events in Sonoma County.</li> <li>■ Consulted with local governments and community organizations following the 2017 North Bay area wildfires to assist with the loss of 5,000 housing units in Sonoma County.</li> </ul>
<b>David Luke</b> <i>Infrastructure Recovery and FEMA PA Advisor</i>	<ul style="list-style-type: none"> <li>■ More than 19 years of experience, including 10 years of experience in disaster recovery providing Public Assistance support.</li> <li>■ Provided Public Assistance support for Hurricanes Katrina, Rita, Gustav, Ike, and Sandy.</li> <li>■ Has extensive knowledge of FEMA policy, rules, and regulations, including 44 Code of Federal Regulations (CFR) Part 206, FEMAs PA Digest, PA Guide, 9500 Series, 106 issues, Coastal Barrier Resources Act, and Coastal Wetlands Planning, Protection, and Restoration Act.</li> <li>■ Experienced in cost estimation and hazard mitigation benefit cost analysis.</li> </ul>
<b>Tiffany Crane, J.D.</b> <i>CDBG-DR Advisor</i>	<ul style="list-style-type: none"> <li>■ More than 16 years of experience in CDBG-DR programs, construction management/compliance, and policy development.</li> <li>■ Served as Deputy Program Manager for the Restore Louisiana \$1.3B housing program.</li> <li>■ Served as Deputy Program Manager of \$23.5M CDBG-DR programs for Richland County, South Carolina.</li> </ul>
<b>Sheila Hascall</b> <i>HMGP Advisor</i>	<ul style="list-style-type: none"> <li>■ More than 10 years of experience in planning, developing, and implementing hazard mitigation programs.</li> <li>■ Serves as a top policy advisor to New York State's Chief of Mitigation Programs.</li> <li>■ Managed more than 20 federally declared disasters under the Hazard Mitigation Act (HMA) Grant Program from grant application to closeout.</li> <li>■ Appointed State Hazard Mitigation Officer by the Nebraska Governor.</li> </ul>
<b>Camille Hesterberg</b> <i>Administrative Support</i>	<ul style="list-style-type: none"> <li>■ More than 10 years in roles requiring exceptional communications skills in a variety of media, including written, verbal, and digital information.</li> <li>■ Excels at translating complex, nuanced topics to lay language to reach a broader, more diverse audience.</li> </ul>

Key Personnel	Summary of Qualifications
<b>Clifton Coles,</b> <i>Technical Editor</i>	<ul style="list-style-type: none"><li>■ More than 20 years of experience in professional editing and writing.</li><li>■ Performs document quality assurance by reviewing and editing documents for accuracy, consistency, readability, and detail.</li></ul>
<b>Kelsey Rohwer</b> <i>Graphic Designer</i>	<ul style="list-style-type: none"><li>■ More than 13 years of experience in graphic design supporting development of documents and plans for agencies at the local, state, and federal levels.</li><li>■ Developed facility evacuation diagrams as part of IEM's support to Durham County for developing emergency action plans.</li></ul>

**Table 3: Key Personnel Qualifications.**

## 6.2 Recovery Experience

IEM has provided recovery planning support for communities across the country and for all phases of the recovery process. We have assisted local jurisdictions in developing all-hazards recovery plans as well as plans related to critical recovery functions such as reunifications, commodities and financial donations management, restoration of lifelines, disaster housing, debris management, and family assistance centers. We've also supported communities in developing local hazard mitigation plans. Our firm not only prepares communities for disasters—we also served on the ground alongside communities to help rebuild and recover. Through this experience, we've gathered best practices and developed a deep roster of recovery experts. A summary of IEM's disaster recovery services is shown in **Figure 4**.

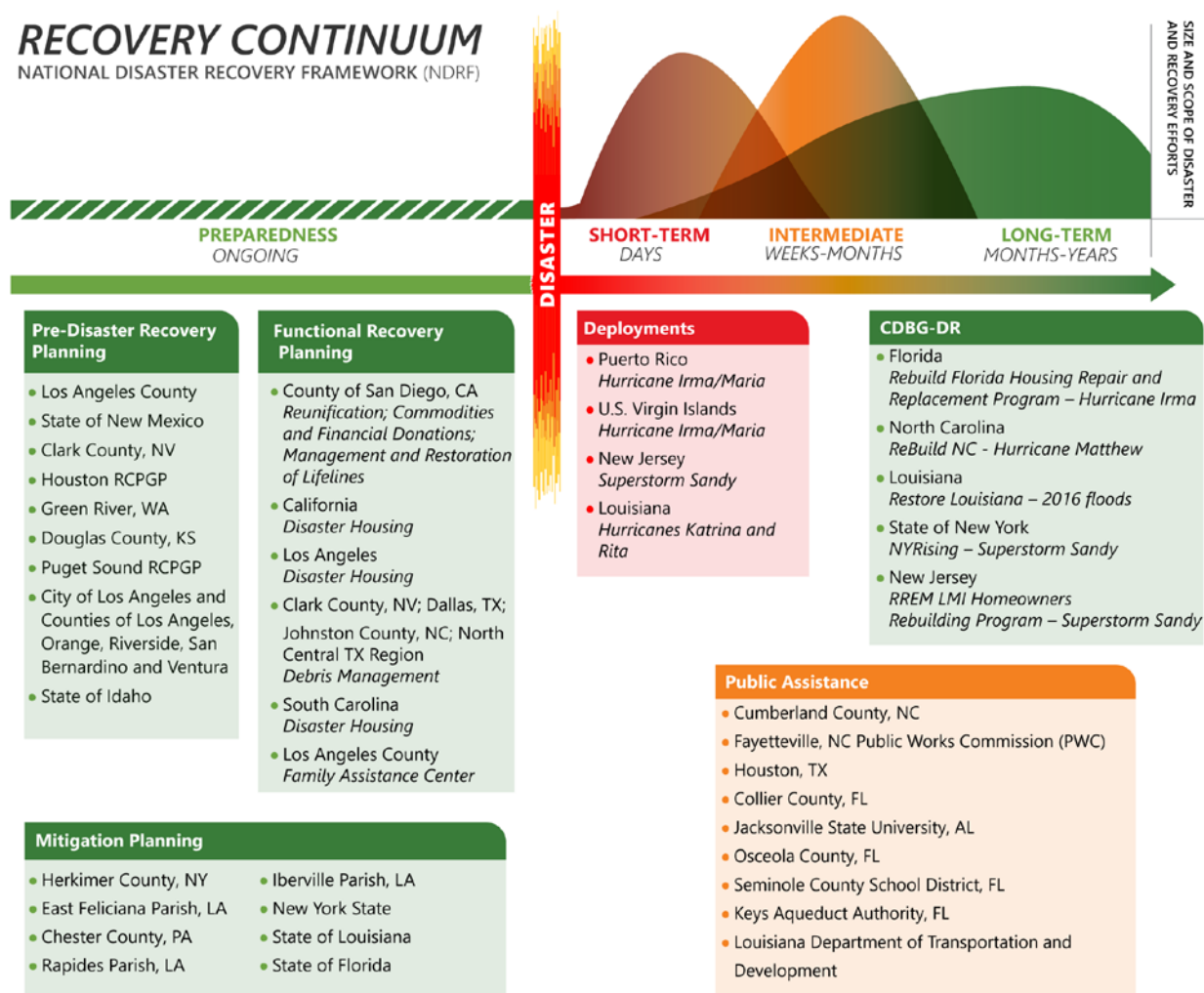


Figure 4: **Recovery Continuum**. IEM's recovery-related experience over the past 15 years includes projects across all phases of recovery: pre-disaster, short-term, intermediate-term, and long-term.

## 6.2.1 Preparedness

### Pre-Disaster Recovery Planning

IEM provides support to communities throughout the preparedness phase to build recovery capabilities. Our planners have worked with county and regional jurisdictions to organize Recovery Support Functions and coordinate recovery stakeholders before a disaster. Most recently, IEM supported the County of Los Angeles in developing a Recovery Plan that adhered to the National Disaster Recovery Framework but adjusted conventional organizational structures to align with county operations. Through our support for FEMA's Technical Assistance program, IEM developed recovery plan templates and tools to support communities, such as Clark County, NV, regions like the greater Houston area, and states including Idaho and New Mexico, to develop recovery plans.

### Functional Recovery Planning

IEM has the subject matter expertise to help communities focus planning efforts to address some of the biggest challenges in the recovery process. We've provided disaster housing planning technical assistance for the Los Angeles area and debris management technical assistance for the City of Dallas and several counties. Most recently, we supported the County of San Diego develop a regional plan for reunification of families and plans to help manage donations. These two issues were identified by the County of San Diego planning partners as two areas they struggled with in past disasters.

### Hazard Mitigation Planning

IEM has supported local jurisdictions and states to develop hazard mitigation plans for mitigation grant eligibility as per the Disaster Mitigation Act of 2000. All plans were aligned with FEMA's Local Mitigation Handbook. We also assisted various states and communities to update their plans in order to remain eligible for grant funding.

## 6.2.2 Post-Disaster Recovery

### Deployments

IEM staff have been deployed to support communities during the difficult days following a catastrophic disaster. Most recently, IEM staff deployed to Puerto Rico and the U.S. Virgin Islands to assist with infrastructure recovery efforts following Hurricanes Irma and Maria.

### FEMA Public Assistance and Hazard Mitigation Grant Programs (HMGP)

IEM is one of the few firms with in-depth knowledge and extensive experience with application of the Public Assistance Alternative Procedures Pilot Program for Permanent Work authorized under Section 428, the 2013 amendment to the Stafford Act. IEM employees currently serve as the policy advisors and technical assistance consultants for both Louisiana and New York State's Public Assistance and Hazard Mitigation programs that include open disasters from Katrina to Harvey and thousands of diverse projects from multi-facility public medical centers to large-scale wastewater systems.

### CDBG-DR

IEM has provided support for every major (\$1.5 billion+) CDBG-DR delivery in the nation. This includes support for grant recipients in Louisiana and Mississippi after Katrina, Texas after Rita/Ike/Dolly, and the State of New York, New York City, and New Jersey after Superstorm Sandy. Our team members have led Florida disaster Recovery following Andrew, Charlie, Fay, and Wilma. IEM is currently supporting the State of North Carolina's CDBG-DR delivery following Hurricane Matthew.



## 6.3 References from Projects of Similar Size and Scope

### Los Angeles County Recovery Plan

**Client Name:** Los Angeles County Office of Emergency Management

<b>Client Contact</b>	Leslie Luke	<b>Phone Number:</b>	(323) 980-2269
<b>Contract Dates:</b>	January 2016 – June 2017		
<b>Annual Contract Amount:</b>	\$112,000		

The purpose of Los Angeles County OEM's ongoing recovery planning effort is to draft and finalize a Recovery Plan for the Los Angeles County Operational Area (LAOA). IEM supported Phase I of this planning effort from January 2016 to June 2016. When funding became available to begin Phase II of the planning effort, LA County again selected IEM to assist. IEM's support included incorporation of stakeholder feedback into the OA Recovery Plan; finalization of the OA Framework modeled after the NDRF and California Disaster Recovery Framework (CDRF); and completion of associated position checklists. Position checklists were developed for the OA Recovery Coordination Center (RCC) and the Recovery Support Functions (RSFs) representing county departments and participating jurisdictions and external organizations. IEM also supported development of a new RSF Universal Playbook (i.e., a condensed version of the Recovery Plan) for use by all nine county RSFs. This Playbook serves as the foundation for Concept of Operations (ConOps) unique to each RSF.

### San Diego County Recovery Planning

**Client Name:** San Diego County Office of Emergency Services (OES)

<b>Client Contact</b>	Bennett Cummings	<b>Phone Number:</b>	(858) 565-5594
<b>Contract Dates:</b>	June 1 – October 31, 2016 and June 1 – October 31, 2017		
<b>Annual Contract Amount:</b>	\$96,800		

**Family Reunification Plan.** IEM worked with San Diego OES and County stakeholders to develop a Reunification CONOPS. IEM coordinated three in-person meetings and multiple individual interviews with stakeholders in order to develop this CONOPS. The final CONOPS included anticipated response actions, messaging templates, best practices, and planning considerations. The CONOPS incorporated applicable stakeholders and necessary processes for the reunification of children, people with disabilities and others with access and functional needs, unaccounted-for adults, patients, tourists, foreign nationals, fatalities, and animals.

**Financial Donations Management Plan.** IEM worked with San Diego OES and County stakeholders to develop a Financial Donations CONOPS. IEM coordinated in-person meetings and individual interviews to develop anticipated response actions, emergency messaging templates, best practices, and planning considerations. The final CONOPS addressed public communications and messaging coordination among jurisdictions, 2-1-1 San Diego, and nonprofits. IEM also developed guidance and templates for establishing a victim assistance fund following a mass violence incident.

**Commodities Management Plan.** IEM supported the County of San Diego OES in developing a Commodities Donations Management CONOPS. The CONOPS provides a framework to manage commodities donations including items such as clothing, non-perishable food, household cleaning supplies, and durable medical equipment or medications. The CONOPS includes actions to be taken by OES, County agencies, Cities, and nonprofit organizations related to the collection, sorting, processing, storing, transportation, distribution, and disposal of commodities donations.

### Fayetteville Public Works Public Assistance Support

**Client Name:** Fayetteville Public Works Commission (PWC)

<b>Client Contact:</b>	Isaac Copeland	<b>Phone Number:</b>	(810) 483-1387
<b>Contract Dates:</b>	November 2016 - November 2019		
<b>Annual Contract Amount:</b>	\$291,683		

In the wake of Hurricane Matthew, Fayetteville Public Works Commission (PWC) selected IEM to support establishing and implementing a recovery program that complied with federal and state requirements, identified opportunities to leverage hazard mitigation, minimized risks of de-obligation and audit findings, and maximized disaster assistance funding. Services include:

- Identifying disaster-related losses and expenditures
- Developing scopes of work and cost estimates for grant applications (PWs)
- Establishing grant administration procedures and protocols to ensure ongoing federal compliance
- Assisting with preparation of reimbursement requests to the State
- Identifying and developing potential HMGP project opportunities
- Supporting document management and retention protocols (hardcopy and electronic)
- Ensuring that the overall recovery program is closeout- and audit- ready
- Tracking and reporting on project development, issue resolution, and funding
- Drone-aided inspections of damage and impairment of electrical and wastewater rights-of-way
- Investigation of availability of Natural Resource Conservation Services funding for addressing watershed impairment caused by Hurricane Matthew-related flooding
- Ongoing support for development of response and recovery planning, cost recovery corrective actions, and internal accounting controls support

### Cumberland County Public Assistance Support

**Client Name:** Cumberland County, North Carolina

<b>Client Contact</b>	Tracy Jackson	<b>Phone Number:</b>	(910) 323-6117
<b>Contract Dates:</b>	November 2016 – December 2017		
<b>Annual Contract Amount:</b>	\$150,000		

IEM supporting Cumberland County in the establishment and implementation of a Hurricane Matthew recovery program that complies with FEMA regulations, identifies opportunities for mitigation and improved resiliency, and maximizes the reimbursement of recovery-related costs.

IEM partnered with County staff to identify projects, capture costs, prepare reports, reconcile invoices, and close projects with an audit-ready file. IEM developed Public Assistance project worksheets, supported documentation management, and helped prepare the County for the closeout process. Our team also played an instrumental role in identifying Section 406 Hazard Mitigation opportunities to integrate into project worksheets, including benefit-cost review. Although the County did not experience extensive damage due to Hurricane Matthew-related flooding, the

declared disaster provided an opportunity to apply for 404 HMGP funding, CDBG-DR funds and other state and federal funding to address unmet needs within the County, mitigate the likelihood and severity of future events, and support the economic development opportunities following the disaster

#### FEMA NIC Planning and Technical Assistance Support Services

##### Client Name: FEMA National Preparedness Directorate

<b>Client Contact</b>	Nicholas Peake	<b>Phone Number:</b>	(202) 212-2105
<b>Contract Dates:</b>	July 2004 – July 2014		
<b>Annual Contract Amount:</b>	\$3,571,259.86		

The FEMA TA Program primarily provided assistance to requesting state, local, and tribal agencies in developing or improving specific aspects of their emergency planning. IEM developed and delivered 60 different TA programs. IEM's TA support included:

- Recovery planning for Los Angeles, Houston, New Mexico, and Seattle/Puget Sound
- Disaster housing planning pilot for South Carolina
- Mass care planning for the Los Angeles region
- Critical lifelines planning for San Diego
- Debris management planning for Dallas; Clark County, NV; and Johnston County, NC
- Access and functional needs planning for Dallas, Hawaii, and Seattle
- Host community/re-entry planning for the Seattle/Puget Sound region
- Interoperable communications planning for Alachua County, FL
- Capability assessment and gap analysis for Wake County, NC

There were three key aspects to our approach. First, IEM designed usable planning tools and templates to ensure workshop participants could finish the planning we began with them at on-site workshops. In total, IEM's TA support encompassed the development of 600 information resources, models, templates, and samples. We used these products to provide 290 on-site workshops throughout the U.S. and a number of its territories. Second, we designed workshops to be hands-on rather than lecture-based. The workshops laid out a process, then our staff worked with participants as they started their planning. Finally, IEM staffed deliveries with SMEs who have practical planning and operational expertise, as well as technical backgrounds applicable to a given type of planning.

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## 7.0 Conflict of Interest

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IEM, its employees, and its owner do not have any factors that would constitute a conflict of interest.

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## Appendix A: IEM M/WBE Participation Plan

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Innovative Emergency Management, Inc. (doing business as IEM) recognizes the importance of subcontracting to small and disadvantaged businesses as part of its responsibility a good corporate citizen. For that reason, IEM has established for itself the following separate dollar and percentage goals for small, HUBZone small (HZSB), small disadvantaged (SDB, including Alaska Native Corporations [ANC] and American Indian tribes), women-owned small business (WOSB), veteran small (VOS), and service-disabled veteran-owned small business (SDVOS) concerns. These goals have been stated as a percentage of the total subcontracting dollars.

While subcontracting will not make business sense for every contract, we will strive to reach these goals on all contracts for which subcontracting is required or advantageous. IEM firmly believes that qualified minority and disadvantaged small businesses contribute great value to most contracts, and has risen from the ranks of such small businesses in its own past. Subcontracting to them going forward is an opportunity for IEM to pay this forward.

### *Subcontracting Goals*

1. Goal for estimated total dollars planned to be subcontracted; i.e. to all types of business concerns: 100%
1. Planned subcontracting to large business concerns (those classified as other than small): 60%
2. Planned subcontracting to all small business concerns (Includes HUBZone Small, Small Disadvantaged (including ANC and Indian tribes), Women-Owned Small Business, Veteran-owned Small, and Service Disabled Veteran- Owned Small): 40%
3. Planned subcontracting to HUBZone small business concern: 3%
4. Planned subcontracting to small disadvantaged business concerns (including ANC and Indian tribes): 6%
5. Planned subcontracting to women-owned small business concerns: 5%
6. Planned subcontracting to veteran-owned small business concerns: 5%
7. Planned subcontracting to service disabled veteran-owned small business concerns: 3%

### *Method Used to Develop Subcontracting Goals:*

Potential allocation of work is determined by the principle of optimal blending of prime and subcontractor capabilities. IEM will seek to subcontract with such businesses, where subcontracting opportunities exist, for products and services that supplement or complement our capabilities.

### *Method Used to Identify Potential Sources*

IEM frequently subcontracts with firms who provide specific products and services outside of our core competencies so we may continually offer to our clients the latest and best practices that are required by the industry today.

Capabilities of small, HUBZone small, small disadvantaged (including ANC and Indian tribes), veteran-owned, service-disabled veteran-owned, and women-owned small business concerns were determined by searching the SBA's Dynamic Small Business Search and evaluating North American Industry Classification System (NAICS) and Standard Industrial Classification (SIC) codes, reviewing small business websites to research core competencies, meeting with small business managers and reviewing



corporate capability statements, and attending industry conferences and trade fairs in areas where we lack small business relationships. We also maintain small business vendor lists, and will incorporate existing small business relationships where subcontracting opportunities exist. Our Director of Operations will integrate these new capability qualification efforts into current business processes and partnership activities.

IEM analyzes the possibility of using all small businesses to fulfill contract requirements. This analysis included the following activities:

- Determination of areas within the SOW that could be set aside for small and small disadvantaged (including ANC and Indian tribes) concerns.
- Identification of potential small and small disadvantaged (including ANC and Indian tribes) business concerns with the technical expertise and resources necessary to satisfy contract requirements.

IEM identifies potential subcontractors using the following source lists and organizations:

- United Minority Business Entrepreneurs Association
- U.S. Small Business Administration
- Requesting sources from the System for Award Management (SAM) and Dynamic Small Business Search (DSB).
- SBA District Offices
- SBA Commercial Market Representatives (CMRs)
- Minority Business Development Agency
- Local and National Small Business Development Centers (SBDCs)
- National Women's Business Council
- Women's Business Centers (WBCs)
- Acquisition Reform Net (ARNet)
- Business Information Centers (BICs)
- State DOT SDB Certification Offices
- E-Business Institute
- Procurement Technical Assistance Centers
- National Business Incubation Association
- National Women Business Owners Corporation
- Offices of Small & Disadvantaged Business Utilization (OSDBU)
- The Office of Government Contracting (GC)
- Veterans Owned Business Directory
- Minority Business and Professional Directory

*Director of Operations*

IEM's Director of Operations Brad Tiffie has the responsibility to ensure that IEM addresses these goals whenever appropriate. In this capacity, he has the following obligations:

Appendix A-2





- Assist SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB concerns by arranging solicitations, sufficient time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such concerns. Where IEM's lists of potential SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB subcontractors are excessively long, reasonable effort shall be made to give all such small business concerns an opportunity to compete over a period of time.
- Provide adequate and timely consideration of the potentialities of SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB concerns in all "make or buy" decisions.
- Counsel and discuss subcontracting opportunities with representatives of SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB firms.
- Confirm that a subcontractor representing itself as a HUBZone small business concern is certified by SBA as a HUBZone small business concern in accordance with 52-219-8(d)(2).
- Provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in IEM's subcontracting plan.
- For all federal competitive subcontracts over the simplified acquisition threshold in which a small business concern received a small business preference, upon determination of the successful subcontract offeror, prior to award of the subcontract the contractor must inform each unsuccessful small business subcontract offeror in writing of the name and location of the apparent successful offeror and if the successful subcontract offeror is an SB, VOSB, SDVOSB, HUBzone SB, SDB, or WOSB concern.
- If applicable, assign each subcontract the NAICS code and corresponding size standard that best describes the principal purpose of the subcontract.
- Ensure periodic rotation of potential subcontractors on bidders' lists.
- Ensure that SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB concerns are included on the bidders' list for every subcontract solicitation for products and services they are capable of providing.
- Ensure that subcontract procurement "packages" are designed to permit the maximum possible participation of SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB concerns.
- Review subcontract solicitations to remove statements, clauses, etc., which might tend to restrict or prohibit SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB concerns.
- Ensure that the subcontract bid proposal review board documents its reasons for not selecting any low bids submitted by SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB concerns.
- Oversee the establishment and maintenance of contract and subcontract award records.
- Attend or arrange for the attendance of company counselors at business opportunity workshops, minority business enterprise seminars, trade fairs, etc.
- Directly or indirectly counsel SB, VOSB, SDVOSB, HUBZone, SDB, and WOSB concerns on subcontracting opportunities and how to prepare bids to the company.
- Conduct or arrange training for purchasing personnel regarding the intent and impact of Section 8(d) of the Small Business Act on purchasing procedures.
- Develop and maintain an incentive program for buyers that support the subcontracting program.

- Monitor the company's performance and make any adjustments necessary to achieve the subcontract plan goals.
- Prepare and submit timely reports.
- Coordinate the company's activities during compliance reviews by federal agencies.

*Equitable Opportunity*

IEM will make every effort to ensure that small, HUBZone small, small disadvantaged (including ANC and Indian tribes), women-owned small business, small veteran-owned, and service disabled veteran-owned small concerns will have an equitable opportunity to compete for subcontracts. These efforts include, but are not limited to, the following activities:

Outreach Efforts to Obtain Sources

- Contacting minority and small business trade associations
- Contacting business development organizations
- Requesting sources from the Small Business Administration's Dynamic Small Business Search and/or the SAM.gov database
- Attending small, minority, and women-owned small business procurement conferences and trade fairs.

Internal Efforts to Guide and Encourage Purchasing Personnel

- Presenting workshops, seminars, and training programs
- Establishing, maintaining, and using small, small disadvantaged (including ANC and Indian tribes), women-owned small, and HUBZone small business source lists, guides, and other data for soliciting subcontracts.
- Monitoring activities to evaluate compliance with the subcontracting plan

*Description of Good Faith Effort*

IEM takes the following steps in making a good faith effort to achieve small business subcontracting goals:

- Developing and promoting company policy statements that demonstrate the company's support for the subcontracting program and awarding contracts
- Attending or hosting small business conferences
- Conducting or arranging training for purchasing personnel regarding the intent and impact of Section 8(d) of the Small Business Act on purchasing procedures
- Locating small businesses from various sources and organizations
- Establishing, maintaining and using subcontracting plan source lists, guides, and other data for soliciting subcontracts

## Appendix B: Resumes

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IEM is pleased to provide detailed resumes on the following pages for the key personnel listed here:

- Don Griffith, Program Manager
- Meghan Aminto, Project Manager/Lead Planner
- John Chung, Senior Planner/Public Health SME
- Krista Houk, Senior Planner/Hazard Mitigation SME
- Gavin Smith, Local Disaster Recovery Subject Matter Expert
- Camille Hesterberg, Documentation Support
- Clifton Coles, Technical Editor
- Kelsey Rohwer, Graphic Designer



## ACCOMPLISHMENTS

- **14 years of emergency management and homeland security experience**, including 10 years of experience managing projects related to preparedness, response, and recovery.
- **Served as Program Manager for development of three emergency actions plans (EAPs)** for Durham County, NC facilities.
- **Managed aerial data collection related to Fayetteville Public Works Commission (PWC) facilities** and property for post-storm damage assessment from Hurricane Matthew.
- **Served as Program Manager for Emergency Operations Center (EOC) functional assessment, EOC operations plan, and rules and regulations projects** for the Raleigh-Durham International Airport (RDU).
- **Deployed to New York in support of Hurricane Sandy.** Served as Project Manager and Logistics Branch Chief for IEM subcontract support to NY Department of Homeland Security and Emergency Services (DHSES) in mitigation planning, public assistance (PA), housing insurance estimations, and hazard mitigation grant program (HMGP)..

### Years of Experience

**14**

### Areas of Expertise

Project Management  
Hazard Vulnerability Analysis (HVA)  
Disaster Response  
Disaster Preparedness  
Emergency Management and Planning

## RELEVANT EXPERIENCE

### IEM, Morrisville, NC

#### Manager of Disaster Response Programs, 2008-present

- Deployed 39 disaster air response experts to all airports in the U.S. Virgin Islands and Puerto Rico in response to Hurricanes Irma and Maria. Directly supported FEMA and the territories in their response and recovery from two Category 5 hurricanes.
- Served as Program Manager to assist Raleigh Durham airport in building a comprehensive emergency management program. Oversaw conduct of exercise planning team and observers for two Federal Aviation Regulation Part 139 triennial (full-scale) exercises and five tabletop exercises (TTXs); RDU EOC functional assessment; development of operations plan. Oversaw efforts to consolidate and write governing rules, regulations, and procedures for RDU, documenting how it operates with various stakeholders.
- Managed aerial data collection related to PWC facilities and property for post-storm damage assessment from Hurricane Matthew, using two unmanned aircraft systems (UAS) teams.
- Served as Project Manager for HazMat studies of 15 counties and their vulnerabilities.
- Served as Project Manager for development of three EAPs for County high-value facilities.

- Served as Project Manager for a hazardous facilities study that resulted in a county-wide GIS map showing at-risk facilities and their proximity to adjacent communities.
- Provided subcontractor support to a prime conducting NC DOT freight studies.
- Served as Project Manager and Logistics Branch Chief for New York in support of mitigation planning, public assistance (PA), housing insurance estimations, and hazard mitigation grant program (HMGP). Managed deployment over more than 150 contract personnel at eight different locations.
- Served as Project Manager supporting the FEMA logistics response to declared disasters; responsible for deploying strike teams to incident staging bases to register and track containers.
- Served as Air Operations Expert in Baton Rouge's Joint Field Office (JFO) for Hurricanes Gustav and Ike.

## U.S. Air Force

Chief, Air Mobility Liaison Officer (AMLO) Director, Assistant Director of Operations (ADO), Readiness Flight Commander, 2002–2008

- Served as primary point of contact for all aviation-related issues in the 82nd Airborne Division's EOC during activations for more than three years.
- Deployed with the 82nd Airborne Division to New Orleans in support of relief operations immediately following Hurricane Katrina.
- Coordinated logistical requirements for TRANSCOM to deploy the 82nd Airborne Division to Louisiana for Hurricane Katrina.
- Coordinated directly with the U.N.'s World Food Programme and U.S. Agency for International Development for the delivery of medical and relief supplies to displaced people in Indonesia.

## EDUCATION

M.A., Emergency Management and Disaster Preparedness, American Military University, 2010 (Honors)

B.A., Psychology, University of Central Florida, 1988

Air Force Reserve Officers' Training Corps (ROTC), 1988 (Distinguished Graduate)

## CERTIFICATION AND TRAINING

Project Management Professional seminar (36 hours)

Airfield Feasibility Assessment

Drop Zone Controller (DZC)/Safety Officer (DZSO)/Landing Zone Safety Officer (LZSO)

Force Protection Level I

Joint Operation Planning and Execution System (JOPES) for Action Officers

JOPES for Support Personnel

Aircraft Load Planners Course

Naval Flight Officer Instructor

U.S. Navy Academic Instructors Course



## ACCOMPLISHMENTS

- **More than 13 years of professional experience** focused on emergency management, urban planning and development, and disaster mitigation and recovery.
- **Served as Lead Emergency Planner for multiple recovery plans for the County of San Diego**, including regional plans for reunification, financial donations management, and commodities donations management.
- **Served as Lead Emergency Planner** for development of Emergency Action Plans (EAPs) and an EAP template for facilities in Durham County, NC.
- **Served as Technical Lead for a strategic planning project** for a six-country government entity in the Middle East; oversaw development of a multi-country hazard analysis, capability assessment, and mitigation recommendation process in development of a five-year strategic plan and implementation program for establishment of an Emergency Management Coordination Center.
- **Developed an Emergency Operations Center (EOC) training program for Raleigh Durham International Airport (RDU)**, including development of instructor, student, and supplemental training materials.
- **Supported development of FEMA's Community Planning and Capacity Building Recovery Support Function** as a Program Specialist, and managed development of post-disaster tools and resources for local governments.
- **Served as graduate research staff for post-disaster recovery and hazard mitigation planning research** funded by the U.S. Department of Homeland Security (DHS), FEMA, and the National Science Foundation.

### Years of Experience

13

### Areas of Expertise

Pre- and Post-Disaster Recovery Planning  
Hazard Mitigation Planning  
Emergency Management and Emergency Planning  
Land-Use Planning  
Risk Assessment  
Strategic Planning  
Continuity of Operations (COOP) Planning

## RELEVANT EXPERIENCE

### IEM

Emergency Management Associate, March 2014-present

- Served as Lead Emergency Planner for development of Emergency Action Plans for Durham County, NC, including development of an EAP template based on best practices and federal standards.
- Served as Lead Planner for San Diego County's Financial Donations Management Plan; conducted 40 one-on-one stakeholder interviews with local and regional

representatives, developed draft plan and appendices, and supported stakeholder meetings and related tabletop discussions.

- Served as Project Manager and Technical Lead overseeing an international preparedness project for a six-country region in the Middle East to establish a regional Emergency Management Center. Oversaw development of a risk and vulnerability assessment, mitigation recommendations, a five-year strategic plan and implementation guidance, emergency operations plan, standard operating guidelines, and EOC position checklists.
- Provided research, analytical, and writing support to FEMA for development and updating of its Comprehensive Preparedness Guide (CPG), including guidance for Access and Re-entry, Improvised Explosive Devices, Strategic-Level Planning, Incident Action Planning, Emergency Operation Centers, and Situational Awareness.

## **FEMA, Washington, DC**

### **Community Planning and Capacity Building Program Specialist, June 2013-March 2014**

- Coordinated with federal supporting agencies and non-governmental Recovery Support Function partners to develop tools and resources to support post-disaster planning for local governments including guidebooks, best practices, and case study examples.
- Managed implementation of Hurricane Sandy Task Force recommendations assigned to the national Community Planning and Capacity Building Recovery Support Function.
- Managed development of a national peer-to-peer program to share lessons learned for post-disaster recovery management among local government staff.

## **UNC Institute for the Environment & Coastal Hazards Center, Chapel Hill, NC**

### **Graduate Research Assistant, 2011-2013**

- Evaluated 80 local plans, including post-disaster recovery plans, comprehensive emergency management plans, and comprehensive plans, to identify strategies and best practices for post-disaster recovery.
- Evaluated 60 research studies to compile a list of relevant long-term recovery indicators, or progress evaluation metrics, present in local plans.
- Analyzed more than 100 local hazard mitigation plans in coastal jurisdictions to compile land-use-related hazard mitigation actions and identify example best-practices.
- Distributed more than 300 web-based surveys for emergency management staff in 175 coastal jurisdictions to determine progress of hazard mitigation plan implementation.
- Co-authored “Adaptive planning for disaster recovery and resiliency: An evaluation of 87 local recovery plans in eight states” published in *Journal of the American Planning Association*.

## **ICF International, Washington, DC**

### **Associate, 2005-2011**

- Developed resources and provided program support to international energy efficiency initiatives of the U.S. Environmental Protection Agency, U.S. Agency for International



Development, the U.S. Department of State, U.S. Green Building Council (USGBC), and private companies.

## **EDUCATION**

M.S., City and Regional Planning, Land-Use and Environmental Planning, University of North Carolina at Chapel Hill, 2013

B.S., Foreign Service, Environmental Science, Georgetown University, 2004

## **CERTIFICATION AND TRAINING**

ICS-100: Introduction to the Incident Command System (ICS)

ICS-200: ICS for Single Resources and Initial Action Incidents

IS-120.a: An Introduction to Exercises

IS-230d: Fundamentals of Emergency Management

IS-235b: Emergency Planning

IS-240b: Leadership and Influence

IS-241b: Decision Making and Problem Solving

IS-242b: Effective Communication

IS-244b: Developing and Managing Volunteers

IS-700: National Incident Management System (NIMS): An Introduction

IS-701a: NIMS Multi-Agency Coordination System

IS-703a: NIMS Resource Management

IS-775: EOC Management and Operations

IS-800.b: National Response Framework, An Introduction





### ACCOMPLISHMENTS

- **15 years of experience** in medical and urgent care with expertise in disaster recovery and public health planning.
- **Served as on-site Project Lead for development of detailed Long Term Recovery Plan** for Los Angeles County Office of Emergency Management (OEM), supporting Phase I and II.
- **Supported stakeholder engagement for development of Regional Recovery Guidance for Emergency Planners** for Los Angeles, Riverside, San Bernardino, Ventura, and Orange Counties.
- **Certified Master Exercise Practitioner (MEP)** and Professional Continuity Practitioner (PCP) by FEMA; is a Physician Assistant (Certified) (PA-C).
- **Served as CERT Team Triage Leader in the Operation Sunrise Full-Scale Exercise** sponsored by the Ventura County Health Department, a Surge (CERT) exercise with ICS/triage/moulage in a mass casualty scenario with multiple agencies, organizations, volunteers, and first responders.

### Years of Experience

15

### Areas of Expertise

Recovery Planning  
Public Health and Medical Planning  
Hospital Disaster Planning  
Homeland Security Exercise and Evaluation Program (HSEEP)  
Mass Fatality Planning  
Regional Catastrophic Planning  
Mass Care, Reception, and Evacuation Planning  
Emergent Disease Planning  
Occupational Medicine Physician Assistant

### RELEVANT EXPERIENCE

#### IEM

##### Emergency Planner, January 2016-present

- Served as on-site Project Lead for recovery planning support to the Los Angeles County Office of Emergency Management, supporting Phase I and II of an envisioned three-phase comprehensive recovery planning effort for the County. This included the research and development of a new Operational Area (OA) Recovery Framework, OA Recovery Plan, and templates for government and non-government entities. Supported RSF Work Group members representing social services, environmental health, mental health, housing, infrastructure, community planning & capacity building, natural & cultural resources, and economic.
- Supported development of regional plans for San Diego County, CA, to support commodities management and financial donations management by conducting stakeholder interviews to gather critical planning information.

## **Los Angeles County Department of Public Health (DPH)**

### **Coordinator/Senior Disaster Analyst, 2009-2014**

- Participated in the dual role of County Public Health and County EMS Agency planning representative to the LAOA Critical Incident Planning and Training “Alliance.” Alliance activities included development of mass evacuation, mass care and sheltering, mass reception, and regional recovery guidance for emergency planners.
- Served as Lead Exercise Evaluator at the Ventura County Operation Medical Shelter Full-Scale Exercise. Trained a team of eight Exercise Evaluators on-site preparation, evaluation criteria, and exercise objectives, along with formulation and collection of exercise evaluation checklists using FEMA HSEEP guidelines.
- Participated with the LAOA “Alliance” Regional Catastrophic Planning Team (RCPT) in the review of the original draft Los Angeles County Recovery Annex/Plan in 2014. Served as guest speaker on disaster recovery at L.A. County OEM at the monthly Access and Functional Needs Committee meeting. Facilitated and incorporated review of comments by Operational Area Access and Functional Needs (AFN) Committee stakeholders in the 2013 update to the L.A. County OEM Recovery Plan draft on behalf of the Alliance and County OEM.
- Coordinated planning efforts with the DPH Policy and Planning Unit, neighboring jurisdictions, state and federal agencies, non-governmental agencies, and community organizations both within and outside the health and medical sectors. Served as guest panelist representing the Alliance at the Los Angeles Operational Area Mass Shelter Seminar (sponsored by the L.A. County Department of Public Social Services). As one of four featured panelists, presented the RCPGP (“Alliance Group”) mass care planning template that resulted from months of collaborative planning by 37 agencies across L.A., Ventura, Orange, Riverside, and San Bernardino Counties.

## **EDUCATION**

A.A.S., Physician Assistant Studies, Albany Medical College/Hudson Valley College, 1997

B.S., Health Science, California State University Northridge, 1985

## **CERTIFICATION AND TRAINING**

FEMA Professional Continuity Planner (PCP), 2015

FEMA Master Exercise Practitioner (MEP), 2013

Certified Physician Assistant (PA-C)

Certified Radiologic Technologist

First Responder Operations Hazardous Materials (FRO), Pro-Board NFPA 472 Cert. #178465

Hospital Mass Casualty DECON 16-hour course

## ACCOMPLISHMENTS

- **16 years of experience in emergency management**, with eight years serving as an emergency manager at the local level.
- **Served as Project Manager for a multi-phase recovery planning project** supporting the development of the Los Angeles Operational Area Recovery Plan from 2016-2017.
- **Served as Project Manager for development of recovery plans** for the County of San Diego, including Reunification Plan, Financial Donations Management Plan, and Commodities Management Plan to coordinate regional response and recovery actions.
- **Former Emergency Services Manager for the City and County of San Francisco, California**; managed \$5 million in federal grant programs; coordinated city-wide emergency logistics functions under the National Incident Management System (NIMS) with over 65 departments and 27,000 employees. Coordinated the city's Resiliency and Recovery Planning Committee and managed the 2009 update of the CCSF Hazard Mitigation Plan.
- **Implemented a Community Emergency Response Team (CERT) training program** in Madison County, Ohio, training 800 residents in three years.

### Years of Experience

16

### Areas of Expertise

Emergency Planning  
Risk Assessment  
Threat and Hazard Identification and Risk Assessments (THIRAs)  
Disaster Response and Recovery  
Project Management  
Training and Exercise Development  
EOC Operations  
Strategic Planning

## RELEVANT EXPERIENCE

### IEM

#### Senior Emergency Planner, 2014-present

- Served as Project Manager for development of the County of San Diego's Reunification Plan, Financial Donations Management Plan, and Commodities Management Plan to coordinate regional response and recovery actions.
- Developed the Emergency Operations Plan and Position Checklists for the Raleigh-Durham International Airport (RDU) EOC and developed accompanying training program for airport staff.
- Currently serving as Project Manager for Franklin County (OH) Emergency Management and Homeland Security for the development of the Central Region Mass Fatality Plan, regional risk assessment, regional capability assessment, and gap analysis.
- Serves as Project Manager for the Airport Cooperative Research Program (ACRP) research project to identify best practices and develop guidance for emergency communications for persons with disabilities and non-English speakers.

## **Armada, Ltd.**

### **Senior Consultant, 2010-2014**

- Managed a three-year project to develop and implement the Franklin County Regional Training and Exercise Strategy. Worked with emergency management directors from the Columbus, Ohio Metropolitan Statistical Area, using the Department of Homeland Security Strategic Planning Process, and coordinating a multi-disciplinary working group.

## **City and County of San Francisco**

### **Emergency Services Manager, 2008-2010**

- Supervised 12 staff, managed \$5 million in federal grant programs, and participated in the budget-making process for the entire Department. Implemented a comprehensive EOC training program for the City and County of San Francisco, and served as the EOC Manager for the City's EOC during exercises, incidents, and events.

## **Madison County (KY) Emergency Management Agency**

### **Director, 2002-2008**

- Directed emergency response during disasters and other emergency situations in accordance with approved plans. Prepared and coordinated disaster assistance applications for multiple declared disasters. Managed more than \$800,000 in state and federal grant funding. Applied for grants to fund agency programs and to maintain and expand emergency preparedness.

## **EDUCATION**

M.S., Public Administration and Community Development, Illinois State University, 2003

B.A., Organizational Communications and Business, Juniata College, 1996

## **CERTIFICATION AND TRAINING**

ICS-100: Introduction to Incident Command System

ICS-200: ICS for Single Resources and Initial Action Incidents

ICS-703: NIMS Resource Management

G775/IS775: Emergency Operations Center Management and Operations

G191: Incident Command System/Emergency Operations Center Interface

G250.7: Rapid Assessment Workshop

G270.4: Recovery from Disaster, the Local Government Role

G393: Mitigation for Emergency Managers

G110: Emergency Management Operations Course for Local Governments

G408: Homeland Security Planning for Local Governments

G146: Homeland Security Exercise and Evaluation Program (HSEEP)

MGT-346: Emergency Operations Center (EOC) Operations and Planning for All Hazards

MGT-310: Threat and Risk Assessment

MGT-312: Senior Officials Workshop for All-Hazards Preparedness

MGT-314: Enhanced All-Hazards Incident Management/Unified Command

MGT-315: Enhanced Threat and Risk Assessment

## ACCOMPLISHMENTS

- **Director of the Department of Homeland Security's Coastal Resilience Center of Excellence**, a consortium of universities located across the country.
- **Research Professor in the Department of City and Regional Planning** at the University of North Carolina at Chapel Hill and leads the 10-hour Graduate Certificate Program in Natural Hazards Resilience.
- **Appointed as a Senior Recovery Advisor to Governor Cooper and the North Carolina Division of Emergency Management following Hurricane Matthew** to advise the state on disaster recovery policy, assist communities in developing disaster recovery plans, and link the resources of the University of North Carolina system with unmet state and local needs.
- **Wrote policy guidance associated with the 400 million-dollar Alternative Housing Pilot Program**, an initiative intended to test the construction and deployment of improved emergency housing alternatives following Hurricane Katrina.
- **Served as the Assistant Director for Hazard Mitigation in the State of North Carolina** and administered mitigation and disaster recovery grant funds in excess of 1.5 billion dollars associated with 10 Presidential disaster declarations. Much of these funds were used to acquire and relocate or elevate over 5,000 and 500 homes respectively.
- **Served as an advisor to Governor Hunt on policies and programs associated with long-term recovery in North Carolina following Hurricane Floyd**, leading to the development of 22 state programs (totaling 836 million dollars) that addressed local needs not met by federal assistance, including the development of the State's nationally recognized floodplain mapping initiative.

## Years of Experience

**30+**

## Areas of Expertise

Disaster Recovery and Resiliency  
Hazard Mitigation  
Land Use Planning  
Emergency Management  
Disaster Response  
Federal Recovery Policy

## RELEVANT EXPERIENCE

### North Carolina Division of Emergency Management & Office of the Governor

Senior Disaster Recovery Advisor/Chief of Hurricane Matthew Disaster Recovery and Resilience Initiative, January 2017-present

- Advises the Governor and senior staff in the North Carolina Division of Emergency Management on a range of disaster recovery issues and lead the development of local disaster recovery plans in six hard-hit communities with modest to low capacity.
- Provides advisory services including assisting in the identification of local needs, describing state staffing and policy options spanning recovery programs, developing state programs, creating state legislative and congressional appropriation requests.

- Coordinates the recovery activities of the University of North Carolina System to include linking research and engagement efforts with identified state and local needs.

### **Coastal Resilience Center of Excellence at University of North Carolina at Chapel Hill**

**Director. U.S. Department of Homeland Security Coastal Resilience Center of Excellence (formerly the Coastal Hazards Center), June 2008-present**

- Leads multi-disciplinary center. Emphasis is placed on managing more than 28 universities located across the United States, fostering partnerships between practitioners, researchers, and educators, translating findings to practice, and creating the next generation of hazards scholars and policymakers.
- Leads a 10-hour Graduate Certificate in Natural Hazards Resilience.
- Served as Primary Investigator for a six-year study focused on assessing the quality of state and local hazard mitigation plans and the effects of gubernatorial leadership and state agency capacity on the disaster recovery process.
- Videotaped interviews conducted with governors and state officials served as part of the research design as well as part of an educational process intended for use by states facing future disasters.
- Participated in a number of federal and state committees and regularly advising nations, states, FEMA, EPA, Sea Grant and other organizations charged with a range of disaster-related policy issues.

### **University of North Carolina at Chapel Hill, Department of City and Regional Planning**

**Associate Research Professor, June 2008- present**

- Teaches the following courses: Planning for Natural Hazards and Climate Change Adaptation, Survey of Natural Hazards and Disasters, Natural Hazards Resilience Speaker Series, and special topics. Advises master's and Ph.D. candidates.
- Completed the text *Planning for Post-Disaster Recovery: A Review of the United States Disaster Assistance Framework* (Island Press 2011) and more recently co-edited the volume *Adapting to Climate Change: Lessons from Natural Hazards Planning* (Springer 2014).
- Served as a guest lecturer in a course titled Creating Resilient Cities at Harvard University's Graduate School of Design.
- Served as a guest lecturer at the University of Hawaii at Manoa and taught classes focused on disaster recovery as part of the National Disaster Preparedness Training Center and the UNC Department of City and Regional Planning's Certificate Program in Disaster Management and Humanitarian Assistance.

### **Post, Buckley, Schuh, and Jernigan**

**Principal Professional, August 2006-May 2008**

- Provided high level policy counsel to governors, federal agencies, corporations, universities, and nations regarding disaster recovery and hazard mitigation practice.



## Mississippi Governor's Office of Recovery and Renewal

Executive Director, January 2006-January 2007

- Served as the Director of the Governor's Office of Recovery and Renewal, a legislatively-appointed position, following Hurricane Katrina.
- Focused on identifying federal, state, non-profit, foundation, and corporate financial assistance; providing policy counsel to the Governor, his staff and cabinet members, state agency officials, non-profits, and other organization regarding recovery policy formulation and implementation; assisting in the identification of appropriate organizations responsible for the implementation of the policy recommendations found in the "Governor's Commission Report: After Katrina Building Back Better Than Ever," and the development of education, outreach, and training initiatives associated with long-term disaster recovery.
- Helped develop the concept and wrote policy guidance associated with the \$400,000,000 Alternative Housing Pilot Program, a Congressionally-appropriated initiative intended to test the construction and deployment of improved emergency housing alternatives following Hurricane Katrina in Alabama, Mississippi, and Louisiana.

## EDUCATION

Doctor of Philosophy in Urban and Regional Planning, Texas A&M University

M.S. in Sociology, Texas A&M University

B.S. in Sociology, Texas A&M University

## CERTIFICATION AND TRAINING

American Institute of Certified Planners. American Planning Association. Chicago, Illinois. 2002 to present.

Group and Meeting Facilitation. Orange County Dispute Settlement Center (40-hour course). June 1996.

Mediation. A.A. White Dispute Resolution Institute (40-hour course). University of Houston, College of Business Administration. April, 1995.

### Training

Regional and State Mitigation Planning Workshop. FEMA Region IV, Atlanta. April, 2002.

Hazard Mitigation Workshop. Emergency Management Institute, Emmitsburg, Maryland. July 1997.

Managing Flood Plain Development Through the NFIP. Emergency Management Institute, Emmitsburg, Maryland. September, 1996.



## ACCOMPLISHMENTS

- **More than 10 years of experience in roles that require exceptional communications skills** in a variety of mediums, including written, verbal, and digital dissemination of information.
- **Excels at translating complex, nuanced topics to lay language** to reach a broader, more diverse audience.
- **Creates and implements campaigns using low-cost, digital strategies;** includes launching and managing minisites to optimize public reach. Trained in Google Analytics.

## Years of Experience

10

## Areas of Expertise

Writing  
Communications  
Community Outreach  
Public Outreach  
Marketing  
Branding  
Social Media  
Digital Analytics

## RELEVANT EXPERIENCE

### IEM

#### Communications Specialist/Writer, 2016-present

- Writes content for corporate website, marketing materials, and other public-facing mediums.
- Writes copy for press releases and distributes them to the media and across digital platforms.
- Designs and creates a variety of communication mediums, including visual content, videos, infographics, flyers and posters, and story-telling and narratives.
- Directs the communications process for both internal and external efforts.
- Manages social media and digital presence; responsibilities include curating content, evaluating performance, and building and implementing campaigns.
- Provides coaching for presentations and other public speaking events where IEM employees represent the company and the brand.

### Self-Employed, Budapest, Hungary

#### Independent Consultant, 2014-2016

- Provided research, proofreading, and editing services for theses/dissertations, articles, and academic book chapters.

### Center for Policy Studies, Central European University, Budapest, Hungary

#### Student Researcher, 2014-2015

- Conducted literature review of relevant legislation and policy documents regarding the Europe 2020 framework, a 10-year European Commission strategy developed under the European Union (EU). Developed a report that translated technical policy language into lay language regarding housing policy within the EU 2020 framework.

## **Eliada Homes**

### **Administrative Assistant, 2012-2014**

- Prepared internal messaging and guided internal communications between otherwise disconnected departments and employees.
- Acted as liaison between senior leadership, direct care staff, interns, students (clients), and the public for a child care and mental health services non-profit.
- Supported the Foundation/Development department in their communications and fundraising efforts.
- Provided new hire training and administrative support.

## **EDUCATION**

Master of Public Policy, Central European University, 2015

B.A., Global Studies, Appalachian State University, 2011

## ACCOMPLISHMENTS

- **More than 20 years of professional editing and writing experience.**
- **Provides editorial leadership and performs document quality assurance** by reviewing and editing incoming and outgoing documentation materials for accuracy, consistency, repeatability, and detail.
- **Experience editing evacuation plans** for the District of Columbia Homeland Security and Emergency Management Agency (DC HSEMA).
- **Edited documents for an evacuation and mass care and shelter full-scale exercise (FSE)** for Prince George's County, MD.
- **Serves as a Rehabilitation Act of 1973 Section 508-Compliance Subject Matter Expert (SME)** for a Federal Emergency Management Agency (FEMA) project.

### Years of Experience

**20+**

### Areas of Expertise

Document Quality Assurance  
Editorial Leadership  
Writing and Editing  
Media Relations  
Section 508 Compliance

## RELEVANT EXPERIENCE

### IEM

Technical Writer/Editor, 2011-present, 1998-2000

#### District of Columbia Projects

- Edited reports, guides and materials for numbers DC projects including: District Law Enforcement ESF 13 Operational Plan, District Terrorism Response Plan, District Terrorism Guide, District Prevention-Protection Plan, District Preparedness System Planning Portal Policy, DC HSEMA Position Guide, District Evacuation Plan, District Mitigation Plan, District Preparedness Framework, Gap Analysis and Needs Assessment Report, HSEMA Risk Vulnerability Survey, Information Collection and Coordination Center Operational Guidance, District Recovery Plan, District Response Plan, District Preparedness System Community Risk Assessment, and DPS Site User Guide.

#### Regional Catastrophic Preparedness Grant Program (RCPGP)

- Served as Technical Editor for IEM's support of Emergency Data Exchange Language-Resource Messaging (EDXL-RM) Research and Evaluation for the Regional Logistics Program (RLP).
- Served as Technical Editor for IEM's support of the RLP Field Asset Tracking Analysis.
- Provides technical edits for the Regional Risk Assessment Report on risk assessments from public health departments in 30 counties within the NY-NJ-CT-PA MSA, and compiles a report used to help prioritize regional risks by identifying the probability of hazard occurrence and severity.

### **Hazmat-Related Projects**

- Edited reports and materials for numerous HazMat-related projects, including: Maine Emergency Management Agency 2015 Commodity Flow Study of Hazardous Materials, Dallas Area Rapid Transit (DART) 2015 Tabletop Exercise (TTX) documents, Risk Assessments for Cumberland, Johnston, Mecklenburg, and Union Counties, NC, Edgewood Chemical Biological Center Fiscal Year 2013 Annual Command History/Summary, and Chemical Stockpile Emergency Preparedness Program Fiscal Year 2013 Report to Congress.

### **Chemical Stockpile Emergency Preparedness Program (CSEPP)**

- Co-authored 10-step, seven-volume guide for emergency personnel at Anniston Chemical Activity in Alabama, emphasizing understandable language for quick response.

### **National Emergency Management Association/Emergency Management Assistance Compact**

- Edited and produced all materials for a conference TTX, provided logistical support for the conference, and participated in conference TTX development.

### **Grants Management Technical Assistance Program**

- Provided editorial support for technical assistance delivery at three locations, including editing and compiling workbooks, guides, and other materials on short notice.

### **Danya International, Inc.**

#### **Senior Editor, 2006-2011**

- Managed editorial production of 10 to 12 newsletters and publications annually for the U.S. Department of Housing and Urban Development (HUD) Office of University Partnerships.

### **Exceed Corporation**

#### **Technical Writer/Editor, Senior Research Associate, 2005-2006**

- Edited, wrote, and conducted research in support of contracts for the Job Corps national office and NIH.
- Redesigned the Job Corps' 960-page policy and requirements handbook, addressing font, pagination, and editorial issues and updated online and print versions of the Job Corps' policy and requirements handbook, program management guide, and directory contact information.

## **EDUCATION**

M.F.A., Creative Writing, Louisiana State University, 1991

B.A., English, Pennsylvania State University, 1988



## ACCOMPLISHMENTS

- **13 years of experience designing, formatting, and producing artwork for inclusion in publications, reports, or other projects;** creates visual representations of complex information to aid understanding, transforming numerous charts, graphs, maps, and concepts into clear, informative, and appealing graphics.
- **Supported D.C. Homeland Security and Emergency Management Agency (HSEMA),** providing graphic support for shelter assessment and mass care plans.
- **Strong working knowledge of FEMA's publishing environment and style standards** and Government Printing Office (GPO) printing regulations and processes for submission of camera-ready art in electronic formats.
- **Primary Graphic Designer for IEM's development of the Intermodal Freight Guide** for the NY-NJ-CT-PA Regional Catastrophic Planning Team (RCPT)/Regional Logistics Program (RLP); responsible for the overall layout and style formatting; designed the cover montage and the custom graphics produced by IEM.
- **Has extensive experience creating interactive Flash projects** for training and informational purposes.
- Produced visual designs and artwork in support of the Federal Emergency Management Agency (FEMA)'s Response Planning efforts.
- **Designed and created an evacuation guidance brochure** for distribution to troops and civilians on Pelham Range; the brochure included a single-page folded handout with evacuation maps, tables, and general information.

## YEARS OF EXPERIENCE

**13**

## AREAS OF EXPERTISE

Graphic Design  
Information Design  
Publication Layout and Style  
Formatting  
Adobe InDesign  
Multimedia

## RELEVANT EXPERIENCE

### IEM

Graphic Designer, 2005-present

### Publication and Information Design

- Designed and laid out the New York City (NYC) Public Health Disaster Handbook for the NYC Department of Health and Mental Hygiene (DOHMH); applied simple and readable style to tables within the document, used color coded sections, and provided shortcut links and clickable maps.

- Serves as Primary Graphic Designer for IEM's development of the Intermodal Freight Guide for the NY-NJ-CT-PA RCPT/RLP; responsible for the overall layout and style formatting; designed the cover montage and the custom graphics produced by IEM.
- Serves as Lead Graphic Designer for an RLP project to use EDXL-RM to pass messages between incident management systems; provides feedback for graphics improvements.
- Serves as Graphic Designer for IEM's support of the RLP Field Asset Tracking Analysis.
- Produced visual designs and artwork in support of FEMA Response Planning efforts, including the U.S. Virgin Islands Tsunami/Earthquake Annex, the Region V All-Hazards Plan, and the Oil/Chemical Incident Annex to the Response FIOP.
- Designed flyers and PowerPoint templates in support of the North Carolina Hazardous Materials Study for NCEM's Information and Plans Section; the designs emphasized clarity and maintained a unified theme for the project.
- Designed and created an evacuation guidance brochure for distribution to troops and civilians on Pelham Range; the brochure included a single-page folded handout with evacuation maps, tables, and general information.

#### Graphic Design

- Converts data in the form of flow charts, bar graphs, maps, quotes, and text boxes into clear, informative, and appealing graphics that blends harmoniously with the style and color palette of reports. Modifies maps to maximize the readability of pertinent areas.

#### Multimedia Graphics

- Acted as Primary Designer for story-based, interactive Flash training tool for the Maneuver Support Center of Excellence (MSCoE) at Fort Leonard Wood, Missouri; formatted diverse maps, tables, photos, and diagrams to conform to a unified style, and modified the initial multiple-choice question style to incorporate the client's need for more complex question types.
- Worked as Primary Flash Developer and Designer for the Flash version of a training website for FEMA's Chemical Stockpile Emergency Preparedness Program (CSEPP).
- Created an interactive training environment by combining video of actors, 3D rendered backgrounds, interactive rollover buttons, and standard multiple-choice questions.
- Developed storyboards for video shoots and detailed backgrounds for the 3D artist to use as reference; assisted in directing video shoots.

#### Louisiana State University

Web Design Intern, 2002-2005

Graphic Design Intern, 2004

- Used Macromedia Flash to design and construct the interface for the LSU Graduate School Catalogue.
- Created a Flash trivia game for an LSU recruiting CD; made e-greeting cards, wallpapers, short Flash movies, and logos for the LSU website.
- Designed the cover and interior images for the Human Resources interview guide.



- Designed a brochure and catalog cover for Southern Louisiana Community College.

## **EDUCATION**

B.F.A., Graphic Design, Louisiana State University, 2005



## Appendix C: Financial Statements

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On the following pages, IEM has provided its audited financial statements for the most recent three years for which these statements are available.



**INNOVATIVE EMERGENCY  
MANAGEMENT, INC.**

**Financial Statements**

**December 31, 2017 and 2016**

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

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**Hughes Pittman & Gupton, LLP**

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[www.hpg.com](http://www.hpg.com)

## **Independent Auditors' Report**

The Board of Directors and Stockholders  
Innovative Emergency Management, Inc.  
Morrisville, North Carolina

We have audited the accompanying financial statements of Innovative Emergency Management, Inc. (the "Company"), which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Innovative Emergency Management, Inc. as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Hughes Pittman & Duxton LLP*

Raleigh, North Carolina  
April 23, 2018





	<u>2017</u>	<u>2016</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable:		
Trade	\$ 28,120,602	\$ 5,920,784
Retainage, current portion	1,169,562	-
Accrued expenses	5,170,072	1,674,744
Billings in excess of costs and estimated earnings on uncompleted contracts	<u>1,065,146</u>	<u>931,700</u>
Total current liabilities	35,525,382	8,527,228
Deferred rent	27,961	26,639
Retainage payable, net of current portion	1,632,819	-
Other	<u>-</u>	<u>35,579</u>
Total liabilities	37,186,162	8,589,446
<b>Stockholders' equity</b>		
Common stock, no par value, 100,000 shares authorized; 12,500 issued and outstanding	1,000	1,000
Retained earnings	<u>30,818,896</u>	<u>10,196,182</u>
Total stockholders' equity	<u>30,819,896</u>	<u>10,197,182</u>
Total liabilities and stockholders' equity	<u>\$ 68,006,058</u>	<u>\$ 18,786,628</u>

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

## Statements of Operations

For the Years Ended December 31, 2017 and 2016

	<b>2017</b>	<b>2016</b>
Net revenue	\$ 124,456,767	\$ 36,298,041
Cost of revenue	87,753,625	23,602,037
Gross profit	36,703,142	12,696,004
Selling, general, and administrative expenses	16,086,966	16,337,447
Income (loss) from operations	20,616,176	(3,641,443)
Other income (expense):		
Interest and dividend income	7,620	18,543
Interest expense	(117)	(6,264)
Loss on disposal of assets	(1,702)	-
Gain on sale of available-for-sale securities	-	42,237
Other	737	(71)
Total other income, net	6,538	54,445
Net income (loss)	\$ 20,622,714	\$ (3,586,998)

See accompanying notes to financial statements

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

## Statements of Stockholders' Equity

For the Years Ended December 31, 2017 and 2016

	<b>Common Stock</b>		<b>Retained</b>	<b>Total</b>
	<b>Shares</b>	<b>Amount</b>	<b>Earnings</b>	<b>Stockholders' Equity</b>
Balance as of December 31, 2015	12,500	\$ 1,000	\$ 13,783,180	\$ 13,784,180
Net loss	-	-	(3,586,998)	(3,586,998)
Balance as of December 31, 2016	12,500	1,000	10,196,182	10,197,182
Net income	-	-	20,622,714	20,622,714
Balance as of December 31, 2017	12,500	\$ 1,000	\$ 30,818,896	\$ 30,819,896

*See accompanying notes to financial statements*

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

## Statements of Cash Flows

For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities</b>		
Net income (loss)	\$ 20,622,714	\$ (3,586,998)
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Depreciation and amortization	211,061	192,385
Loss on disposal of property and equipment	1,702	-
Gain on sale of available-for-sale securities	-	(42,237)
Allowance for doubtful accounts	915,000	(221,851)
Change in operating assets and liabilities:		
Accounts receivable - trade	(22,480,993)	9,573,204
Accounts receivable - retainage	(6,457,449)	-
Prepaid expenses and other assets	(1,044,622)	(88,488)
Accounts payable - trade	22,199,818	(958,016)
Accounts payable - retainage	2,802,381	-
Accrued expenses	3,495,328	(915,574)
Deferred rent	1,322	(18,580)
Lease liability	-	(13,511)
Costs and billings in excess	(24,451,141)	(1,707,729)
Other assets	(84,041)	1,969
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	(4,268,920)	2,214,574
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(654,325)	(225,988)
Costs of internally developed software	(1,055,379)	-
Proceeds from available-for-sale securities	-	270,316
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	(1,709,704)	44,328

See accompanying notes to financial statements

## INNOVATIVE EMERGENCY MANAGEMENT, INC.

### Statements of Cash Flows

For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Cash flows from financing activities</b>		
Payments received on direct financing lease	-	10,793
Net increase (decrease) in cash	(5,978,624)	2,269,695
<b>Cash as of beginning of year</b>	<u>11,780,911</u>	<u>9,511,216</u>
<b>Cash as of end of year</b>	<u>\$ 5,802,287</u>	<u>\$ 11,780,911</u>

*See accompanying notes to financial statements*

## **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

### **Notes to Financial Statements**

December 31, 2017 and 2016

#### **NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Nature of Business**

Innovative Emergency Management, Inc. (the “Company” or “IEM”) performs disaster and emergency planning, management, and consulting throughout the continental United States of America (“U.S.”) with a particular focus on domestic preparedness, homeland security, and planning for events involving weapons of mass destruction. Specific services provided by the Company include threat/risk analysis; vulnerability assessment; disaster recovery, exercises, and drills; modeling and simulation; process re-engineering; and information technology. The Company’s headquarters are located in Research Triangle Park, North Carolina, with branches in Baton Rouge, Louisiana; Bel Air, Maryland; Arlington, Virginia; Pueblo, Colorado; New York City, New York; Tallahassee, Florida; Houston, Texas; West Long Branch, New Jersey; and Richmond, Kentucky.

##### **Basis of Presentation and Use of Estimates**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the U.S., which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and disclosures of contingent assets and liabilities in the financial statements and accompanying notes. Actual results could differ from those estimates.

Contract accounting requires significant judgment relative to assessing risks, estimating contract revenue and costs, and making assumptions for schedule and technical issues. Due to the size and nature of many of the Company’s contracts, the estimation of total revenue and cost at completion requires the use of estimates. Contract costs include labor and subcontracting costs, as well as an allocation of allowable indirect costs. Assumptions have to be made regarding the length of time to complete the contract because costs also include an expected increase in wages. Estimates of total contract revenue and costs are continuously monitored during the term of the contract and are subject to revision as the contract progresses.

##### **Cash**

The Company maintains cash which consists principally of demand deposits with a high-credit quality financial institution. The Company has exposure to credit risk to the extent cash balances exceed amounts covered by the Federal Deposit Insurance Corporation. The Company believes that its credit risk is not significant.

## **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

### **Notes to Financial Statements**

December 31, 2017 and 2016

#### **NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **Accounts Receivable**

Accounts receivable-trade are stated at cost less an allowance for doubtful accounts. Accounts receivable are closely monitored during the year and all accounts considered to be uncollectible are written off. Accounts are considered past due based on their contractual terms. The Company established an allowance for doubtful accounts to ensure trade receivables are not overstated due to uncollectability. The Company writes off receivables as a charge to the allowance for doubtful accounts when it is probable that the receivable is worthless. Bad debt reserves are maintained for all customers based on a variety of factors, including the length of time receivables are past due, macroeconomic conditions, significant one-time events, and historical experience. As of December 31, 2017 and 2016, management recorded an allowance for doubtful accounts of approximately \$1,250,000 and \$335,000.

##### **Property and Equipment**

Property and equipment is stated at cost and depreciated over the estimated useful lives of the assets using the straight-line method of depreciation. Leasehold improvements are being amortized over the shorter of the term of the lease or the useful life of the improvements using the straight-line method. The costs of maintenance and repairs are expensed as incurred. Improvements and betterments that add new functionality or extend the useful life of the asset are capitalized.

##### **Intangible Assets**

Costs associated with the preliminary stages of developing intangible assets, including conceptual formulation and final selection of alternatives, are expensed as incurred. Costs associated with the application development stage of the project, including software configuration, coding, installation, and testing, are capitalized. Upon implementation, such capitalized costs will be amortized over the estimated useful life of the software. Post-implementation costs, such as training and application maintenance, are expensed as incurred.

##### **Impairment of Long-Lived Assets**

Long-lived assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for an amount by which the carrying amount of the asset exceeds the fair value of the asset.



## **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

### **Notes to Financial Statements**

December 31, 2017 and 2016

#### **NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **Contract Revenue and Cost Recognition**

Revenues from fixed-price contracts are recognized on the percentage-of-completion method, measured by the percentage of costs incurred to date to estimated total costs for each contract. This method is used because management considers expended costs to be the best available measure of progress on these contracts. Revenues from cost-plus-fee contracts are recognized on the basis of costs incurred during the period plus the fee earned, measured by the cost-to-cost method. The completion of a contract may be longer than one year in certain cases.

Revenues from time and material contracts are recognized based on the level of hours incurred at the appropriate contract billing rate plus other reimbursable contract costs incurred.

Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability, including those arising from contract penalty provisions and final contract settlements, may result in revisions to costs and income and are recognized in the period in which the revisions are determined. An amount equal to contract costs attributable to claims is included in revenues when realization is probable and the amount can be reliably estimated.

The asset, "costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed, which include recoverable costs and accrued profit not billed and is comprised principally of revenue recognized on contracts for which billings had not been presented to the contract owners because invoices had not been prepared as of year-end. Management anticipates that such unbilled accounts receivable at year-end will be billed within 90 days of the balance sheet date. The liability, "billings in excess of costs and estimated earnings on uncompleted contracts," represents billings in excess of revenues earned.

Retainage receivables from certain vendors and payables to certain subcontractors, are withheld from the agreed upon contract price to ensure that the obligations of the contract terms are satisfied. Amounts expected to be collected or paid in the next year are included in the current assets and liabilities of the balance sheets. Remaining amounts are included in non-current assets and liabilities.

##### **Leases**

The Company has entered into operating leases for the separate office locations. Certain leases stipulate rent increases over the life of the agreement. For scheduled rent escalation clauses during the lease terms, the Company records minimum rental expenses on a straight-line basis over the terms of the leases.

## INNOVATIVE EMERGENCY MANAGEMENT, INC.

### Notes to Financial Statements

December 31, 2017 and 2016

#### **NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

##### **Income Taxes**

The Company has elected to be taxed for federal and state income tax purposes under the provision of Section "S" of the Internal Revenue Code. Accordingly, federal income tax on the net income of the Company is a liability of the stockholder, and not of the Company, and is not reflected in the accompanying financial statements. State income tax is paid to certain states, depending on their tax laws.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. As of December 31, 2017, there are no known items which would result in a material accrual related to where the Company has state attributable tax positions.

#### **NOTE 2: COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS**

Information relating to contracts in progress as of December 31 is as follows:

	<u>2017</u>	<u>2016</u>
Costs incurred on uncompleted contracts	\$ 98,252,416	\$ 15,250,823
Estimated earnings	23,719,758	1,891,933
	121,972,174	17,142,756
Less billings to date	95,942,252	15,563,975
Total	<u>\$ 26,029,922</u>	<u>\$ 1,578,781</u>

The above information is included in the accompanying balance sheets under the following captions:

	<u>2017</u>	<u>2016</u>
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 27,095,068	\$ 2,510,481
Billings in excess of costs and estimated earnings on uncompleted contracts	(1,065,146)	(931,700)
Total	<u>\$ 26,029,922</u>	<u>\$ 1,578,781</u>

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

## Notes to Financial Statements

December 31, 2017 and 2016

### NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31:

	<b>Estimated Useful Lives (In Years)</b>	<b>2017</b>	<b>2016</b>
Computers and electronic equipment	2 - 7	\$ 1,777,607	\$ 1,201,745
Furniture and fixtures	7	234,706	234,706
Office equipment	2 - 7	76,924	74,526
Leasehold improvements	2 - 15	118,754	99,983
Total cost		2,207,991	1,610,960
Less accumulated depreciation and amortization		1,474,475	1,319,006
Property and equipment, net		<u>\$ 733,516</u>	<u>\$ 291,954</u>

### NOTE 4: INTANGIBLE ASSET

During 2017, the Company has incurred \$1,055,379 in costs related to internally developed software, which has been capitalized and recorded as an intangible asset in the balance sheets. As of December 31, 2017, the software had not been placed into service by the Company and, therefore, no amortization expense was recorded during 2017.

### NOTE 5: ACCRUED EXPENSES

Accrued expenses consist of the following as of December 31:

	<b>2017</b>	<b>2016</b>
Accrued salaries and related withholding taxes	\$ 1,348,319	\$ 680,234
Accrued holiday and vacation pay	1,238,019	871,110
Bonuses	2,583,734	123,400
Total	<u>\$ 5,170,072</u>	<u>\$ 1,674,744</u>

## **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

### **Notes to Financial Statements**

December 31, 2017 and 2016

#### **NOTE 6: LINE OF CREDIT**

The Company entered into a revolving line of credit with a financial institution, secured by the equipment and receivables of the Company. The line of credit is equal to the lesser of (1) \$10,000,000; or (2) a borrowing base, calculated as the sum of 90% of prime government receivables, 80% of commercial receivables, 85% of sub-contractor and other government receivables, and 50% of unbilled receivables (billable within 30 days, up to a maximum of \$2,000,000). No amounts were owed on the line of credit as of December 31, 2017 and 2016.

The bank may, from time to time, issue standby letters of credit for a term not to exceed one year unless extended with approval from the bank, provided however, that the aggregate drawn and undrawn amount of all understanding letters of credit shall not exceed \$2,500,000. Payment of interest at London Interbank Offered Rate plus an applicable rate between 1.5% and 2.0% (based on the ratio of funded debt to earnings before interest, taxes, depreciation, and amortization) on the outstanding balance is due monthly, with all principal and accrued interest due at maturity on January 31, 2019, as amended.

#### **NOTE 7: STOCKHOLDERS' EQUITY**

The Company has authorized the issuance of up to 100,000 shares of capital stock, of which 50,000 shares are designated as Class A Common Stock and 50,000 shares are designated as Class B Common Stock. The Class A and Class B Common Stock have no par value. The Company has 6,250 shares of Class A Common Stock and 6,250 shares of Class B Common Stock issued and outstanding.

The holder of each share of Class A Common Stock has the right to one vote for each such share. The holder of each share of Class B Common Stock does not have any voting rights.

#### **NOTE 8: CONCENTRATIONS**

Substantially all of the Company's revenue and accounts receivable are derived from contracts with the U.S. government or with commercial prime contractors doing business with the U.S. government. The Company has multiple independent contract relationships with several different prime contractors, to which the Company grants short-term credit in the ordinary course of business. There was one commercial prime contractors that accounted for 72% of revenue and 90% of accounts receivable as of and for the year ended December 31, 2017, and three commercial prime contractors that accounted for 51% of revenue and 32% of accounts receivable as of and for the year ended December 31, 2016.

## INNOVATIVE EMERGENCY MANAGEMENT, INC.

### Notes to Financial Statements

December 31, 2017 and 2016

#### NOTE 9: RETIREMENT PLAN

The Company has a 401(K) savings plan which covers substantially all employees after eligibility service requirements are met. The employee can contribute up to 100% of their salary, not to exceed applicable limits established by the Internal Revenue Service. The Company matches 50% of the employee's contribution, up to 6% of the employee's salary. The Company's matching contributions and expense totaled \$330,893 and \$229,489 for the years ended December 31, 2017 and 2016.

#### NOTE 10: OPERATING LEASES

The Company has entered into various operating leases for office space and office equipment.

During 2017, the Company extended various lease agreements for its facilities in Colorado (through June 2018), and Kentucky (through June 2018), and entered into new leases in Virginia (through June 2023) and Puerto Rico (through February 2019).

Future estimated minimum lease payments (net of future sublease payments) are as follows for the years ending December 31:

2018 .....	\$ 775,000
2019 .....	721,000
2020 .....	730,000
2021 .....	749,000
2022 .....	531,000
Thereafter.....	<u>114,000</u>
	<u>\$ 3,620,000</u>

Rental expense is recorded on a straight-line basis. Rental expense on all operating leases was approximately \$880,000 and \$820,000 for the years ended December 31, 2017 and 2016.

#### NOTE 11: CONTINGENCIES

A portion of all payments to the Company by the U.S. government on cost-plus-fee contracts are provisional payments, which are subject to adjustment upon audit by the Defense Contract Audit Agency ("DCAA"). For the years ended December 31, 2017 and 2016, contracts under cost-plus-fee contracts accounted for approximately 3% and 12% of the Company's net sales. DCAA audits through the year ended December 31, 2016, have been completed and there were no adjustments. Management anticipates no material adjustment from future audits.

## **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

### Notes to Financial Statements

December 31, 2017 and 2016

#### **NOTE 12: SUBSEQUENT EVENTS**

On February 15, 2018, the Company organized IEM Puerto Rico LLC in the U.S. territory of Puerto Rico, as a wholly owned subsidiary of IEM. On March 1, 2018, the Company organized IEM Virgin Islands, LLC in the U.S. territory of the Virgin Islands, as a wholly owned subsidiary of IEM. Both of these entities were organized to establish a presence in these U.S. territories for potential future disaster recovery contract work.

The Company has evaluated subsequent events through April 23, 2018, the date these financial statements were available for issuance.

**INNOVATIVE EMERGENCY  
MANAGEMENT, INC.**

**Financial Statements**

**December 31, 2016 and 2015**

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

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December 31, 2016 and 2015

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**Hughes Pittman & Gupton, LLP**

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## **Independent Auditors' Report**

The Board of Directors and Stockholders  
Innovative Emergency Management, Inc.  
Morrisville, North Carolina

We have audited the accompanying financial statements of Innovative Emergency Management, Inc. (the "Company"), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Innovative Emergency Management, Inc. as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Hughes Pittman & Duxton LLP*

Raleigh, North Carolina  
April 25, 2017



	<u>2016</u>	<u>2015</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 5,920,784	\$ 6,878,800
Accrued expenses	1,674,744	2,590,318
Deferred rent, current portion	-	33,400
Lease liability, current portion	-	13,511
Billings in excess of costs and estimated earnings on uncompleted contracts	<u>931,700</u>	<u>3,442,059</u>
Total current liabilities	8,527,228	12,958,088
Deferred rent, net of current portion	26,639	11,819
Lease deposits and other	<u>35,579</u>	<u>44,762</u>
Total liabilities	8,589,446	13,014,669
<b>Stockholders' equity</b>		
Common stock, no par value, 100,000 shares authorized; 12,500 issued and outstanding	1,000	1,000
Retained earnings	<u>10,196,182</u>	<u>13,783,180</u>
Total stockholders' equity	<u>10,197,182</u>	<u>13,784,180</u>
Total liabilities and stockholders' equity	<u><u>\$ 18,786,628</u></u>	<u><u>\$ 26,798,849</u></u>

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

## Statements of Operations

For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Net revenue	\$ 36,298,041	\$ 67,056,455
Cost of revenue	<u>23,602,037</u>	<u>45,326,236</u>
Gross profit	12,696,004	21,730,219
Selling, general, and administrative expenses	<u>16,337,447</u>	<u>18,749,042</u>
Income (loss) from operations	(3,641,443)	2,981,177
Other income (expense), net:		
Interest and dividend income	18,543	7,930
Interest expense	(6,264)	(5,338)
Loss on disposal of assets	-	(5,587)
Gain on sale of available-for-sale securities	42,237	-
Loss on impairment of available-for-sale securities	-	(163,921)
Other	<u>(71)</u>	<u>13</u>
Total other income (expense), net	<u>54,445</u>	<u>(166,903)</u>
Net income (loss)	<u><u>\$ (3,586,998)</u></u>	<u><u>\$ 2,814,274</u></u>

See accompanying notes to financial statements

## INNOVATIVE EMERGENCY MANAGEMENT, INC.

### Statements of Comprehensive Income (Loss)

For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Net income (loss)	\$ (3,586,998)	\$ 2,814,274
Other comprehensive income (loss):		
Realized loss on impairment of available-for-sale securities	-	163,921
Net unrealized gain on available-for-sale securities	-	(27,246)
	<u>-</u>	<u>136,675</u>
Total other comprehensive income (loss)	-	136,675
Comprehensive income (loss)	<u>\$ (3,586,998)</u>	<u>\$ 2,950,949</u>

*See accompanying notes to financial statements*

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

## Statements of Stockholders' Equity

For the Years Ended December 31, 2016 and 2015

	<u>Common Stock</u>		<u>Accumulated Other Comprehensive</u>	<u>Retained</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Income (Loss)</u>	<u>Earnings</u>	<u>Stockholders' Equity</u>
Balance as of December 31, 2014	12,500	\$ 1,000	\$ (136,675)	\$ 10,968,906	\$ 10,833,231
Net income	-	-	-	2,814,274	2,814,274
Comprehensive loss	-	-	136,675	-	136,675
Balance as of December 31, 2015	12,500	1,000	-	13,783,180	13,784,180
Net loss	-	-	-	(3,586,998)	(3,586,998)
Balance as of December 31, 2016	12,500	\$ 1,000	\$ -	\$ 10,196,182	\$ 10,197,182

*See accompanying notes to financial statements*

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

## Statements of Cash Flows

For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities</b>		
Net income (loss)	\$ (3,586,998)	\$ 2,814,274
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	192,385	269,196
Loss on disposal of property and equipment	-	5,587
Gain on sale of available-for-sale securities	(42,237)	-
Loss on other than temporary impairment on available for sale securities	-	163,921
Bad debt expense	969,034	-
Allowance for doubtful accounts	(221,851)	406,781
Change in operating assets and liabilities:		
Accounts receivable	8,604,170	(2,231,781)
Prepaid expenses and other assets	(88,488)	18,901
Accounts payable	(958,016)	(5,570,839)
Accrued expenses	(915,574)	(949,234)
Deferred rent	(18,580)	(35,852)
Lease liability	(13,511)	(40,684)
Costs and billings in excess	(1,707,729)	9,366,539
Lease deposits and other	1,969	(22,723)
Net cash provided by operating activities	2,214,574	4,194,086
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(225,988)	(149,584)
Proceeds from the disposal of property and equipment	-	5,520
Proceeds from available-for-sale securities	270,316	-
Payments on capital lease obligation	-	(233,286)
Net cash provided by (used in) investing activities	44,328	(377,350)

See accompanying notes to financial statements



## INNOVATIVE EMERGENCY MANAGEMENT, INC.

### Statements of Cash Flows

For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Cash flows from financing activities</b>		
Payments received on direct financing lease	<u>10,793</u>	<u>303,549</u>
Net increase in cash	2,269,695	4,120,285
<b>Cash as of beginning of year</b>	<u>9,511,216</u>	<u>5,390,931</u>
<b>Cash as of end of year</b>	<u><u>\$ 11,780,911</u></u>	<u><u>\$ 9,511,216</u></u>

*See accompanying notes to financial statements*

## **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

### **Notes to Financial Statements**

December 31, 2016 and 2015

#### **NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Nature of Business**

Innovative Emergency Management, Inc. (the “Company” or “IEM”) performs disaster and emergency planning, management, and consulting throughout the continental United States of America (“U.S.”) with a particular focus on domestic preparedness, homeland security, and planning for events involving weapons of mass destruction. Specific services provided by the Company include threat/risk analysis; vulnerability assessment; disaster recovery, exercises, and drills; modeling and simulation; process re-engineering; and information technology. The Company’s headquarters are located in Research Triangle Park, North Carolina, with branches in Baton Rouge, Louisiana; Bel Air, Maryland; Arlington, Virginia; Pueblo, Colorado; New York City, New York; and Richmond, Kentucky.

##### **Basis of Presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the U.S., which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and disclosures of contingent assets and liabilities in the financial statements and accompanying notes. Actual results could differ from those estimates.

Contract accounting requires significant judgment relative to assessing risks, estimating contract revenue and costs, and making assumptions for schedule and technical issues. Due to the size and nature of many of the Company’s contracts, the estimation of total revenue and cost at completion requires the use of estimates. Contract costs include labor and subcontracting costs, as well as an allocation of allowable indirect costs. Assumptions have to be made regarding the length of time to complete the contract because costs also include an expected increase in wages. Estimates of total contract revenue and costs are continuously monitored during the term of the contract and are subject to revision as the contract progresses.

##### **Cash**

The Company maintains cash which consists principally of demand deposits with a high-credit quality financial institution. The Company has exposure to credit risk to the extent cash balances exceed amounts covered by the Federal Deposit Insurance Corporation. The Company believes that its credit risk is not significant.

## **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

### **Notes to Financial Statements**

December 31, 2016 and 2015

#### **NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **Accounts Receivable**

Accounts receivable are stated at cost less an allowance for doubtful accounts. Accounts receivable are closely monitored during the year and all accounts considered to be uncollectible are written off. Accounts are considered past due based on their contractual terms. The Company established an allowance for doubtful accounts to ensure trade receivables are not overstated due to uncollectibility. The Company writes off receivables as a charge to the allowance for doubtful accounts when it is probable that the receivable is worthless. Bad debt reserves are maintained for all customers based on a variety of factors, including the length of time receivables are past due, macroeconomic conditions, significant one-time events, and historical experience. As of December 31, 2016 and 2015, management recorded an allowance for doubtful accounts of approximately \$335,000 and \$557,000.

##### **Short-Term Investments**

The Company owned equity securities which are considered available-for-sale investments. These investments were carried at aggregate fair value based on quoted market prices. Unrealized gains and losses are included in comprehensive income. The cost of the securities sold is determined on the specific identification basis. Net realized gains and losses on the sale of available-for-sale securities are included in income. The Company's short-term investments were sold during 2016.

Available-for-sale securities are periodically reviewed for other than temporary declines in fair value below the cost basis and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

##### **Fair Value Measurements**

The Company uses the Financial Accounting Standards Board ("FASB") framework for measuring the fair value for assets and liabilities reported at fair value.

The FASB's framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

## INNOVATIVE EMERGENCY MANAGEMENT, INC.

### Notes to Financial Statements

December 31, 2016 and 2015

#### **NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The three levels of the fair value hierarchy are described as follows:

**Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

**Level 2** Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodologies used for significant assets measured at fair value:

The Company held marketable securities recorded at fair value as of December 31, 2015. The valuation technique uses quoted prices in active markets for identical assets and is classified as level 1.

#### **Property and Equipment**

Property and equipment is stated at cost and depreciated over the estimated useful lives of the assets using the straight-line method of depreciation. Leasehold improvements are being amortized over the shorter of the term of the lease or the useful life of the improvements using the straight-line method. The costs of maintenance and repairs are expensed as incurred. Improvements and betterments that add new functionality or extend the useful life of the asset are capitalized.

#### **Impairment of Long-Lived Assets**

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for an amount by which the carrying amount of the asset exceeds the fair value of the asset.

## **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

### **Notes to Financial Statements**

December 31, 2016 and 2015

#### **NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenues from time and material contracts are recognized based on the level of hours incurred at the appropriate contract billing rate plus other reimbursable contract costs incurred.

Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability, including those arising from contract penalty provisions and final contract settlements, may result in revisions to costs and income and are recognized in the period in which the revisions are determined. An amount equal to contract costs attributable to claims is included in revenues when realization is probable and the amount can be reliably estimated.

The asset, "costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed. The liability, "billings in excess of costs and estimated earnings on uncompleted contracts," represents billings in excess of revenues earned.

"Costs and estimated earnings in excess of billings on uncompleted contracts" represents recoverable costs and accrued profit not billed and is comprised principally of revenue recognized on contracts for which billings had not been presented to the contract owners because invoices had not been prepared as of year-end. Management anticipates that such unbilled accounts receivable at year-end will be billed within 90 days of the balance sheet date.

#### **Contract Revenue and Cost Recognition**

Revenues from fixed-price contracts are recognized on the percentage-of-completion method, measured by the percentage of costs incurred to date to estimated total costs for each contract. This method is used because management considers expended costs to be the best available measure of progress on these contracts. Revenues from cost-plus-fee contracts are recognized on the basis of costs incurred during the period plus the fee earned, measured by the cost-to-cost method. The completion of a contract may be longer than one year in certain cases.

#### **Leases**

The Company entered into a capital lease obligation for the acquisition of certain equipment with a bargain purchase option. In addition, the Company entered into a direct financing lease agreement with a customer for the eventual transfer of rights to the equipment at the end of the capital lease term. The Company believes that the substance of the transaction is the financing of the acquisition and subsequently transferring the rights of the equipment to the customer at the end of the capital lease term. Therefore, the Company did not recognize the equipment on the balance sheet. Such obligations were paid off during 2016. Monthly payments on these leasing arrangements were recognized as a reduction of the net investment in direct financing lease and capital lease obligation recorded on the balance sheet at the time payments were received or paid.

## INNOVATIVE EMERGENCY MANAGEMENT, INC.

### Notes to Financial Statements

December 31, 2016 and 2015

#### **NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

The Company has entered into operating leases for the separate office locations used. Certain leases stipulate rent increases over the life of the agreement. For scheduled rent escalation clauses during the lease terms, the Company records minimum rental expenses on a straight-line basis over the terms of the leases.

#### **Income Taxes**

The Company has elected to be taxed for federal and state income tax purposes under the provision of Section "S" of the Internal Revenue Code. Accordingly, federal income tax on the net income of the Company is a liability of the stockholder, and not of the Company, and is not reflected in the accompanying financial statements. State income tax is paid to some states, depending on their tax laws.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. As of December 31, 2016, there are no known items which would result in a material accrual related to where the Company has state attributable tax positions.

#### **Reclassification**

Certain 2015 amounts have been reclassified in the statements of operations to conform to the current year presentation. This reclassification had no effect on net income or stockholders' equity.

#### **NOTE 2: COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS**

Information relating to contracts in progress as of December 31 is as follows:

	<u>2016</u>	<u>2015</u>
Costs incurred on uncompleted contracts	\$15,250,823	\$39,295,148
Estimated earnings	1,891,933	3,436,150
	17,142,756	42,731,298
Less billings to date	15,563,975	42,860,246
Total	<u>\$ 1,578,781</u>	<u>\$ (128,948)</u>

## INNOVATIVE EMERGENCY MANAGEMENT, INC.

### Notes to Financial Statements

December 31, 2016 and 2015

#### **NOTE 2: COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS (concluded)**

The above information is included in the accompanying balance sheet under the following captions:

	<u>2016</u>	<u>2015</u>
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 2,510,481	\$ 3,313,111
Billings in excess of costs and estimated earnings on uncompleted contracts	<u>(931,700)</u>	<u>(3,442,059)</u>
Total	<u>\$ 1,578,781</u>	<u>\$ (128,948)</u>

#### **NOTE 3: SHORT-TERM INVESTMENTS**

As of December 31, 2015, the Company's investment portfolio consisted of marketable equity securities classified as available-for-sale. Such investments were sold during 2016 and reported as a gain on a sale of available-for-sale securities. The cost and estimated fair value of these securities as of December 31 are as follows:

	<u>2016</u>		<u>2015</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Marketable equity securities	\$ -	\$ -	\$ 228,079	\$ 228,079

The Company's investment in marketable equity securities consisted of a mutual fund invested in gold commodities. The unrealized loss on the Company's investment was caused primarily by a downturn in the market for gold based on global economic factors. The Company evaluated the potential for recovery of this investment, including the severity of the unrealized loss and duration of the impairment, and determined that the Company would not recover its unrealized loss. Based on the Company's evaluation and the intent to hold this investment for a period of time sufficient to recover its unrealized loss, the Company determined that the investment was other than temporarily impaired as of December 31, 2015. The Company reduced its basis in the investment and recognized a loss on the investment in the statements of operations due to other than temporary impairment of \$163,921 during 2015.

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

## Notes to Financial Statements

December 31, 2016 and 2015

### NOTE 4: PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following as of December 31:

	<b>Estimated Useful Lives (In Years)</b>	<b>2016</b>	<b>2015</b>
Computers and electronic equipment	2 - 7	\$ 1,201,745	\$ 1,068,917
Furniture and fixtures	7	234,706	234,706
Office equipment	2 - 7	74,526	87,010
Leasehold improvements	2 - 15	99,983	112,856
Total cost		1,610,960	1,503,489
Less accumulated depreciation and amortization		1,319,006	1,245,138
Property and equipment, net		<u>\$ 291,954</u>	<u>\$ 258,351</u>

Depreciation and amortization expense for the years ended December 31, 2016 and 2015 was \$192,385 and \$269,196.

### NOTE 5: ACCRUED EXPENSES

Accrued expenses consist of the following as of December 31:

	<b>2016</b>	<b>2015</b>
Accrued salaries	\$ 668,244	\$ 517,348
Accrued holiday and vacation pay	871,110	880,600
Payroll and withholding taxes	11,990	103,197
Bonuses	123,400	1,089,173
Total	<u>\$ 1,674,744</u>	<u>\$ 2,590,318</u>

### NOTE 6: NET INVESTMENT IN DIRECT FINANCING LEASE AND CAPITAL LEASE OBLIGATION

The Company entered into a leasing arrangement during 2014 to acquire and subsequently transfer the rights to telephone and racking equipment under one of its governmental contracts.



## **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

### **Notes to Financial Statements**

December 31, 2016 and 2015

#### **NOTE 6: NET INVESTMENT IN DIRECT FINANCING LEASE AND CAPITAL LEASE OBLIGATION (concluded)**

The Company entered into a capital lease obligation of \$279,148 in July 2014 to acquire the telephone equipment. The Company paid the obligation in full during 2015. The customer, under the governmental contract, entered into a direct financing lease with the Company to acquire the telephone and racking equipment at the end of the three-year term with a bargain purchase option. Payments of \$26,384 per month by the customer for the direct financing lease were being made over a one-year term. As of December 31, 2015, the amount included in net investment in direct financing lease was \$10,793, which is included in current assets. The amount was paid in full during 2016. The Company did not realize any profit or loss related to this arrangement. The economic substance of these leasing arrangements is that the Company financed the acquisition of the assets and subsequently transferred the rights to those assets at the end of the lease term and, accordingly, the leasing arrangements are recorded in the Company's assets and liabilities. Based on the terms of the agreements, the Company did not recognize the property and equipment on the balance sheets.

#### **NOTE 7: LINE OF CREDIT**

The Company entered into a revolving line of credit with a financial institution, secured by the equipment and receivables of the Company. The line of credit is equal to the lesser of (1) \$10,000,000; or (2) a borrowing base, calculated as the sum of 90% of prime government receivables, 80% of commercial receivables, 85% of sub-contractor and other government receivables, and 50% of unbilled receivables (billable within 30 days, up to a maximum of \$2,000,000).

The bank may, from time to time, issue standby letters of credit for a term not to exceed one year unless extended with approval from the bank, provided however, that the aggregate drawn and undrawn amount of all understanding letters of credit shall not exceed \$2,500,000. Payment of interest at London Interbank Offered Rate plus an applicable rate between 1.5% and 2.0% (based on the ratio of funded debt to earnings before interest, taxes, depreciation, and amortization) on the outstanding balance is due monthly, with all principal and accrued interest due at maturity on January 31, 2018, as amended.

#### **NOTE 8: STOCKHOLDERS' EQUITY**

The Company has authorized the issuance of up to 100,000 shares of capital stock, of which 50,000 shares are designated as Class A Common Stock and 50,000 shares are designated as Class B Common Stock. The Class A and Class B Common Stock have no par value. The Company has 6,250 shares of Class A Common Stock and 6,250 shares of Class B Common Stock issued and outstanding.

## INNOVATIVE EMERGENCY MANAGEMENT, INC.

### Notes to Financial Statements

December 31, 2016 and 2015

#### **NOTE 8: STOCKHOLDERS' EQUITY (concluded)**

The holder of each share of Class A Common Stock has the right to one vote for each such share. The holder of each share of Class B Common Stock does not have any voting rights.

#### **NOTE 9: CONCENTRATIONS**

Substantially all of the Company's revenue and accounts receivable are derived from contracts with the U.S. government or with commercial prime contractors doing business with the U.S. government. The Company has multiple independent contract relationships with several different prime contractors, to which the Company grants short-term credit in the ordinary course of business. There were three commercial prime contractors that accounted for 51% of revenue and 32% of accounts receivable, net, as of and for the year ended December 31, 2016, and one commercial prime contractor that accounted for 58% of revenue and 85% of accounts receivable, net, as of and for the year ended December 31, 2015.

#### **NOTE 10: RETIREMENT PLAN**

The Company has a 401(k) savings plan which covers substantially all employees after eligibility service requirements are met. The employee can contribute up to 100% of their salary, not to exceed applicable limits established by the Internal Revenue Service. The Company matches 50% of the employee's contribution, up to 6% of the employee's salary. The Company's matching contributions and expense totaled \$229,489 and \$207,820 for the years ended December 31, 2016 and 2015.

#### **NOTE 11: OPERATING LEASES**

The Company has entered into various operating leases for office space and office equipment.

Future estimated minimum lease payments (net of future sublease payments) are as follows for the years ending December 31:

2017 .....	\$ 752,000
2018 .....	344,000
2019 .....	310,000
2020 .....	309,000
2021 .....	317,000
Thereafter.....	<u>107,000</u>
	<u><u>\$ 2,139,000</u></u>

## **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

### **Notes to Financial Statements**

December 31, 2016 and 2015

#### **NOTE 11: OPERATING LEASES (concluded)**

Rental expense is recorded on a straight-line basis and net of sublease rentals. Rental expense on all operating leases was approximately \$820,000 and \$830,000 for the years ended December 31, 2016 and 2015.

During 2016, the Company extended various lease agreements for its facilities in North Carolina (through April 2022), Colorado (through December 2017), and Kentucky (through December 2017). The amount for future estimated minimum payments on these lease agreements is included in the schedule above.

#### **NOTE 12: CONTINGENCIES**

A portion of all payments to the Company by the U.S. government on cost-plus-fee contracts is provisional payments, which are subject to adjustment upon audit by the Defense Contract Audit Agency ("DCAA"). For the years ended December 31, 2016 and 2015, contracts under cost-plus-fee contracts accounted for approximately 12% and 6% of the Company's net sales. DCAA audits through the year ended December 31, 2014, have been completed and there were no adjustments. Management anticipates no material adjustment from future audits.

The Company settled a wage-hour class action lawsuit under the Fair Labor Standards Act in the State of New York during 2015 for approximately \$1,098,000. No further amounts are expected to be paid related to this settlement.

#### **NOTE 13: SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through April 25, 2017, the date these financial statements were available for issuance, and determined that there were no events which have occurred that would require adjustment to or disclosure in these financial statements.

**INNOVATIVE EMERGENCY  
MANAGEMENT, INC.**

**Financial Statements**

**December 31, 2015 and 2014**

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

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December 31, 2015 and 2014

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## **Independent Auditors' Report**

The Board of Directors and Stockholders  
Innovative Emergency Management, Inc.  
Morrisville, North Carolina

We have audited the accompanying financial statements of Innovative Emergency Management, Inc. (the "Company"), which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Hughes Pittman & Dwyer LLP*

Raleigh, North Carolina  
April 25, 2016





	2015	2014
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 6,878,800	\$ 12,449,639
Accrued expenses	2,590,318	3,539,552
Deferred rent, current portion	33,400	31,472
Lease liability, current portion	13,511	40,584
Capital lease obligation, current portion	-	80,407
Billings in excess of costs and estimated earnings on uncompleted contracts	3,442,059	1,128,043
Total current liabilities	12,958,088	17,269,697
Deferred rent, net of current portion	11,819	49,599
Lease liability, net of current portion	-	13,611
Lease deposits and other	44,762	73,635
Capital lease obligation, net of current portion	-	152,879
Total liabilities	13,014,669	17,559,421
<b>Stockholders' equity</b>		
Common stock, no par value, 100,000 shares authorized, 12,500 issued and outstanding	1,000	1,000
Accumulated other comprehensive loss	-	(136,675)
Retained earnings	13,783,180	10,968,906
Total stockholders' equity	13,784,180	10,833,231
Total liabilities and stockholders' equity	\$ 26,798,849	\$ 28,392,652

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

## Statements of Operations

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Net revenue	\$ 67,056,455	\$ 70,720,088
Cost of revenue	<u>44,919,458</u>	<u>53,131,043</u>
Gross profit	22,136,997	17,589,045
Selling, general, and administrative expenses	<u>19,155,820</u>	<u>17,820,010</u>
Income (loss) from operations	2,981,177	(230,965)
Other income (expense), net:		
Interest and dividend income	7,930	5,235
Interest expense	(5,338)	(6,009)
Loss on disposal of assets	(5,587)	(131,719)
Loss on impairment of available-for-sale securities	(163,921)	-
Other income	<u>13</u>	<u>6,473</u>
Total other expense, net	<u>(166,903)</u>	<u>(126,020)</u>
Net income (loss)	<u>\$ 2,814,274</u>	<u>\$ (356,985)</u>

*See accompanying notes to financial statements*

## INNOVATIVE EMERGENCY MANAGEMENT, INC.

### Statements of Comprehensive Income (Loss)

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Net income (loss)	\$ 2,814,274	\$ (356,985)
Other comprehensive income (loss):		
Realized loss on impairment of available-for-sale securities	163,921	-
Net unrealized loss on available-for-sale securities	<u>(27,246)</u>	<u>(5,594)</u>
Total other comprehensive income (loss)	<u>136,675</u>	<u>(5,594)</u>
Comprehensive income (loss)	<u><u>\$ 2,950,949</u></u>	<u><u>\$ (362,579)</u></u>

*See accompanying notes to financial statements*

# **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

## Statements of Stockholders' Equity

For the Years Ended December 31, 2015 and 2014

	<b>Common Stock</b>		<b>Accumulated Other Comprehensive</b>	<b>Retained</b>	<b>Total</b>
	<b>Shares</b>	<b>Amount</b>	<b>Income (Loss)</b>	<b>Earnings</b>	<b>Stockholders' Equity</b>
Balance as of December 31, 2013	12,500	\$ 1,000	\$ (131,081)	\$ 11,325,891	\$ 11,195,810
Net loss	-	-	-	(356,985)	(356,985)
Comprehensive loss	-	-	(5,594)	-	(5,594)
Balance as of December 31, 2014	12,500	1,000	(136,675)	10,968,906	10,833,231
Net income	-	-	-	2,814,274	2,814,274
Comprehensive income	-	-	136,675	-	136,675
Balance as of December 31, 2015	12,500	\$ 1,000	\$ -	\$ 13,783,180	\$ 13,784,180

*See accompanying notes to financial statements*

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

## Statements of Cash Flows

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Net income (loss)	\$ 2,814,274	\$ (356,985)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	269,196	297,619
Loss on disposal of property and equipment	5,587	131,719
Loss on other than temporary impairment on available for sale securities	163,921	-
Bad debt expense	406,781	65,893
Change in operating assets and liabilities:		
Accounts receivable	(2,231,781)	(4,427,369)
Prepaid expenses and other assets	18,901	33,609
Accounts payable	(5,570,839)	9,941,194
Accrued expenses	(949,234)	2,027,003
Deferred rent	(35,852)	(81,069)
Lease liability	(40,684)	(210,450)
Costs and billings in excess	9,366,539	(3,046,550)
Lease deposits and other	(22,723)	35,579
Net cash provided by operating activities	4,194,086	4,410,193
Cash flows from investing activities		
Purchase of property and equipment	(149,584)	(302,436)
Proceeds from the disposal of property and equipment	5,520	-
Payments on capital lease obligation	(233,286)	(81,056)
Net cash used by investing activities	(377,350)	(383,492)
Cash flows from financing activities		
Payments received on direct financing lease	303,549	-
Proceeds from line of credit	-	900,000
Payments made on line of credit	-	(1,210,558)
Net cash provided by (used in) financing activities	303,549	(310,558)

See accompanying notes to financial statements

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

## Statements of Cash Flows

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Net increase in cash	4,120,285	3,716,143
<b>Cash as of beginning of year</b>	<u>5,390,931</u>	<u>1,674,788</u>
<b>Cash as of end of year</b>	<u><u>\$ 9,511,216</u></u>	<u><u>\$ 5,390,931</u></u>
<b>Supplemental disclosure of noncash investing and financing activities</b>		
Purchase of equipment through capital lease obligation	<u><u>\$ -</u></u>	<u><u>\$ 279,148</u></u>
Sale of equipment through net investment in direct financing lease	<u><u>\$ -</u></u>	<u><u>\$ 314,342</u></u>

*See accompanying notes to financial statements*

## **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

Notes to Financial Statements

December 31, 2015 and 2014

### **NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Presentation**

Innovative Emergency Management, Inc. (the “Company” or “IEM”) performs disaster and emergency planning, management, and consulting throughout the continental United States (“U.S.”) with a particular focus on domestic preparedness, homeland security, and planning for events involving weapons of mass destruction. Specific services provided by the Company include threat/risk analysis; vulnerability assessment; disaster recovery, exercises, and drills; modeling and simulation; process re-engineering; and information technology. The Company’s headquarters are located in Research Triangle Park, North Carolina, with branches in Baton Rouge, Louisiana; Bel Air, Maryland; Arlington, Virginia; Pueblo, Colorado; and Richmond, Kentucky.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contract accounting requires significant judgment relative to assessing risks, estimating contract revenue and costs, and making assumptions for schedule and technical issues. Due to the size and nature of many of the Company’s contracts, the estimation of total revenue and cost at completion requires the use of estimates. Contract costs include labor and subcontracting costs, as well as an allocation of allowable indirect costs. Assumptions have to be made regarding the length of time to complete the contract because costs also include an expected increase in wages. Estimates of total contract revenue and costs are continuously monitored during the term of the contract and are subject to revision as the contract progresses.

#### **Cash**

The Company maintains cash which consists principally of demand deposits with a high-credit quality financial institution. The Company has exposure to credit risk to the extent cash balances exceed amounts covered by the Federal Deposit Insurance Corporation. The Company believes that its credit risk is not significant.

## **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

### **Notes to Financial Statements**

December 31, 2015 and 2014

#### **NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **Accounts Receivable**

Accounts receivable are closely monitored during the year and all accounts considered to be uncollectible are written off. Accounts are considered past due based on their contractual terms. The Company established an allowance for doubtful accounts to ensure trade receivables are not overstated due to uncollectibility. The Company writes off receivables as a charge to the allowance for doubtful accounts when it is probable that the receivable is worthless. Bad debt reserves are maintained for all customers based on a variety of factors, including the length of time receivables are past due, macroeconomic conditions, significant one-time events, and historical experience. As of December 31, 2015 and 2014, management recorded an allowance for doubtful accounts of approximately \$557,000 and \$150,000.

##### **Property and Equipment**

Property and equipment is stated at cost and depreciated over the estimated useful lives of the assets using the straight-line method of depreciation. Leasehold improvements are being amortized over the shorter of the term of the lease or the useful life of the improvements using the straight-line method. The costs of maintenance and repairs are expensed as incurred. Improvements and betterments that add new functionality or extend the useful life of the asset are capitalized.

##### **Impairment of Long-Lived Assets**

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for an amount by which the carrying amount of the asset exceeds the fair value of the asset.

##### **Contract Revenue and Cost Recognition**

Revenues from fixed-price contracts are recognized on the percentage-of-completion method, measured by the percentage of costs incurred to date to estimated total costs for each contract. This method is used because management considers expended costs to be the best available measure of progress on these contracts. Revenues from cost-plus-fee contracts are recognized on the basis of costs incurred during the period plus the fee earned, measured by the cost-to-cost method. The completion of a contract may be longer than one year in certain cases.



## **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

### **Notes to Financial Statements**

December 31, 2015 and 2014

#### **NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenues from time and material contracts are recognized based on the level of hours incurred at the appropriate contract billing rate plus other reimbursable contract costs incurred.

Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability, including those arising from contract penalty provisions and final contract settlements, may result in revisions to costs and income and are recognized in the period in which the revisions are determined. An amount equal to contract costs attributable to claims is included in revenues when realization is probable and the amount can be reliably estimated.

The asset, "costs and estimated earnings in excess of billings on uncompleted contracts," represents revenues recognized in excess of amounts billed. The liability, "billings in excess of costs and estimated earnings on uncompleted contracts," represents billings in excess of revenues recognized.

"Costs and estimated earnings in excess of billings on uncompleted contracts" represents recoverable costs and accrued profit not billed and is comprised principally of revenue recognized on contracts for which billings had not been presented to the contract owners because invoices had not been prepared as of year-end. Management anticipates that such unbilled accounts receivable at year-end will be billed within 90 days of the balance sheet date.

#### **Short-Term Investments**

The Company owns equity securities which are considered available-for-sale investments. These investments are carried at aggregate fair value based on quoted market prices. Unrealized gains and losses are included in comprehensive income. The cost of the securities sold is determined on the specific identification basis. Net realized gains and losses on the sale of available-for-sale securities are included in income.

Available-for-sale securities are periodically reviewed for other than temporary declines in fair value below the cost basis and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

#### **Fair Value Measurements**

The Company uses the Financial Accounting Standards Board ("FASB") framework for measuring the fair value for assets and liabilities reported at fair value.

## INNOVATIVE EMERGENCY MANAGEMENT, INC.

### Notes to Financial Statements

December 31, 2015 and 2014

#### **NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The FASB's framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described as follows:

**Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

**Level 2** Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodologies used for significant assets measured at fair value:

The Company held marketable securities recorded at fair value as of December 31, 2015 and 2014. The valuation technique uses quoted prices in active markets for identical assets and is classified as level 1.

#### **Accrued Expenses**

The Company estimates various accrued expenses, such as accrued holiday wages, accrued vacation, accrued personal leave, and other employee-related liabilities by the number and hourly wages of its employees. These liabilities may or may not be paid within the next year, or upon termination of the employee, depending on the nature of the liability. However, all such accrued amounts are considered current liabilities.

## **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

### **Notes to Financial Statements**

December 31, 2015 and 2014

#### **NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

##### **Leases**

The Company has entered into a capital lease obligation for the acquisition of certain equipment with a bargain purchase option. In addition, the Company has entered into a direct financing lease agreement with a customer for the eventual transfer of rights to the equipment at the end of the capital lease term, with payments on the direct financing lease through 2017. The Company believes that the substance of the transaction is the financing of the acquisition and subsequently transferring the rights of the equipment to the customer at the end of the capital lease term. Therefore, the Company does not recognize the equipment on the balance sheet. Monthly payments on these leasing arrangements are recognized as a reduction of the net investment in direct financing lease and capital lease obligation recorded on the balance sheet at the time payments are received or paid.

The Company has entered into operating leases for the separate office locations used. Certain leases stipulate rent increases over the life of the agreement. For scheduled rent escalation clauses during the lease terms, the Company records minimum rental expenses on a straight-line basis over the terms of the leases.

##### **Income Taxes**

The Company has elected to be taxed for federal and state income tax purposes under the provision of Section "S" of the Internal Revenue Code. Accordingly, federal income tax on the net income of the Company is a liability of the stockholder, and not of the Company, and is not reflected in the accompanying financial statements. State income tax is paid to some states, depending on their tax laws.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. As of December 31, 2015, there are no known items which would result in a material accrual related to where the Company has state attributable tax positions.

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

## Notes to Financial Statements

December 31, 2015 and 2014

### NOTE 2: COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS

Information relating to contracts-in-progress as of December 31, 2015 and 2014 is as follows:

	2015	2014
Costs incurred on uncompleted contracts	\$ 39,295,148	\$ 36,886,169
Estimated earnings	3,436,150	9,656,182
	42,731,298	46,542,351
Less billings to date	42,860,246	37,304,760
	<u>\$ (128,948)</u>	<u>\$ 9,237,591</u>

The above information is included in the accompanying balance sheet under the following captions:

	2015	2014
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 3,313,111	\$ 10,365,634
Billings in excess of costs and estimated earnings on uncompleted contracts	(3,442,059)	(1,128,043)
	<u>\$ (128,948)</u>	<u>\$ 9,237,591</u>

### NOTE 3: SHORT-TERM INVESTMENTS

As of December 31, 2015 and 2014, the Company's investment portfolio consists of marketable equity securities classified as available-for-sale. The cost and estimated fair value of these securities as of December 31 are as follows:

	2015		2014	
	Fair Value	Cost	Fair Value	Cost
Marketable equity securities	\$ 228,079	\$ 228,079	\$ 255,328	\$ 392,003

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

## Notes to Financial Statements

December 31, 2015 and 2014

### NOTE 3: SHORT-TERM INVESTMENTS (concluded)

The Company's investment in marketable equity securities consists of a mutual fund invested in gold commodities. The unrealized loss on the Company's investment was caused primarily by a downturn in the market for gold based on global economic factors. The Company has evaluated the potential for recovery of this investment, including the severity of the unrealized loss and duration of the impairment, and determined that the Company will not recover its unrealized loss. Based on the Company's evaluation and the intent to hold this investment for a period of time sufficient to recover its unrealized loss, the Company has determined that the investment is other than temporarily impaired as of December 31, 2015. The Company has reduced its basis in the investment and recognized a loss on the investment in the statements of operations due to other than temporary impairment of \$163,921.

As of December 31, 2014, the Company had recorded gross unrealized losses of \$136,675 in stockholders' equity.

### NOTE 4: PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following as of December 31:

	Estimated Useful Lives (In Years)	2015	2014
Computers and electronic equipment	2 - 7	\$ 1,068,917	\$ 2,813,992
Furniture and fixtures	7	234,706	305,494
Office equipment	2 - 7	87,010	391,596
Leasehold improvements	2 - 15	112,856	118,201
Total cost		1,503,489	3,629,283
Less accumulated depreciation		(1,245,138)	(3,240,213)
Property and equipment, net		\$ 258,351	\$ 389,070

Depreciation expense was \$269,196 and \$297,619 for the years ended December 31, 2015 and 2014.

# INNOVATIVE EMERGENCY MANAGEMENT, INC.

## Notes to Financial Statements

December 31, 2015 and 2014

### NOTE 5: ACCRUED EXPENSES

Accrued expenses consist of the following as of December 31:

	<u>2015</u>	<u>2014</u>
Accrued salaries	\$ 517,348	\$ 514,554
Accrued holiday and vacation pay	880,600	904,673
Payroll and withholding taxes	103,197	97,608
Bonuses	1,089,173	479,196
Legal settlement (see Note 13)	-	1,500,000
Other	-	43,521
	<hr/>	<hr/>
Total	<u>\$ 2,590,318</u>	<u>\$ 3,539,552</u>

### NOTE 6: NET INVESTMENT IN DIRECT FINANCING LEASE AND CAPITAL LEASE OBLIGATION

The Company entered into a leasing arrangement during 2014 to acquire and subsequently transfer the rights to telephone and racking equipment under one of its governmental contracts. The Company entered into a capital lease obligation of \$279,148 in July 2014 to acquire the telephone equipment, with payments of \$7,644 per month over three years, which includes a bargain purchase option at the end of the term. As of December 31, 2014, the Company's obligation under the capital lease was \$233,286. During 2015, the Company paid the obligation in full. The customer, under the governmental contract, entered into a direct financing lease with the Company to acquire the telephone and racking equipment at the end of the three-year term with a bargain purchase option. Payments of \$26,384 per month by the customer for the direct financing lease are being made over a one-year term. As of December 31, 2015 and 2014, the amount included in net investment in direct financing lease was \$10,793 and \$314,342, which is included in current assets. The Company will not realize any profit or loss related to this arrangement. The economic substance of these leasing arrangements is that the Company is financing the acquisition of the assets and subsequently transferring the rights to those assets at the end of the lease term and, accordingly, the leasing arrangements are recorded in the Company's assets and liabilities. Based on the terms of the agreements, the Company does not recognize the property and equipment on the balance sheet.

If the equipment does not function as intended during the term of the capital lease obligation, the Company may be required to perform repairs or other work necessary to maintain the equipment in working order until the customer initiates its bargain purchase option. The Company does not anticipate any such repair work and, therefore, no liability for this commitment has been recorded in the balance sheets.

## **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

### **Notes to Financial Statements**

December 31, 2015 and 2014

#### **NOTE 7: LEASE LIABILITY**

During 2014, the Company determined that it was no longer realizing the economic benefits conveyed by certain lease agreements related to leased space that was under sublease or vacant. The Company recorded a liability based on the estimated fair value of the lease liability at the cease-use date for these specific lease agreements. The estimated fair value of the lease liability was calculated based on the difference between the remaining lease rentals and the actual or estimated sublease rentals for the subleased or vacant space, multiplied by the remaining lease term adjusted to present value using the Company's credit-adjusted risk-free rate.

#### **NOTE 8: LINE OF CREDIT**

The Company had a line of credit agreement with a financial institution, which was entered into on July 25, 2013, for \$6,000,000 and matured on July 25, 2014. The line of credit was secured by the Company's deposit accounts with the lender, had a variable interest rate of prime (3.25% as of December 31, 2014) plus 1% with a floor of 4.25%, was collateralized by the Company's trade receivables, and was personally guaranteed by the President, Chief Executive Officer, and stockholder.

On January 31, 2014, the Company entered into a revolving line of credit with a financial institution, secured by the equipment and receivables of the Company. The line of credit is equal to the lesser of (1) \$10,000,000; or (2) a borrowing base, calculated as the sum of 90% of prime government receivables, 80% of commercial receivables, 85% of sub-contractor and other government receivables, and 50% of unbilled receivables (billable within 30 days, up to a maximum of \$2,000,000). The bank may, from time to time, issue standby letters of credit for a term not to exceed one year unless extended with approval from the bank, provided however, that the aggregate drawn and undrawn amount of all understanding letters of credit shall not exceed \$2,500,000. Payment of interest at London Interbank Offered Rate plus an applicable rate between 1.5% and 2.0% (based on the ratio of funded debt to earnings before interest, taxes, depreciation, and amortization) on the outstanding balance is due monthly, with all principal and accrued interest due at maturity on January 31, 2017, as amended.

#### **NOTE 9: STOCKHOLDERS' EQUITY**

On December 20, 2012, the Company amended its Articles of Incorporation and authorized the issuance of up to 100,000 shares of capital stock. The Company's capital stock is designated as 50,000 shares of Class A Common Stock and 50,000 shares of Class B Common Stock. The Class A and Class B Common Stock have no par value. In addition, upon the filing of the Articles of Incorporation, each share of the existing common stock was converted to five shares of Class A Common Stock and five shares of Class B Common Stock. Upon conversion, the Company had 6,250 shares of Class A Common Stock and 6,250 shares of Class B Common Stock issued and outstanding. Share amounts for all periods have been restated to reflect the stock split.

## INNOVATIVE EMERGENCY MANAGEMENT, INC.

### Notes to Financial Statements

December 31, 2015 and 2014

#### **NOTE 9: STOCKHOLDERS' EQUITY (concluded)**

The holder of each share of Class A Common Stock has the right to one vote for each such share. The holder of each share of Class B Common Stock does not have any voting rights.

#### **NOTE 10: CONCENTRATIONS**

Substantially all of the Company's revenue and accounts receivable are derived from contracts with the U.S. Government or with commercial prime contractors doing business with the U.S. Government. The Company has multiple independent contract relationships with several different prime contractors, to which the Company grants short-term credit in the ordinary course of business. There was one commercial prime contractor that accounted for 58% of revenue and 85% of accounts receivable, net as of and during the year ended December 31, 2015.

#### **NOTE 11: RETIREMENT PLAN**

The Company has a 401(k) savings plan which covers substantially all employees after eligibility service requirements are met. The employee can contribute up to 100% of their salary, not to exceed applicable limits established by the Internal Revenue Service. The Company matches 50% of the employee's contribution, up to 6% of the employee's salary. The Company's matching contributions and expense totaled \$207,820 and \$308,939 for the years ended December 31, 2015 and 2014.

#### **NOTE 12: OPERATING LEASES**

The Company has entered into various operating leases for office space and office equipment.

Future estimated minimum lease payments (net of future sublease payments) are as follows for the years ending December 31:

2016 .....	\$ 816,000
2017 .....	473,000
2018 .....	49,000
2019 .....	8,000
	<hr/>
	\$ 1,346,000



## **INNOVATIVE EMERGENCY MANAGEMENT, INC.**

### **Notes to Financial Statements**

December 31, 2015 and 2014

#### **NOTE 12: OPERATING LEASES (concluded)**

Rental expense is recorded net of sublease rentals and includes lease termination charges. Rental expense on all operating leases was approximately \$830,000 and \$760,000 for the years ended December 31, 2015 and 2014.

During 2015, the Company extended various lease agreements for its facilities in Virginia (through December 2017), Colorado (through December 2016), and Kentucky (through June 2016). The amount for future estimated minimum payments on these lease agreements is included in the schedule above.

#### **NOTE 13: CONTINGENCIES**

A portion of all payments to the Company by the U.S. Government on cost-plus-fee contracts are provisional payments, which are subject to adjustment upon audit by the Defense Contract Audit Agency ("DCAA"). For the years ended December 31, 2015 and 2014, contracts under cost-plus-fee contracts accounted for approximately 6% and 19% of the Company's net sales. DCAA audits through the year ended December 31, 2013, have been completed and there were no adjustments. Management anticipates no material adjustment from future audits.

The Company settled a wage-hour class action lawsuit under the Fair Labor Standards Act in the State of New York during 2015. As of December 31, 2014, the Company had recorded an estimated liability of \$1,500,000 related to this lawsuit. During 2015, the Company paid \$1,098,000 for settlement of the lawsuit plus legal fees. No further amounts are expected to be paid related to this settlement.

#### **NOTE 14: SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through April 25, 2016, the date these financial statements were available for issuance, and determined that there were no events which have occurred that would require adjustment to or disclosure in these financial statements.