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REQUEST FOR PROPOSAL

Pre-Placed Emergency Contract for Fuel
During Disaster Recovery

RFP No. 0000000440

August 8, 2022 • 3:30PM

Original

Jefferson Parish

PREPARE • RESPOND • RECOVER

Points of Contact:



Kristy Fuentes

Vice President of Compliance and Administration

Kfuentes@drcusa.com

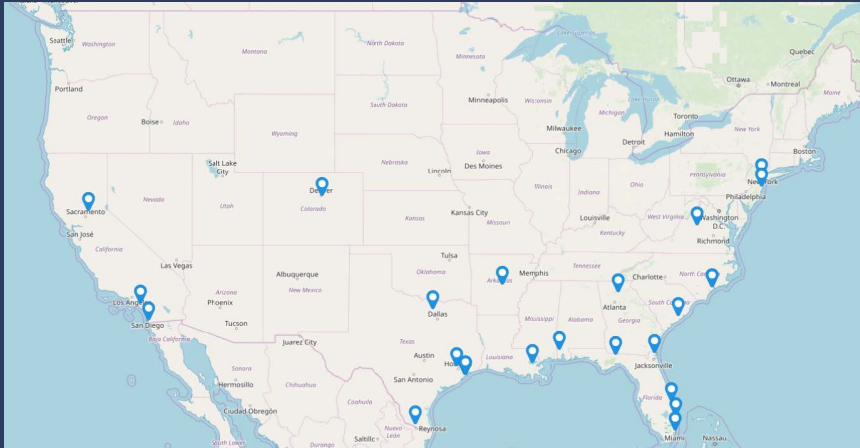




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DRC CONTACT ADDRESSES

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DRC CONTACTS



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August 8, 2022

Jefferson Parish

Re: Pre-Placed Emergency Contract for Fuel During Disaster Recovery
RFP No. 0000000440

Dear Sir or Madam,

DRC Emergency Services, LLC, appreciates the opportunity to present to you and Jefferson Parish our proposal to provide Pre-Placed Emergency Contract for Fuel During Disaster Recovery as required in the above referenced RFP. DRC is among the leading disaster management companies in the United States. Our services include emergency debris removal; disaster management—including temporary housing, workforce housing and life support—as well as required FEMA documentation; debris management; right-of-way maintenance; marine debris, salvage and recovery; vehicle and vessel removal and processing; technical assistance and project management; construction and construction management; demolition; and landfill management.

DRC's Senior Emergency Management and Response team has been located in the New Orleans area for the past 17 years. DRC has contracts with several surrounding Parishes and has worked closely with DEQ, GOSHEP, and LADOTD for decades. Over the past two hurricane seasons alone, DRC has removed and disposed of over 21 million cubic yards of debris in Louisiana. DRC currently has dozens of reservists and hundreds of subcontractors ready to participate in any response effort. Depending on the size of an event which may strike Jefferson Parish, DRC will dedicate all necessary manpower and equipment and in no case, will the project be understaffed.

DRC will provide the following to Jefferson Parish:

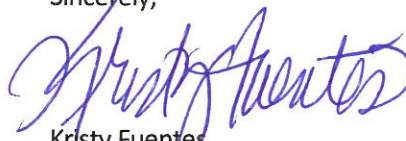
- 🌐 Contact information – including phone and email address for both Primary and Secondary Point of Contact personnel who will provide 24/7 access to parish officials throughout the emergency activation period
- 🌐 Open communication with Parish officials
- 🌐 Delivery of fuel within 48 hours of notification
- 🌐 Emergency fuel delivery for all designated tank locations throughout Jefferson Parish
- 🌐 Fuel delivery provided by well-maintained vehicles
- 🌐 Fuel delivered in trucks equipped with GPS tracking which enables SLS personnel to accurately pinpoint truck location and delivery time
- 🌐 Accurate invoicing including coordinates of fuel delivery, gallons delivered, time, date, etc.

Corporate officers with legal signing authority to bind DRC to the terms and conditions of this proposal include: John Sullivan, President; Kristy Fuentes, Vice President/Secretary-Treasurer. Evidence of their authority is attached.

The Point of Contact for Jefferson Parish is Kristy Fuentes who can be reached at (888) 721-4372, by cell: (504) 220-7682 or by email: Kfuentes@drcusa.com.

This proposal is in all respects fair and in good faith, without collusion or fraud and conforms to the specifications of your RFP. If we may offer any additional information or clarifications, please let us know. Thank you for the opportunity to offer our services and we look forward to working with Jefferson Parish in the future.

Sincerely,



Kristy Fuentes
Vice President, Secretary, Treasurer

**ACTION IN LIEU OF
A MEETING OF THE
MANAGER OF
DRC EMERGENCY SERVICES, LLC**

This action is taken in accordance with Section 10-12-22 of the Alabama Limited Liability Company Act, as amended (the “Act”), in lieu of a meeting of the sole Manager of DRC EMERGENCY SERVICES, LLC, an Alabama limited liability company (the “Company”), and is made effective as of January 19, 2016.

WHEREAS, Section 4.2 of the Company’s Second Amended and Restated Operating Agreement dated January 20, 2016 (as amended, the “LLC Agreement”) and the Act permit the Manager of the Company to take the following actions; and

WHEREAS, the undersigned, DRC Equity LLC, constitutes the sole Manager of the Company (the “Manager”).

NOW, THEREFORE, the undersigned hereby makes the following resolutions and consents to the following actions in lieu of a meeting of the Manager of the Company:

1. The following persons, in their respective corporate capacities indicated below, are hereby authorized and empowered for the express limited purpose of signing documents for the submission of bids, proposals, offers, responses and other related documents to, any federal, state or local government, including any governmental entity, organization, body, agency, department or political subdivision, for the transaction of business by or on behalf of the Company:

<u>Name</u>	<u>Office/Capacity</u>
John R. Sullivan	President
Kristy Fuentes	Vice President of Business Development, Secretary and Treasurer

2. The officers listed above after giving effect to this written consent are hereby authorized and directed on behalf of the Company to execute and deliver such agreements and instruments, make such filings and give such notices, and take any and all such other actions, and to do or cause to be done, such acts as such officers may deem necessary or advisable to accomplish or otherwise implement the purposes of the foregoing resolutions or to cause the Company to perform its obligations under any of the foregoing.

3. All actions taken by any officer of the Company in connection with any of the transactions contemplated by these resolutions are hereby authorized, approved, ratified and confirmed in all respects.

4. This written consent may be executed in counterparts, and all so executed shall constitute one action notwithstanding that all of the undersigned are not signatories to the original or to the same counterpart. This written consent shall be filed with the minutes of the proceedings of the Manager of the Company.

[SIGNATURE PAGE FOLLOWS]

Dated effective as of the date first written above.

DRC EMERGENCY SERVICES LLC

By: **DRC EQUITY, LLC**
a Texas limited liability company
Its: Manager



By: John R. Sullivan
Its: President

[Consent to Appoint Manager – DRC Emergency Services, LLC (January 2016)]

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PROJECT UNDERSTANDING AND APPROACH

Organization of the Firm

DRC employs full-time, experienced disaster response professionals who work on a **continuous standby status**, knowing they can be activated at any time, and particularly during Hurricane Season (June 1 through November 30). During periods of heightened activation potential, DRC continuously monitors the availability of Response team staff to ensure rapid mobilization and efficient project staffing.





DRC currently includes 350 full-time employees and can call upon a wide range of professional competencies to serve its disaster response activations. DRC leadership leads by example and our company's commitment to an **"all hands on deck"** philosophy in which all levels of personnel participate in project execution, is reflected in our rapid response times, exceptional project ratings and low staff turnover.

Additionally, DRC employs multiple staff members who live and work in Louisiana. Our Response team staff has experienced the nature of disaster response missions in Louisiana first-hand. DRC is committed to deploying personnel, generators, fuel and any other necessary resources upon activation.

Timetable

DRC has supported disaster recovery since its inception and is capable of meeting all contract response requirements beginning with Notice to Proceed. Our staff will deploy emergency generators and fuel to be fully operational within 48 hours.

Over time, DRC has developed streamlined processes and procedures to ensure the success of our standby contracts. Below are our common practices our teams employ for disaster-related projects:

-  **Continuous Monitoring:** DRC performs continuous monitoring of potential disaster situations in the areas in which we hold pre-position or standby contracts to ensure we have adequate resourcing for mobilization in the event of activation.
-  **Proactive Review of Requirements:** DRC does not wait for activation to understand the permitting and utility requirements in potential areas of service. Our team proactively stays informed of requirements to best provide swift and effective deployments. We make site visits to gain an understanding of future potential projects. Once activated, our team maintains constant contact with permitting authorities whenever necessary to ensure all approvals are received in a timely manner.
-  **Timely Decision Making:** DRC understands the dynamic and rapid pace of disaster response projects. As such, these activations are given top priority and executive leadership is engaged in project execution, which provides quick decision making and keeps projects moving forward on compressed timetables.
-  **Maintenance of Supplier Relationships:** DRC maintains relationships with its existing suppliers in areas of potential activation, and proactively seeks out new relationships with potential suppliers to safeguard the success and redundancy of our supply chain.

Training

DRC Response personnel are experienced in the quick mobilization of resources and the operational management of projects in less-than-ideal conditions. Between disaster recovery activations, Response team staff work on project planning, refine processes and procedures, and undergo trainings to prepare them for go-time. Staff members also are required to complete all relevant FEMA Emergency Management Institute courses.

Post-Impact Project Execution

DRC monitors the location and projected landfall for all named storms/hurricanes, preparing for activation. Upon activation and when conditions warrant, DRC moves quickly to pre-positioning personnel, materials and equipment. While local businesses are evacuating, DRC Response staff is heading toward the storm.

DRC staff is available to City officials 24 hours/7 days per week. Equipment is delivered in trucks equipped with GPS systems that allow our staff to pinpoint location, track driving performance and provide our clients with accurate delivery data.

Once installed, a local DRC Project Manager will provide the following:

- 🌐 Continue open lines of communication with Parish officials
- 🌐 Monitor fuel levels and coordinate resupply
- 🌐 Maintain 24/7 access for Parish officials
- 🌐 Provide all reports, equipment, and documentation as required

Emergency Fuel Specific

DRC will provide the following to Jefferson Parish:

- Contact information – including phone and email address for both Primary and Secondary Point of Contact personnel who will provide 24/7 access to parish officials throughout the emergency activation period
- Open communication with Parish officials
- Delivery of deliver fuel within 48 hours of notification
- Emergency fuel delivery for all designated tank locations throughout Jefferson Parish
- Fuel delivery provided by well-maintained vehicles
- Fuel delivered in trucks equipped with GPS tracking which enables DRC personnel to accurately pinpoint truck location and delivery time
- Accurate invoicing including coordinates of fuel delivery, gallons delivered, time, date, etc.

DRC's team has decades of experience providing extensive disaster recovery and emergency management services to federal, state, and local governments. As a leader in the recovery industry, our passion is helping communities prepare for the worst while being prepared to deliver a rapid response, when necessary, all to facilitate the most efficient recovery possible. Setting new industry standards is what our customers have come to expect; DRC takes pride in our versatility and in our innovative approach to every job. Having successfully completed over \$2.5 billion in contracts, DRC employs scores of talented professionals ready to satisfy our client's needs. We are proven, and we are ready.



The primary mission of our company is to provide a **professional, honest, and immediate response** to natural and man-made disasters throughout the world. DRC is highly capable in managing all facets of a disaster, particularly because of our extensive experience in communicating with our clients. Through our experience, we have developed an inherent understanding of how to direct emergency response and recovery.

DRC has provided a plethora of services in response to disaster recovery including, but not limited to:

- 🌐 Disaster Planning & Training
- 🌐 Technical Assistance and Project Management
- 🌐 Debris Management
- 🌐 Right of Way Maintenance
- 🌐 Private Property Debris Removal
- 🌐 Tree Trimming & Removal
- 🌐 Temporary Site Management Reduction, Recycling & Disposal
- 🌐 Hazardous Waste Segregation
- 🌐 Landfill Management
- 🌐 Marine Debris Removal & Recovery
- 🌐 Sand Screening & Beach Restoration
- 🌐 Wildfire Structural Debris Removal
- 🌐 Demolition
- 🌐 Oil Spill Response and Recovery
- 🌐 Temporary Housing and Logistics
- 🌐 Infectious disease Planning and Response
- 🌐 Covid-19 Vaccination Sites and Temporary Hospitals

“The contractor effectively managed all members of their team, schedule, and provided a quality product. With what I know today about the contractor’s ability to execute what they promised, I would award to them today if I had a choice. Outstanding debris removal contractor!”

-Jesse Scharlow, Contracting Officer, Louisville District, U.S. Army Corps of Engineers

FAMILY OF COMPANIES

Together with our commonly-owned affiliate, SLSCO, we are able to respond immediately to disaster events and provide almost every service required to move through the complete disaster recovery timeline. We are one of the only companies in the United States that can perform these services in a streamlined manner from both the contracting and management sides. This portfolio of companies is under the same ownership and share all resources and assets, including financial, personnel, equipment and facilities.

DRC Emergency Services, LLC



DRC specializes in providing extensive disaster recovery, environmental and civil construction services throughout the country. We are recognized for providing government and private entities with rapid response solutions and facilitating the most effective immediate recovery efforts tailored to each specific disaster. Throughout our 30-year

history, DRC has successfully completed over \$2 billion in response contracts and has handled over 40 million yards of debris. We have the ability to mobilize over 4,000 pieces of equipment to any location in the United States and maintain a strong cadre of disaster and debris management and operational personnel, who are augmented by hundreds of regional and local construction partners and personnel.

SLSCO, LTD



SLS specializes in disaster response, short-term and long-term housing solutions and comprehensive community rehabilitation and reconstruction. We are capable of providing both program/construction management and general contracting services. For over the past decade,

SLS has been involved in the reconstruction, rehabilitation elevation of over 22,000 homes in programs worth in excess of \$800 million. We have performed work nationwide and internationally and have served Federal clients such as FEMA and HUD, as well as numerous state, regional, county, and city governmental authorities throughout Texas, California, New York, New Jersey, Pennsylvania, Louisiana, South Carolina, South Dakota, Florida, Puerto Rico, and the U.S. Virgin Islands.

All resources, staff, and manpower of DRC Emergency Services LLC's common and wholly owned affiliate, SLSCO, will contribute to the success of the firm

BACKGROUND AND CAPACITY

Since its inception, DRC has responded and navigated through countless disaster events that included hundreds of contracts, each involving a unique community with distinct circumstances. Having performed debris operations across the Continental United States and internationally for decades, DRC has engaged a network of over 3,000 subcontracting partners. Our relationship with these contractors **guarantees that no matter the size or location of an event, DRC will respond timely.**

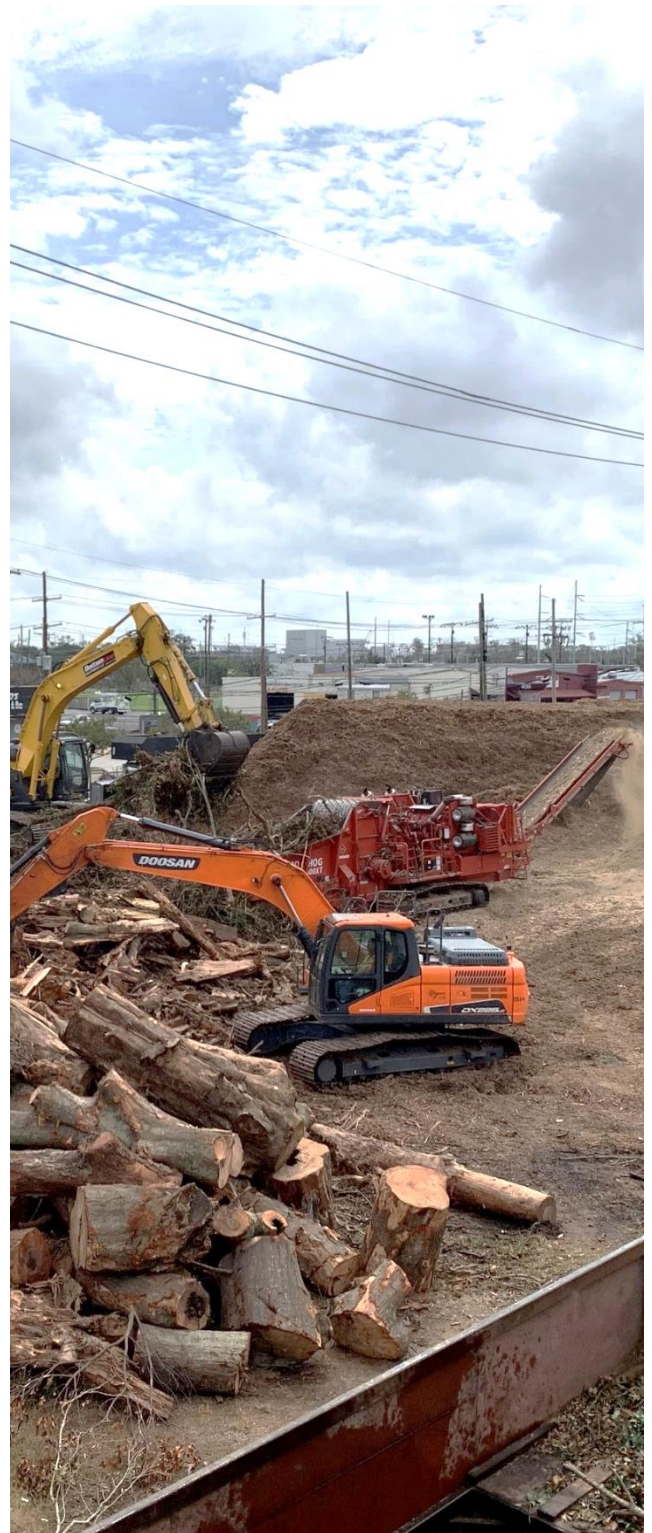
Today, DRC has grown to include field offices located in select locations across the United States and Caribbean Basin. Our national presence allows our team to quickly mobilize to serve any assignment, regardless of size or location.

Innovative solutions for design, manpower, materials, and fast-track project execution minimize project risk, time, and cost for our clients. The demonstrated experience of seasoned disaster response team personnel has allowed DRC to provide our clients proven, unique approaches for executing complex missions from beginning to end.

Our team has **successfully provided fuel** for emergency equipment such as **diesel generators, light towers**, temporary restroom and shower trailers, and additional disaster recovery resources to such relevant agencies as St. Charles Parish, Jefferson Parish, Louisiana Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), and Texas Division of Emergency Management (TDEM).

In 2021 as part of Hurricane Ida emergency activations, DRC and our sister company, SLS, provided emergency fueling services for Jefferson Parish and Jefferson Parish Sheriff's Office. Emergency fuel also was provided for emergency response resources deployed to St. Charles Parish, Terrebonne Parish, and other locations throughout the state.

Please see DRC's Louisiana licenses attached.



INSURANCE CERTIFICATE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/29/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER McGriff Insurance Services, Inc. 10100 Katy Freeway, #400 Houston, TX 77043		CONTACT NAME: Julia Becvar PHONE (A/C, No, Ext): 713-877-8975 FAX (A/C, No): 713-877-8974 E-MAIL ADDRESS: jbecvar@mcgriff.com															
INSURED DRC Emergency Services, LLC P.O. Box 17017 Galveston, TX 77552		INSURER(S) AFFORDING COVERAGE <table border="1"> <tr> <th>INSURER</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A: Crum & Forster Specialty Insurance Company</td> <td>44520</td> </tr> <tr> <td>INSURER B: The Phoenix Insurance Company</td> <td>25623</td> </tr> <tr> <td>INSURER C: Texas Mutual Insurance Company</td> <td>22945</td> </tr> <tr> <td>INSURER D: Argonaut Insurance Company</td> <td>19801</td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>		INSURER	NAIC #	INSURER A: Crum & Forster Specialty Insurance Company	44520	INSURER B: The Phoenix Insurance Company	25623	INSURER C: Texas Mutual Insurance Company	22945	INSURER D: Argonaut Insurance Company	19801	INSURER E:		INSURER F:	
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INSURER D: Argonaut Insurance Company	19801																
INSURER E:																	
INSURER F:																	

COVERAGES

CERTIFICATE NUMBER: 547NK52W

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER	X	X	ECG106665	05/28/2022	03/31/2023	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS - COM/PO/AGG \$ 5,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY	X	X	810-6P127610-22-26-G	05/26/2022	03/31/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$	X	X	EFX120408	05/26/2022	03/31/2023	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	0001307608 TX WC928666471754 OS	05/26/2022	03/31/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)


RFP No.: 0440; To Provide a Pre-Placed Emergency Contract for Fuel During a Declared Disaster for the Jefferson Parish Department of Fleet Management

Jefferson Parish, its Districts Departments and Agencies under the direction of the Parish President and the Parish Council are included as Additional Insureds on the General Liability, Automobile Liability and Excess Liability policies. Waiver of Subrogation applies in favor of the Additional Insureds as respects the General Liability, Automobile Liability, Workers' Compensation and Excess Liability policies. The General Liability Policy includes a Per Project Aggregate. Coverage is primary and non-contributory as respects to the General Liability, Automobile Liability and Excess Liability policies. All as required by written contract subject to policy, terms, conditions, and exclusions. In the event of cancellation by the insurance companies the General Liability, Automobile Liability and Excess policies have been endorsed to provide 30 days Notice of Cancellation (except for non-payment) to the Certificate Holder shown below.

(continued next page)

CERTIFICATE HOLDER

Jefferson Parish Government 200 Derbigny Street Gretna, LA 70053	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>R. Michael Breedlove, JPL</i>
--	---

AGENCY CUSTOMER ID: _____ LOC #: _____	
 <div style="display: inline-block; text-align: center; margin-left: 20px;"> ADDITIONAL REMARKS SCHEDULE Page 2 of 2 </div>	
PRODUCER McGriff Insurance Services, Inc.	INSURED DRC Emergency Services, LLC
POLICY NUMBER	ISSUE DATE: 07/29/2022
CARRIER	
NAIC CODE	
ADDITIONAL REMARKS THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM, FORM NUMBER: _____ FORM TITLE: _____ (continued from previous page) Deductibles: General Liability - *\$25,000 Per Occurrence Excess Liability - Underlying Insurance or **\$25,000 each occurrence whichever is greater	

ACORD 101 (2008/01)

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CERTIFICATE NUMBER: 547NK52W

The ACORD name and logo are registered marks of ACORD

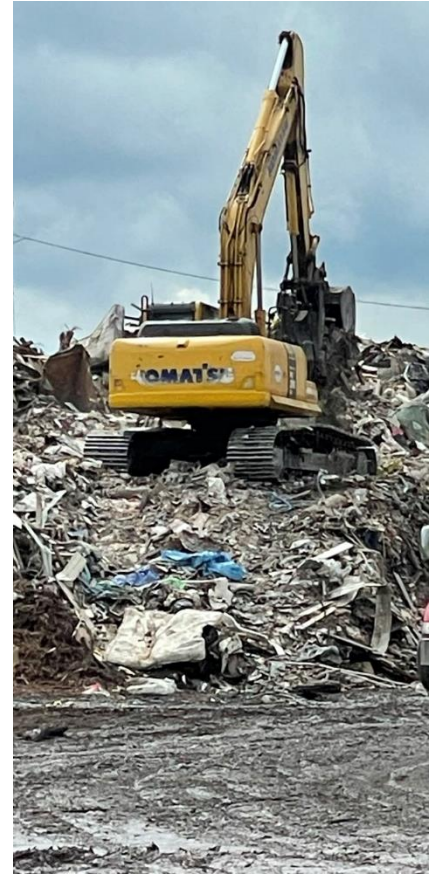
COMMITMENT TO COMPLIANCE & ETHICAL BUSINESS CONDUCT

DRC strives to provide the most dependable, honest, customer-centric service in the industry while upholding the highest standards of ethical conduct and compliance at all times. To better ensure our continued compliance with all laws, rules, and regulations, DRC's senior management has established a formal code of business conduct that all contractors and individuals are expected to adhere to.

Kristy Fuentes, DRC's Vice President of Compliance and Administration, oversees the Corporate Compliance Program. Her responsibilities include:

- 🌐 Evaluating internal and external compliance issues/concerns relating to DRC's interaction with customers
- 🌐 Ensuring that our management, employees, and customers are in compliance
- 🌐 Serving to form a valuable line of communication between the company and customers
- 🌐 Acting as a conduit to the President by monitoring and reporting results of the ethics practices of the company
- 🌐 Providing guidance to the senior management team

Ms. Fuentes is authorized to implement all necessary actions to insure achievement of the objectives of an effective compliance program.



Application of Core Values

DRC is committed to upholding our core values in all aspects of business and conduct. We expect all personnel to apply these values:

- 🌐 To our **customers** we place highest priority on our response time to a disaster, our effectiveness, and the quality of our service and solutions.
- 🌐 To our fellow **employees** we look out for their welfare, safety and health. We promote an environment that encourages new ideas, enjoyment of work, and equal opportunity for advancement.
- 🌐 To our **suppliers and subcontractors**, we are fair and professional, honoring our commitments to business partners who hold our same values.

COMPLIANCE STANDARDS AND PROCEDURES

DRC aspires to be the “**first in response**” for natural and man-made disasters by being prepared, responsive, competent, and demonstrating ethical business conduct. Headed by a team of caring people, we recognize that how we do our work is as important as what work we do. We will not tolerate any short cuts when it comes to our ethical values and standards of conduct.

Our senior management and key personnel are committed to the highest standard of ethical conduct and compliance. Our senior management team has also established a very detailed ethics program with procedures to detect some of the obvious and easier ways that fraud occasionally occurs.



Quality Control Plan

The purpose of the Quality Control Plan is to promote **efficient and safe operations** and a **quality product**. DRC’s approach to quality control consists of a series of tasks and processes tailored to suit the challenging circumstances facing Jefferson Parish in the wake of a disaster event.

A copy of the Quality Control Plan is available for review upon request.

Our mission is to provide the most **dependable, honest** and **customer-centric** services in the industry by building **lasting relationships** with the clients we serve.

We are among the leading disaster management and civil construction groups in the United States, specializing in providing emergency preparation, disaster response and recovery from major catastrophes. Our experience covers all facets of a project, including the FEMA reimbursement process.

At DRC we’re always *striking back* against disaster.

SAFETY PROCEDURES

Through careful planning and rigorous attention to training and safety procedures, DRC ensures the health and safety for both personnel and the general public. DRC's Corporate Safety Plan includes basic policies, an accident prevention plan and a substance abuse policy.

Key safety plan components include:

1. Continuous instruction/monitoring of each contractor, subcontractor, supplier and employee in the safe operation of their work;
2. A reward system for consistent safe operation and performance.

This organization's safety goals are to provide and maintain safe work environments and establish procedures which will:

- 🌐 Safeguard public, government personnel, and property
- 🌐 Provide a safe work environment for employees and subcontractors
- 🌐 Avoid interruptions to operations and delays involving project completion
- 🌐 Increase morale
- 🌐 Enhance cost measures through safe practices

DRC's staff includes Sam Dancer, Safety Officer and Jay Gunter, MOT Specialist, who bring invaluable skill and expertise to each project. With over 100 FEMA/OSHA certifications, Mr. Dancer oversees training and safety procedures. Mr. Gunter is MOT certified and successfully certified over 2,000 flaggers to meet MOT guidelines for Temporary Traffic Control Flagging Operations in 2021 alone.

A copy of DRC's Corporate Safety Plan is available for review upon request.

Employee Performance and Training

As one of the leading disaster response companies in the United States, DRC has developed one of the most comprehensive employee training modules in the industry. Every staff member is continuously trained in:

- 🌐 Online FEMA doctrine
- 🌐 Safety performance and practice
- 🌐 Certifications relative to individual disciplines

All personnel records (management, supervisors, foremen and laborers) are maintained to ensure all personnel have current training and certification relative to their job assignment. All of DRC's personnel receive specialized training in emergency management and are encouraged to further their education.

Drug Free Workplace Program

It is the goal of DRC to maintain a drug-free workplace in accordance with the Drug-Free Workplace Act of 1988. DRC has adopted the following policies on a case-by-case basis:

1. The unlawful manufacture, possession, distribution, or use of controlled substances is prohibited in the workplace.
2. As an on-going condition of employment, employees are required to abide by this prohibition and to notify her/his supervisor, the Managing Director, or Vice President in writing and within five (5) days of the violation of any criminal drug statute arrest or conviction they receive.

3. Employees who violate this prohibition or receive such a conviction are subject to corrective or disciplinary action as deemed appropriate, up to and including termination.
4. DRC provides information about drug counseling and treatment.
5. DRC reserves the right to search and inspect for the maintenance of a safe workplace.







Technical Training & Educational Services

DRC Emergency Services, LLC can help local government prepare for almost any contingency with confidence. DRC's Director of Technical Assistance and Training, Tony Furr, provides on-going education to DRC's personnel and the jurisdictions we serve. He has delivered the Debris Management training at the National Hurricane Conference, the Texas Emergency Managers Conference, the Oklahoma Emergency Managers Conference and presided over the round table workshops hosted by the Disaster Recovery Contractors Association (DRCA) in FEMA Region VI.

DRC's staff is highly trained to aid local governments with comprehensive planning and support. **We are committed to helping our clients understand the principals of Emergency Management** and have had overwhelming success providing training programs and pre-event planning workshops.

Mr. Furr and our Key Personnel are always available to provide Jefferson Parish with planning and training exercise. DRC will provide regular training and feedback sessions annually or on a more frequent basis to the Parish as a service at no additional cost.

Typical workshops include:

-  Pre-Season Debris/Response Readiness Workshop
-  Scenario Based Tabletop Exercise
-  Debris Management Seminar
-  Debris Readiness Exercise
-  Discussion Based Debris Management Exercise
-  Disaster Debris Awareness Exercise

When requested, DRC can offer a "Regional Debris Readiness Workshop" for smaller jurisdictions by inviting neighboring communities to a combined training session.

"I have been city manager for over 50 years. DRC is the best Hurricane contractor I have had the opportunity to work with."

Samuel Kissinger, City Manager, Indian Creek Village, FL

FUEL PROJECT PAST PERFORMANCE

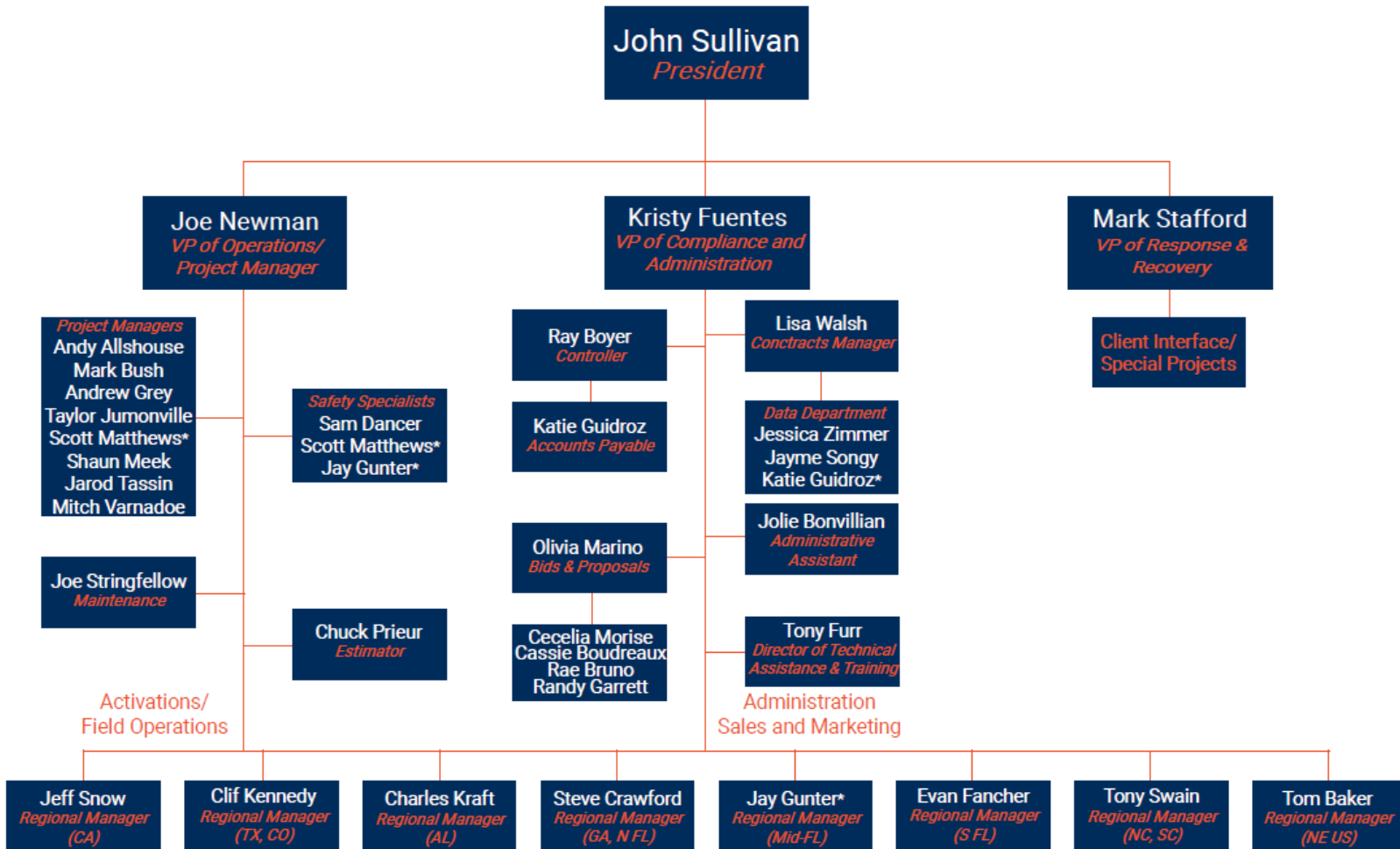
DRC has provided Emergency Fuel for its own resources during the execution of disaster response and recovery contracts for 15+ years and has provided emergency fuel for end user clients as well. The following table provides a relevant listing of past projects relevant to the anticipated Jefferson Parish Pre-Place Emergency Fuel Provider contract:

Project Name	Client	Year	Value	Event	Scope
Hurricane Ida Disaster Response	State of Louisiana, Jefferson Parish, Jefferson Parish Sheriff's Office, St. Charles Parish, Terrebonne Parish, GOHSEP	2021 – Present	\$13.0 M	Hurricane Ida	Base Camps, Catering, Generators, 160,000 Gallons of Emergency Fuel , Equipment, Logistics Support, Restroom, Shower and Laundry Trailers
Florida Emergency Services: Testing, Feeding, Logistics, and Vaccinations	FDEM / USACE	2020 – 2021	\$95.0 M	COVID-19	Logistics Support, Generator Power, Emergency Fuel , and Equipment for 40+ Testing, Feeding and Vaccination Sites
Emergency Worker State Staging Area Support / DCU Center ACS	Massachusetts Emergency Management Agency (MEMA)	2020 - 2021	\$22.1 M	COVID-19	Established Full-Service Emergency Field Hospital Run Entirely on Generator Power 24 Hours Per Day, Staffing Support
TxDOT / Hurricane Laura Emergency Base Camps	TxDOT	2020	\$1.0 M	Hurricane Laura	Base Camps and Emergency Generators & Fuel
FDOT Emergency Response Base Camp	FDOT	2018	\$1.80 M	Hurricane Michael	Emergency Responder Sheltering, Catering, Equipment & Emergency Fuel
TxDOT Emergency Base Camps	TxDOT	2017	\$7 M	Hurricane Harvey	Five Responder Base Camps, Shelter Equipment & Assets, Emergency Power & Fuel

REFERENCES

Project Type	Client	Reference Contact Information	Project Scope
Hurricane Ida Emergency Response	Jefferson Parish Sheriff's Office	Chief Sean Lusk Jefferson Parish Sheriff's Office 100 Dolhonde ST. Gretna, LA 70053 Phone: 504.494.2145 Email: Lusk_ss@jpsso.com	Combined emergency response included provision of 160,000 gallons of emergency fuel, generators & fuel at 14 sites, water, ice, equipment
Hurricane Ida Emergency Response	St. Charles Parish	Darrin Duhe St. Charles Parish 15045 River RD Hahnville, LA 70057 Phone: 985.314.4706 Email: dduhe@stcharlesgov.net	
COVID-19 Emergency Response	Florida Division of Emergency Management	Nick Mayernick Florida Division of Emergency Management 2555 Shumard Oak BLVD Tallahassee, FL 32399 Phone: 850.273.2630 Email: nicholas.mayernick@myflorida.com	Provided logistical support, emergency fuel, emergency feeding, testing and vaccinations at 40+ sites

ORGANIZATIONAL CHART



* indicates this person is listed twice

KEY PERSONNEL

DRC, its subcontractors, and/or personnel lists their accomplishments among memberships in several professional organizations including NEMA, APWA, SWANA and the Society of American Military Engineers. DRC and/or its' affiliates, associates and/or subcontractors are licensed General Contractors in the states in which DRC performs disaster response services. DRC is familiar with USACE, FEMA, and FHWA rules and regulations, the Stafford Act, and 44CFR as they pertain to emergency response, recovery and reimbursement.

John Sullivan, President

Mr. Sullivan has vast experience in all aspects of the construction industry, ranging from marine construction and dredging, land development and infrastructure construction as well as the intricate completion of individual custom homes. Mr. Sullivan, along with his brothers, started Sullivan Land Services, Ltd. which provides comprehensive site services for disaster response and recovery, infrastructure, and commercial landscaping, while earning a degree at Texas A&M University in Construction Management. His ingenuity eventually led to the creation of Sullivan Interests, Ltd., a portfolio of companies that provides services and products to various industries.

With over 26 years of experience in the construction industry, Mr. Sullivan has gained both extensive knowledge and hands on experience with the recovery process.

FEMA Certifications: IS-20.18, IS-100.b, IS-100.pwb, IS-200.b

Kristy Fuentes, Vice President of Compliance and Administration/ Regional Manager

Kristy Fuentes is the Vice President of Compliance and Administration for DRC Emergency Services, LLC (DRC ES) and Chief Ethics & Compliance Officer. Previously, Ms. Fuentes was Director of Business Development, leading the marketing, sales and communications functions. Since joining DRC in 2005, Ms. Fuentes has provided assistance to clients in planning, program management, disaster response, demolition contracting and regulatory compliance.

Following Hurricane Katrina, Ms. Fuentes managed expansive projects for the Orleans Levee Board, St. Bernard Parish and the United States Corps of Engineers. Ms. Fuentes has served as program manager for four contracts with the Louisiana Department of Environmental Quality, including the "Katrina Car and Vessel" contract and three massive demolition projects in the City of New Orleans. Following Hurricane Gustav, Ms. Fuentes managed nine major disaster-response contracts across southern Louisiana with a cumulative contract value of over thirty million dollars. In response to the BP MC 232 oil spill, Ms. Fuentes played a key role in the clean-up of lower Jefferson, Terrebonne and Plaquemines Parishes through the employment and management of hundreds of local residents and vessels.

Since November 2013, Ms. Fuentes has implemented changes and improvements to the methods and procedures for contract, licensing and pre-qualification processes, ensuring contractor compliance with Federal and State regulations.

Ms. Fuentes plays a key administrative role in every project DRC performs. In response to Hurricane Ida in 2021, Ms. Fuentes oversaw over the removal and disposal of over 17,000,000 cubic yards across 25 jurisdictional activations while managing 82 debris management sites. In the wake of Hurricanes Michael and Florence in 2018 she directed 45 simultaneous contract activations while providing oversight of accounting, invoicing, ticket reconciliation and overall administrative management. Ms. Fuentes has provided this kind of oversight on all of DRC's projects since 2013.

FEMA Certifications: IS-5.a, IS-10.a, IS-11.a, IS-29, IS-37.17, IS-42, IS-100, IS-100.b, IS-100.pwb, IS-106.17, IS-200.b, IS-241.b, IS-244.b, IS-315, IS-317, IS-453, IS-546.a, IS-547.a, IS-632.a, IS-633, IS-634, IS-700, IS-702.a, IS-706, IS-775, IS-

800.b, IS-801, IS-802, IS-803, IS-804, IS-906, IS-907, IS-909, IS-2900

Joe Newman, Vice President of Operations

With more than 14 years of experience in overseeing large-scale construction and disaster-related debris management projects, Mr. Newman has managed teams over multiple disasters including Hurricanes Isabel, Dennis, Katrina and Ike. Through the years, he has had many roles including heavy equipment operation, planning and coordination of construction process, securing permits and licenses, delivery of materials and equipment, FEMA compliance, coordinating and operating with municipality officials, and estimating for contracts.

As Vice President of Operations, Mr. Newman provides operational oversight in order to measure progress and adjust processes to ensure the success of the project. Mr. Newman oversees all project managers and works closely with management personnel to maintain efficient team structure during an activation.

Previously, while activated for Hurricane Ike, Mr. Newman oversaw the collection, processing, and recycling/disposal of over 1,000,000 cubic yards of debris. His recent project activations include Hurricanes Michael, Florence, Harvey, Maria, and Irma. Mr. Newman plays a role in every major activation providing overall project management and operational oversight.

FEMA Certifications: IS-33.17, IS-35.17, IS-100.b, IS-100.pwb, IS-632.a, IS-702.a, IS-2900

Other Certifications: Hazwoper

Mark Stafford, Vice President of Response and Recovery

Mr. Stafford brings many years of experience in disaster and commercial/industrial waste management to DRC Emergency Services. He has participated in recovery following ice storms and hurricanes throughout the Southeast. Mr. Stafford has overseen and operated landfills, recycling operations and transportation companies exceeding \$200 million in annual revenues. He has managed teams of over 1,100 staff serving business, industry and municipalities.

Prior to joining DRC, Mr. Stafford was the president and regional director of Allied Waste for the State of Louisiana. He also worked in an executive capacity for Waste Management. He earned a B. S. in business from the University of Louisiana.

FEMA Certifications: IS-5.a, IS-11.a, IS-33.17, IS-35.17, IS-100.pwb, IS-106.17, IS-200.b, IS-315, IS-317, IS-546.a, IS-547.a, IS-660, IS-700.a, IS-702.a, IS-706, IS-775, IS-800.b, IS-801, IS-802, IS-803, IS-806, IS-906, IS-907, IS-2900

Tony Furr, Director of Technical Assistance and Training

Mr. Furr was the Region VI Debris Subject Matter Expert (SME) from 2013 – 2021 for FEMA and has served as the Infrastructure Branch Director (IBD), Emergency Management Specialist, Appeals Analyst, Procurement Specialist, and Trainer for over 100 federally declared disasters and emergencies. He is nationally known and recognized in the emergency management community and is highly knowledgeable about FEMA policies, procedures, and debris operations.

Mr. Furr was directly involved in the FEMA Public Assistance (PA) grant program since 2005 (Hurricane Katrina and Rita) through 2020 COVID-19 events, including Hurricane Ike and Hurricane Harvey. Mr. Furr's knowledge and experience of the FEMA PA program is invaluable to both DRC Emergency Services, and all clients while navigating the FEMA Disaster grants programs. Mr. Furr is also a FEMA trainer for Grants Management and Debris Management. He has delivered the Debris Management training at the National Hurricane Conference, the Texas Emergency Managers Conference, the

Oklahoma Emergency Managers Conference and presided over the round table workshops hosted by the Disaster Recovery Contractors Association (DRCA) in FEMA Region VI.

Tony Furr is one of the most knowledgeable people working in the debris management business with firsthand field experience managing major disasters and PA grants.

FEMA Certifications: ICS-100, ICS-200, IS-24, IS-632.a, IS-634, IS-800.b, IS-821, IS-00022, IS-00230, IS-00317, IS-00393.a, IS-00631, IS-00632, IS-00821, IS-1812

Other Certifications: National Wildlife Coordinative Group Certifications L-381 and L-480; E0193 Certified Appeal Analyst; Various field training, including CEF, Hazard Mitigation, PA Ops 1, PA Ops 2, and Debris; Project Management (Certified Project Manager (CPM) URS Corporation

Mark Bush, Project Manager

Mr. Bush is a Texas native who worked previously as Field Service Supervisor/Operations Coordinator for an oilfield services company specializing in water treatment. He served 6 years in the US Army as a Light Wheel Mechanic and also served as a Squad Leader with the 4th Brigade/4th Infantry Division. His prior experience has helped him hone his skills in personnel management, reliability and responsiveness, attention to detail and adaptability to change, and time management. Mr. Bush manages the daily logistical coordination of crews, heavy equipment, and support resources; work flow and future crew movement planning; and daily work site documentation. Additionally, he implements health and safety protocols to ensure that all work was completed safely. Following Hurricane Harvey, Mr. Bush served as the main point of contact to Harris County Engineering. He also worked closely with FDOT in the aftermath of Hurricane Michael. Mr. Bush went to Lamar University in Beaumont, TX.

FEMA Certifications: IS-100.c, IS-200.c

Other Certifications: Hazwoper, TX All-lines Ins. Adjuster (lic#2156078), SafeLand USA, SafeGulf USA, H2S Awareness Training, CPR AED Certified

Mitch Varnadoe, Project Manager

Mr. Varnadoe has been employed with DRC for 2 years and has more than a decade of relevant work experience. He currently resides in Coffee County, GA.

Mr. Varnadoe has worked on the following projects with DRC: Graves County, KY; Mayfield, KY Tornadoes; Assumption Parrish, LA- ROW; Assumption Parrish, LA- DOT; Town of Napoleonville, LA- ROW; Town of Central, LA-ROW; St. James Parrish, LA-ROW; St. James Parrish, LA-DOT; Hurricane Laura, LA; Grant Parrish-ROW (2020); Jackson County, FL-PPDR

Shaun Meek, Project Manager

Mr. Meek has been employed with DRC for over 5 years and has over 11 years of relevant work experience. He has worked on more than 15 different projects and has managed the City of Houston bulk waste project for more than 3 years. Mr. Meek has also managed up to 6 man-camps that provided laundry, shower/toilet, and food services. He currently resides in Harris County, TX.

Andy Allshouse, Project Manager

Mr. Allshouse has been employed with DRC for about a year and has 3 years of relevant work experience. He has worked on approximately 7 disaster relief projects. Mr. Allshouse currently resides in New Port Richey, FL.

Andrew Grey, Project Manager

Mr. Grey has worked for DRC for about a year and comes to the company with over 30 years of relevant work experience. He has helped operate 3 debris management projects within the last year. He presently resides in Marion County, FL.

Taylor Jumonville, Project Manager

Mr. Jumonville comes to DRC with 3 years of experience in project management. He has currently worked for DRC for 1 year. He has worked on 10 debris management projects throughout his career. Mr. Jumonville presently resides in Lafayette, LA.

Jarod Tassin, Project Manager

Mr. Tassin joined DRC with 1 year of relevant work experience and has worked for DRC for 6 months. He has currently worked on 2 projects with the company. He presently lives in Metairie, LA.

Sam Dancer, Field Supervisor and Project Manager

After more than a decade in the military and law enforcement, Mr. Dancer became a Field Supervisor and Project Manager, handling contracts involving clean-up following Hurricanes Ida, Delta, Gustav, and Ike; Shelby County, AL tornado; Pinellas County, FL Red Tide Fish Kill; East Baton Rouge Parish, LA ice storm and flood; Ascension Parish, LA flood; City of Fayetteville, AR ice storm; City of Nashville, Tennessee flooding; BP Oil Spill; and the Port Au Prince, Haiti earthquake.

In 2020, Mr. Dancer was a Project Manager for Bulk Trash Removal in Lafourche Parish, LA. In the past, he was involved in: St. Charles County and the City of Bridgeton tornado debris removal (MO); Tuscaloosa (ALDOT) residential demolition of tornado-damaged residences (AL); Terrebonne Parish (LA) and St. Louis Bayou (MS) Cleanout project; City of New Orleans Strategic Demolition for Economic Recovery project (LA); East Baton Rouge Parish wind storm damage (LA); Ascension Parish, Tangipahoa Parish (LA), and Houston (TX) flood damage; project manager for Hurricane Irma Largo.

FEMA Certifications: IS-3, IS-5.a, IS-10.a, IS-11.a, IS -20.19, IS-20.21, IS -21.19, IS-21.21, IS-29, IS-33.17, IS-35.21, IS-36, IS-37.19, IS-37.21, IS-42, IS-60.b, IS-75, IS-100.c, IS-100.fda, IS-100.fwa, IS-100.hcb, IS-100.he, IS-100.leb, IS-100.pwb, IS-106.17, IS-200.b, IS-200.hca, IS-201, IS-230.d, IS-240.b, IS-241.b, IS-244.b, IS-315, IS-317, IS-324.a, IS-325, IS-360, IS-394.a, IS-405, IS-420, IS-421, IS-453, IS-454, IS-546.a, IS-547.a, IS-632.a, IS-633, IS-634, IS-660, IS-700.b, IS-702.a, IS-703.a, IS-706, IS-775, IS-800.b, IS-801, IS-802, IS-803, IS-804, IS-807, IS-807, IS-809, IS-810, IS-811, IS-812, IS-813, IS-906, IS-907, IS-909, IS-912, IS-914, IS-01010, IS-1150, IS-1172, IS -2000, IS-2002, IS -2500, IS -2600, IS-2900.a, IS-2901

OSHA Certifications: OSHA-105, OSHA-107, OSHA-108, OSHA-112, OSHA-113, OSHA-115, OSHA-116, OSHA-121, OSHA-122, OSHA-123, OSHA-144, OSHA-150, OSHA-151, OSHA-152, OSHA-161, OSHA-162, OSHA-602, OSHA-603, OSHA-605, OSHA-612, OSHA-614, OSHA-618, OSHA-700, OSHA-701, OSHA-702, OSHA-704, OSHA-707, OSHA-716, OSHA-718, OSHA-719, OSHA-722, OSHA-750, OSHA-806, OSHA-807, OSHA-808, OSHA-809, OSHA-815, OSHA-852

Other Certifications: Access to a TWIC card, LDEQ Asbestos Contractor/Supervisor, Access to HSIN granted by the Department of Homeland Security for Louisiana, Mississippi, Texas, Alabama, and the EM Site

Lisa Garcia Walsh, Contracts Manager

Ms. Garcia Walsh has overseen DRC's contracts since 2010. Her role is to maintain all contractual records and documentation, such as receipt and control of all contract correspondence. She is responsible for applying, renewing, and activating general contractor licenses nationwide as well as other authorizations and pre-qualifications. Additionally, she is responsible for invoicing, ticket reconciliation and coordination with subcontractors, municipalities and monitoring firms regarding accounting procedures. Ms. Garcia Walsh helps ensure data is collected and processed efficiently.

Ms. Garcia Walsh brings experience in data management operations following some of the largest debris generating natural disaster in recent history. She oversaw data collection and processing for state and federally funded projects. She assists with data management, invoice reconciliation, and project closeout.

Ms. Garcia Walsh has provided administrative assistance to DRC's management personnel on all major disasters since 2013. Prior to joining DRC, Ms. Garcia Walsh provided administrative assistance for emergency response projects involving FEMA protocol.

FEMA Certifications: IS-5.a, IS-10.a, IS-11.a, IS-37.17, IS-42, IS-100.a, IS-100.b, IS-100.pwb, IS-106.17, IS-200.b, IS-201, IS-244, IS-315, IS-317, IS-324.a, IS-453, IS-546.a, IS-547.a, IS-632.a, IS-633, IS-634, IS-660, IS-700.a, IS-702.a, IS-706, IS-775, IS-800.b, IS-801, IS-802, IS-803, IS-806, IS-906, IS-907 IS-909, IS-2900



DRC has policies in place to protect our employees and your community. DRC has successfully continued to provide disaster relief services during the unprecedented COVID-19 pandemic. In times of disaster, DRC adapts, moves forward, and strikes back.

EMPLOYMENT OF LOCAL & MINORITY CONTRACTORS

DRC maintains one of the industry's largest network of pre-screened and fully qualified subcontractors, including local and preferred vendors. DRC's subcontractors are evaluated extensively, including past performance, equipment and personnel availability, mobilization timeframes, insurance, and cost.

The use of local resources is vitally important to a successful disaster recovery operation. DRC proudly promotes community involvement by working closely with local suppliers and vendors when the situation allows. DRC utilizes local vendors to the maximum extent possible to minimize lead times, transportation costs, and schedule risk.

Because of its importance, we have developed a vast network of subcontractors that are uniquely qualified and meet all operational requirements envisioned under this RFP. DRC has access to more than 2,000 firms through our prequalified supplier database, including over 1,200 Small Business Firms. This database facilitates our ability to identify firms qualified for specific scopes of work and allows DRC to efficiently sort the firms by type of service and size of business.

Throughout its history, DRC has maintained strong relationships with local vendors and subcontractors. We pride ourselves on facilitating local involvement during recovery efforts and encourage local knowledge and experience. DRC has assembled a cadre of thousands of subcontractors which includes SBE, MBE, WBE, HUB Zone, 8(a), and VOSB (including Service-Disabled VOSB) contractors. DRC has established procedures nationally recognized in the area of community outreach as discussed below.

Local S/M/WBE Resource Program

DRC understands that primarily mobilizing staff and equipment from local subcontractors reduces mobilization times and reduces cost. While DRC maintains a current, active subcontractor list, Regional Managers reach out to local subcontractors and small, minority and women-owned business enterprises (S/M/WBE) by utilizing:

- 🌐 Governmental databases
- 🌐 Local, regional, and national SBE compliance departments
- 🌐 Client and vendor references
- 🌐 Direct mail community outreach
 - Information can be found by contacting: 888-721-4DRC or going on drcusa.com

Upon receipt of Notice of Award, DRC will make contact with local governments and SBE Resource offices to schedule an informational and technical assistance workshop for potential vendors and businesses. The workshops provides:

- 🌐 "Hands on" technical assistance to a variety of companies
- 🌐 Matches S/M/WBE contractors with other companies in order to strengthen their competitive position

DRC is committed to ensuring that local companies are made aware of all potential contracting and partnership opportunities.

From our extensive experience with subcontractors, DRC knows the importance of establishing strict guidelines for performance and safety standards. All subcontractors will be screened for qualifications and safety compliance prior to being offered a contract with DRC. Additionally, at the discretion of the contracting agency, all subcontractors will be approved prior to beginning work. Our sample Subcontractor Agreement details the scope of work and responsibilities of each subcontractor. The Subcontractor Agreement also commits the subcontractor to all governmental regulations and requirements. All subcontractor equipment will be inspected and properly maintained and all personnel certifications and safety courses will be on file and renewed or updated as needed.

In addition to stringent qualifications standards, DRC requires the following summarized items from subcontractors:

- 🌐 Compliance with all DRC safety plans.
- 🌐 Ability to meet liability and automobile insurance requirements (these may vary from contract to contract).

- Compliance with governmental employment regulations, unemployment compensation and workman's compensation laws.
- Completion of a subcontracting agreement specifying the scope of work, terms and conditions, pricing, liability requirements and any hold harmless agreements.

AFFIRMATIVE ACTION/ EQUAL OPPORTUNITY POLICY

DRC is an equal employment opportunity employer. Employment decisions are based on merit and business need, and not on race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental disability, marital status, veteran status, political affiliation, or any other factor protected by law. DRC complies with the law regarding reasonable accommodation for handicapped and disabled employees. DRC's President has issued the following policy:

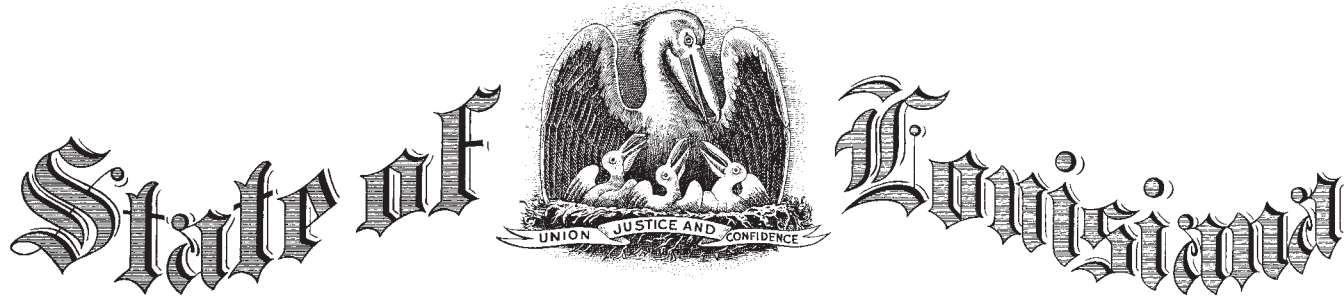
DRC recognizes the value of hiring a diverse group. Due to the nature of our work and the fact that we provide services worldwide, we find it necessary and advantageous to employ a number of persons from various countries who are of different races, religions and ethnic groups. In addition, we believe work force diversity may provide a significant market advantage.

It is the policy of DRC to comply with all the relevant and applicable provisions of the Americans with Disabilities Act (ADA). DRC will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability. DRC will also make reasonable accommodation wherever necessary for all employees or applicants with disabilities, provided that the individual is otherwise qualified to safely perform the essential duties and assignments connected with the job and provided that any accommodations made do not impose an undue hardship on DRC.

Equal employment opportunity notices are posted as required by law. Management is primarily responsible for seeing that DRC's equal employment opportunity policies are implemented, but all members of the staff share in the responsibility for assuring that by their personal actions the policies are effective and apply uniformly to everyone. Any employee, including managers, involved in discriminatory practices will be subject to termination.

"Our Mayor's Office, Councilmembers, my office, and other coordinating agencies took great comfort in the "on the ground" presence and access they had to DRC's team throughout this effort, and their commitment to the job until we fully addressed all the recovery needs of our residents was greatly appreciated."

– Adam M. Smith, P.E., Chief of Wastewater Operations & Maintenance, City of Baton Rouge/Parish of East Baton Rouge's Department of Environmental Services



State Licensing Board for Contractors

This is to Certify that:

is duly licensed and entitled to practice the following classifications



Expiration Date:

License No:

Witness our hand and seal of the Board dated,
Baton Rouge, LA day of

W. B. M. M.
Director

See Mallett
Chairman

Andy D. D.
Treasurer

This License Is Not Transferrable

UNITED STATES OF AMERICA
State of Louisiana
Al Ater
SECRETARY OF STATE

As Secretary of State, of the State of Louisiana, I do hereby Certify that
the Application Form for Certificate of Authority of

DRC EMERGENCY SERVICES, LLC

Domiciled at MOBILE, ALABAMA,

Was filed and recorded in this Office on September 14, 2005.

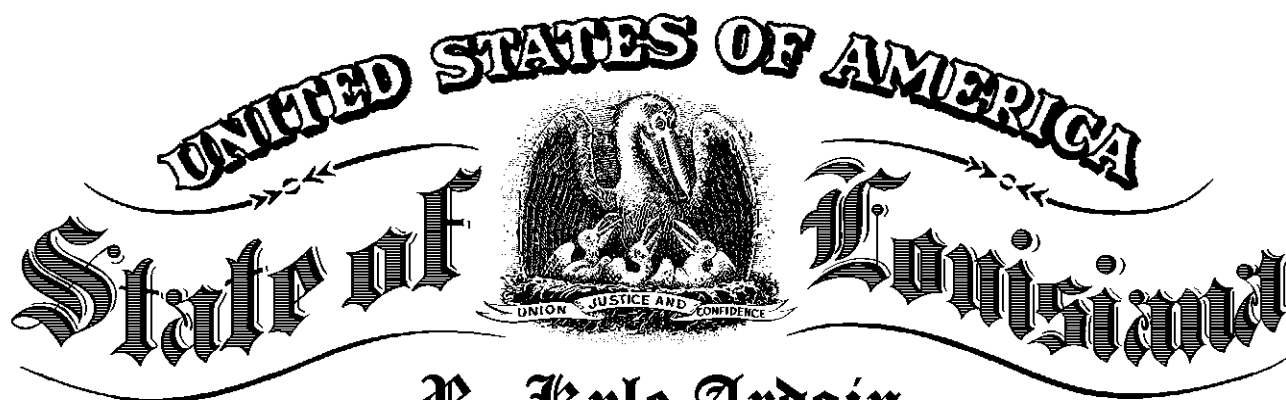
Thus authorizing the limited liability company to exercise
the same rights and privileges accorded similar domestic
limited liability companies, subject to the provisions of R.
S. Title 12, Chapter 22, Part VIII.

*In testimony whereof, I have hereunto set
my hand and caused the Seal of my Office
to be affixed at the City of Baton Rouge on,
September 14, 2005*

MBE 36014837Q

Secretary of State





R. Kyle Ardoin

SECRETARY OF STATE

As Secretary of State of the State of Louisiana, I do hereby Certify that

DRC EMERGENCY SERVICES, LLC

A limited liability company domiciled in MONTGOMERY, ALABAMA,

Filed charter and qualified to do business in this State on September 14, 2005,

I further certify that the records of this Office indicate the company has paid all fees due the Secretary of State, and so far as the Office of the Secretary of State is concerned, is in good standing and is authorized to do business in this State.

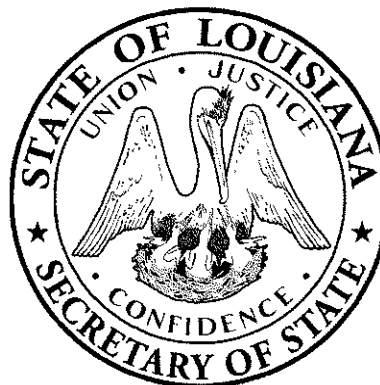
I further certify that this certificate is not intended to reflect the financial condition of this company since this information is not available from the records of this Office.

In testimony whereof, I have hereunto set my hand and caused the Seal of my Office to be affixed at the City of Baton Rouge on,

August 20, 2020

Secretary of State

Web 36014837Q



Certificate ID: 11259920#F5P83

To validate this certificate, visit the following web site, go to **Business Services, Search for Louisiana Business Filings, Validate a Certificate**, then follow the instructions displayed.
www.sos.la.gov

COMPREHENSIVE SERVICES

DRC, SLS. And our Family of Companies have the capability to execute each step in the recovery process, utilizing some of the best personnel, resources and financial capabilities in the disaster industry. Through the combined efforts of our distinct companies, we are ready, willing and able to take the lead in all three critical phases of disaster management and recovery and assist clients with accomplishing the full restoration of lives and communities.

RESPOND

Immediate response to a disaster is imperative to quickly restoring a community to functioning levels. No matter the task, we specialize in executing this phase and work around the clock to clear the way for the restoration of critical services to affected areas.

- Disaster management and relief services
- Emergency mitigation with debris removal
- Demolition and structural stabilization
- Emergency sheltering and mass care
- Restoration of critical services and emergency utilities
- Water damage mitigation and removal of materials

RECOVER

Once critical needs are met, the second phase commences to execute recovery efforts and enable communities to begin moving forward. We have the ability to streamline the process and make the phased transition immediate and seamless.

- Temporary and permanent housing solutions
- Road reconstruction and utility work
- Electrical, plumbing, sewage and HVAC services
- Marine debris salvage and recovery
- Debris removal and hazardous material abatement
- Beach sand screening and replenishment

RESTORE





With the completion of recovery efforts, permanent restoration begins, which enables a community to rebuild in a manner that brings a return to normalcy. Through “pocket” construction or comprehensive community development, we help bring stability and enable positive forward momentum.

- Permanent residential rehabilitation, reconstruction, and elevation
- Infrastructure development
- Marine and port facility reconstruction
- Land and marine disaster mitigation improvements
- Community master-plan design and construction
- Program and construction management

TIMETABLE

DRC has supported disaster recovery since its inception and is capable of meeting all contract response requirements beginning with Notice to Proceed. Our staff will deploy emergency generators and fuel to be fully operational within 48 hours.

Over time, DRC has developed streamlined processes and procedures to ensure the success of our standby contracts. Below are our common practices our teams employ for disaster-related projects:

-  **Continuous Monitoring:** DRC performs continuous monitoring of potential disaster situations in the areas in which we hold pre-position or standby contracts to ensure we have adequate resourcing for mobilization in the event of activation.
-  **Proactive Review of Requirements:** DRC does not wait for activation to understand the permitting and utility requirements in potential areas of service. Our team proactively stays informed of requirements to best provide swift and effective deployments. We make site visits to gain an understanding of future potential projects. Once activated, our team maintains constant contact with permitting authorities whenever necessary to ensure all approvals are received in a timely manner.
-  **Timely Decision Making:** DRC understands the dynamic and rapid pace of disaster response projects. As such, these activations are given top priority and executive leadership is engaged in project execution, which provides quick decision making and keeps projects moving forward on compressed timetables.
-  **Maintenance of Supplier Relationships:** DRC maintains relationships with its existing suppliers in areas of potential activation, and proactively seeks out new relationships with potential suppliers to safeguard the success and redundancy of our supply chain.

FINANCIAL STRENGTH & STABILITY

DRC is one of the most **financially sound and stable companies** in the disaster response industry. With a **bonding capacity of over \$1 billion** and access to dedicated cash and credit lines in **excess of \$400 million**, DRC has the ability to manage and complete multiple projects simultaneously without being hindered by a lack of operating capital. During high storm seasons over the past decade, DRC operated substantially out of pocket prior to client payment, yet remained fully capable of providing the critical services necessary to complete all contracts.

- 🌐 In 2021, DRC removed over 17,000,000 cubic yards of debris and managed 82 debris management sites in response to Hurricane Ida alone. Our combined contract total for 2021 was valued at over \$300,000,000.
- 🌐 The 2020 hurricane season consisted of numerous hurricanes including Hurricanes Hanna, Laura, Isaias, Sally, Delta, and Zeta; DRC was mobilized in Alabama, Georgia, Louisiana, Mississippi, Florida, Texas, and North Carolina and removed and disposed of over 5,900,000 cubic yards of debris for contracts totaling over \$180 million.
- 🌐 The 2018 hurricane season brought several storms, most notably Hurricanes Florence and Michael. With only two weeks of reprieve between each storm, DRC mobilized in Florida, North Carolina, Virginia and Georgia simultaneously.
- 🌐 Three major hurricanes hit continental North America in 2017, Hurricanes Harvey, Irma, and Maria, consecutively. DRC managed a total of 53 projects simultaneously in the months that followed these disasters, totaling to \$207 million and 6 million cubic yards.
- 🌐 2016 brought several severe flooding events, primarily in Texas and Louisiana. Additionally, Hurricanes Hermine and Mathew wreaked havoc on Florida and the East Coast. DRC was activated in 30 total jurisdictions, DRC picked up a total of 4 million cubic yards of debris, totaling to an estimated amount of \$64.7 million contract value.
- 🌐 The winter of 2014 wreaked havoc on the eastern seaboard. Working primarily in South Carolina and North Carolina, DRC managed the debris removal for 5 counties in North Carolina and 8 counties for SCDOT. Removing over 225,000 trees and 1,400,000 cubic yards, the contract value is \$54,449,473.
- 🌐 DRC successfully performed in at least 9 contracts that were directly related to the British Petroleum Deepwater Horizon oil spill in the Gulf of Mexico which flowed for three months in 2010. The company's depth of knowledge with debris handling in ecologically sensitive environments was a significant asset to the regions affected. The total contract value is \$185,334,469.

Banking

Texas Capital Bank

Leila Aloï

Senior VP Corporate Banking

One Riverway, Suite 2100

Houston, TX 77056

(832) 308-7005

Laila.Aloi@texascapitalbank.com

Surety

Bowen, Michlette & Britt Insurance

Agency LLC

Toby Michlette

Surety Bond Producer, Senior VP

1111 North Loop West, Suite 400

Houston, TX 77046

(713) 880-7109

Tmichlette@bmbinc.com

Insurance

McGriff, Seibels & Williams

Rob Harrison

818 Town & Country Blvd.

Suite 500

Houston, TX 77024

(713) 940-6544

Rob.harrison@mcgriff.com

DRC has never failed to complete any awarded work, defaulted on a contract, or filed for bankruptcy. The company has a 100% assignment completion record.

Please see DRC's past 3 years of financial statements attached.

DocuSign Envelope ID: B2F45BBD-C0F3-4646-BE0F-635C2014ECF9



January 10, 2022

DRC Emergency Services, LLC
6702 Broadway
Galveston, Texas 77554

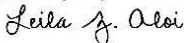
To Whom It May Concern:

DRC Emergency Services, LLC has the financial resources to perform the requested work for the jurisdiction and the ability to obtain additional resources if needed. The company has a multi-year syndicated revolving credit facility in the amount of \$400,000,000 led by Texas Capital Bank. DRC Emergency Services, LLC has the financial capability to finance a multi-million dollar volume of work without interference or a slow-down of work.

In addition to the Line of Credit with our bank, the owners of DRC Emergency Services, LLC keep ample levels of Working Capital available at moments notice.

They have banked with us for over 5 years, have always paid as agreed and are one of the highest valued clients in the bank. We've witnessed them work on multiple projects and coordinate large scale efforts with excellent execution.

Please feel free to contact me should you need additional information.

DocuSigned by:

CB27F6DC91CA459...

Leila Aloï
Senior Vice President
Texas Capital Bank
832-308-7005



BOWEN, MICLETTE & BRITT INSURANCE AGENCY, LLC
2800 NORTH LOOP WEST, SUITE 1100
HOUSTON, TEXAS 77092
TELEPHONE (713) 880-7100
FACSIMILE (713) 880-7149

January 10, 2022

DRC Emergency Services, LLC
6702 Broadway
Galveston, TX 77554

Re: DRC Emergency Services, LLC

To Whom It May Concern:

We are the surety bonding agent for DRC Emergency Services, LLC, of Galveston, TX. In this capacity, we have become very familiar with their financial, management, and operational capabilities. DRC Emergency Services, LLC is bonded through Travelers Casualty and Surety Company of America (Travelers), which has an A.M. Best Rating of A++ with a Financial Size Category of XV. Travelers has agreed to support performance and payment bonds for single projects up to \$500,000,000 as long as these projects fit within a \$1 Billion aggregate work program.

Please note that the decision to issue performance and payment bonds is a matter between DRC Emergency Services, LLC, and Travelers, and will be subject to the review and approval of the contract terms, conditions and related underwriting criteria at the time the bonds are requested. We assume no liability to third parties or to you if for any reason Travelers does not execute said bonds.

We hold DRC Emergency Services, LLC in the highest possible regard and it is our pleasure and privilege to recommend them for your consideration.

Very truly yours,

BOWEN, MICLETTE & BRITT INSURANCE AGENCY, LLC



David T. Miclette
Senior Vice President

DTM/rg

INSURANCE / BONDS / RISK MANAGEMENT



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/29/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER McGriff Insurance Services, Inc. 10100 Katy Freeway, #400 Houston, TX 77043	CONTACT NAME: Julia Becvar PHONE (A/C, No, Ext): 713-877-8975 FAX (A/C, No): 713-877-8974 E-MAIL ADDRESS: jbecvar@mcgriff.com														
INSURER(S) AFFORDING COVERAGE															
INSURED DRC Emergency Services, LLC P.O. Box 17017 Galveston, TX 77552	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">INSURER</th> <th style="text-align: left;">NAIC #</th> </tr> <tr> <td>INSURER A :Crum & Forster Specialty Insurance Company</td> <td>44520</td> </tr> <tr> <td>INSURER B :The Phoenix Insurance Company</td> <td>25623</td> </tr> <tr> <td>INSURER C :Texas Mutual Insurance Company</td> <td>22945</td> </tr> <tr> <td>INSURER D :Argonaut Insurance Company</td> <td>19801</td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>	INSURER	NAIC #	INSURER A :Crum & Forster Specialty Insurance Company	44520	INSURER B :The Phoenix Insurance Company	25623	INSURER C :Texas Mutual Insurance Company	22945	INSURER D :Argonaut Insurance Company	19801	INSURER E :		INSURER F :	
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INSURER C :Texas Mutual Insurance Company	22945														
INSURER D :Argonaut Insurance Company	19801														
INSURER E :															
INSURER F :															

COVERAGES

CERTIFICATE NUMBER:547NK52W

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURED	SUBROGATION	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	X	X	ECG106665	05/26/2022	03/31/2023	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS - COMP/OP AGG \$ 5,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY	X	X	810-6P127610-22-26-G	05/26/2022	03/31/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED: RETENTION \$	X	X	EFX120408	05/26/2022	03/31/2023	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	0001307608 TX WC928868471754 OS	05/26/2022	03/31/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RFP No.: 0440; To Provide a Pre-Placed Emergency Contract for Fuel During a Declared Disaster for the Jefferson Parish Department of Fleet Management

Jefferson Parish, its Districts Departments and Agencies under the direction of the Parish President and the Parish Council are included as Additional Insureds on the General Liability, Automobile Liability and Excess Liability policies. Waiver of Subrogation applies in favor of the Additional Insureds as respects the General Liability, Automobile Liability, Workers' Compensation and Excess Liability policies. The General Liability Policy includes a Per Project Aggregate. Coverage is primary and non-contributory as respects to the General Liability, Automobile Liability and Excess Liability policies. All as required by written contract subject to policy, terms, conditions, and exclusions. In the event of cancellation by the insurance companies the General Liability, Automobile Liability and Excess policies have been endorsed to provide 30 days Notice of Cancellation (except for non-payment) to the Certificate Holder shown below.

(continued next page)

CERTIFICATE HOLDER

Jefferson Parish Government
 200 Derbigny Street
 Gretna, LA 70053

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

R Michael Broadlove, Jr

AGENCY CUSTOMER ID: _____
LOC #: _____



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

PRODUCER McGriff Insurance Services, Inc.		INSURED DRC Emergency Services, LLC	
POLICY NUMBER			
CARRIER	NAIC CODE		
		ISSUE DATE: 07/29/2022	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: _____ FORM TITLE: _____

(continued from previous page)

Deductibles:

General Liability - *\$25,000 Per Occurrence

Excess Liability - Underlying Insurance or **\$25,000 each occurrence whichever is greater

DRC EMERGENCY SERVICES



FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

AND INDEPENDENT AUDITOR'S REPORT

DRC EMERGENCY SERVICES**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1
Balance Sheet	3
Statement of Income and Members' Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	7



MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
DRC Emergency Services, (a division of DRC Emergency Services, LLC)

Opinion

We have audited the financial statements of DRC Emergency Services, (a division of DRC Emergency Services, LLC), which comprise the balance sheet as of December 31, 2021, and the related statements of income and members' equity and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of DRC Emergency Services (a division of DRC Emergency Services, LLC), as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DRC Emergency Services, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about DRC Emergency Services (a division of DRC Emergency Services, LLC) ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 DRC Emergency Services (a division of DRC Emergency Services, LLC) internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about DRC Emergency Services (a division of DRC Emergency Services, LLC) ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Mit: Mit, L.L.P.

Houston, Texas
April 20, 2022

DRC EMERGENCY SERVICES
BALANCE SHEET
December 31, 2021

ASSETS

Current Assets:

Cash and cash equivalents	\$ 6,527,153
Accounts receivable, net	219,212,671
Unbilled revenue	75,467,376
Prepaid expenses	<u>168,270</u>
Total current assets	301,375,470

Property and Equipment, net	<u>2,321,462</u>
------------------------------------	------------------

\$ 303,696,932

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities:

Accounts payable	\$ 32,160,290
Accrued and other liabilities	<u>17,928,920</u>
Total current liabilities	<u>50,089,210</u>

Long-Term Liabilities:

Long-term debt - related party	15,243,403
Long-term debt - third party	<u>129,784,633</u>
Total long-term liabilities	<u>145,028,036</u>

Commitments and Contingencies

Members' Equity	<u>108,579,686</u>
------------------------	--------------------

\$ 303,696,932

(See Notes to Financial Statements)

DRC EMERGENCY SERVICES
STATEMENT OF INCOME AND MEMBERS' EQUITY
For the Year Ended December 31, 2021

Service Revenues		\$ 336,368,510
Cost of Service Revenues		<u>246,112,480</u>
Gross margin		90,256,030
Selling, General, and Administrative Expenses		<u>11,389,388</u>
Income from operations		78,866,642
Other Income (Expense):		
Interest expense	\$ (711,565)	
Gain on extinguishment of debt	479,877	
Other income	<u>8,837</u>	<u>(222,851)</u>
Income before state and foreign income tax provision		78,643,791
State and Foreign Income Tax Provision		<u>3,142,597</u>
Net income		75,501,194
Members' Equity:		
Balance, beginning of year		<u>33,078,492</u>
Balance, end of year		<u>\$ 108,579,686</u>

(See Notes to Financial Statements)

DRC EMERGENCY SERVICES
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

Cash Flows from Operating Activities:

Net income	\$ 75,501,194
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation	163,755
Amortization of debt issuance costs	71,789
Gain on extinguishment of debt	(479,877)
Changes in operating assets and liabilities:	
Accounts receivable, net	(146,015,680)
Unbilled revenue	(47,629,813)
Prepaid expenses	(109,738)
Accounts payable	21,376,155
Accrued and other liabilities	<u>5,957,695</u>
Total adjustments	<u>(166,665,714)</u>
Net cash used in operating activities	<u>(91,164,520)</u>

Cash Flows from Investing Activities:

Purchase of property and equipment	<u>(746,823)</u>
Net cash used in investing activities	<u>(746,823)</u>

Cash Flows from Financing Activities:

Advances on long-term debt - third party	130,000,000
Payments on long-term debt - third party	(39,998,970)
Advances on long-term debt - related party	192,040,000
Payments on long-term debt - related party	<u>(186,796,597)</u>
Net cash provided by financing activities	<u>95,244,433</u>

Net increase in cash and cash equivalents 3,333,090

Cash and Cash Equivalents, beginning of year 3,194,063

Cash and Cash Equivalents, end of year \$ 6,527,153

(See Notes to Financial Statements)

DRC EMERGENCY SERVICES
STATEMENT OF CASH FLOWS (CONTINUED)
For the Year Ended December 31, 2021

Supplemental Cash Flows Information:

Cash paid for interest	<u>\$ 33,562</u>
Cash paid for state and foreign income taxes	<u>\$ 1,304,552</u>

(See Notes to Financial Statements)

DRC EMERGENCY SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business

DRC Emergency Services, emergency service division, (the “Company”) provides disaster response and recovery services from major catastrophes. The Company is headquartered in Galveston, Texas.

Cash and Cash Equivalents

The Company considers cash and cash equivalents to include all highly liquid investments purchased with an original maturity of three months or less.

Accounts Receivable and Unbilled Revenue

Accounts receivable from performing disaster and recovery services are based on contracted prices and are recorded when contracts are billed. Management periodically reviews all accounts receivable to determine if any are considered delinquent based upon the age of the receivable and the creditworthiness of the parties involved. An allowance for doubtful accounts is recorded for the amount management estimates as uncollectible. Accounts receivable are written off when they are determined to be uncollectible. Unbilled revenue are related to revenue earned but not yet invoiced due to milestones that must be met.

Property and Equipment

Property and equipment is recorded at cost. Improvements or betterments of a permanent nature are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses resulting from property and equipment disposals are credited or charged to operations currently. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

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 disclosure 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. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

Presentation of Sales Taxes

Various states impose a sales tax on the Company’s sales to nonexempt customers. The Company collects that sales tax from customers and remits the entire amount to the state. The Company’s accounting policy is to exclude the tax collected and remitted to the state from service revenues and cost of service revenues.

DRC EMERGENCY SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

For federal income tax purposes, the Company files as part of DRC Emergency Services, LLC and is treated as a partnership. In accordance with federal income tax regulations, no federal income taxes are levied on a partnership, but rather on the individual members. Consequently, no provision or liability for federal income taxes has been reflected in the accompanying financial statements.

The Company is subject to the State of Texas gross margin tax and foreign tax, which is included in the state and foreign income tax provision in the statement of income and members' equity.

Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements. The Company has no tax-related interest or penalties. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal, state or foreign tax authorities for years before 2018.

Revenue Recognition

Service Contracts

The Company recognizes revenue from disaster and recovery service contracts. Under these contracts, the Company has the right to consideration from the customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date. Revenue is recognized when services are performed and contractually billable. Revenue recognized on service contracts that have not been billed to clients is classified as a current asset under accounts receivable (unbilled revenues) in the balance sheet. Customer payments on service contracts are typically due within 30 to 90 days of billing, depending on the contract.

Contract Assets and Liabilities

Contract assets represent revenue recognized in excess of amounts billed and are reflected as unbilled revenues. Unbilled revenues represent an unconditional right to payment subject only to the passage of time, and are reclassified to accounts receivable when they are billed under the terms of the contract. Contract assets totaled \$75,467,376 and \$27,837,563 at December 31, 2021 and 2020, respectively. Contract liabilities represent amounts billed to clients in excess of revenue recognized to date. There were no contract liabilities as of December 31, 2021 or 2020.

Advertising Costs

The Company expenses advertising costs as they are incurred. Advertising expense for the year ended December 31, 2021 was \$63,018.

DRC EMERGENCY SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncement

Pending

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842), which amends the existing guidance on accounting for leases. Topic 842 was further clarified and amended within ASU 2017-13, ASU 2018-01, ASU 2018-10, ASU 2018-11, ASU 2018-20, ASU 2019-10, and ASU 2020-05. The new guidance requires the recognition of right-of-use assets and lease liabilities on the balance sheet for leases with terms greater than twelve months or leases that contain a purchase option that is reasonably certain to be exercised. Lessees will classify leases as either finance or operating leases. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the terms of the lease. Topic 842 is effective for annual reporting periods beginning after December 15, 2021. Early adoption is permitted. The Company will adopt Topic 842 during the first quarter of 2022 using the modified retrospective method that could result in a cumulative effect adjustment to members' equity as of the date of adoption. The new guidance will be applied to leases that exist or are entered into on or after January 1, 2022. The Company expects to utilize the package of practical expedients in Accounting Standards Codification 842-10-65-1(f) that, upon adoption of Topic 842, allows entities to (1) not reassess whether any expired or existing contracts are or contain leases, (2) retain the classification of leases (e.g., operating or finance lease) existing as of the date of adoption and (3) not reassess initial direct costs for any existing leases. Management is currently evaluating the impact of adopting ASU 2016-02 on the Company's financial position, results of operations and cash flows, however management does not expect the adoption of Topic 842 to have a material impact on the Company's financial results.

NOTE 2 - ACCOUNTS RECEIVABLE

At December 31, 2020, accounts receivable was \$72,646,991.

Accounts receivable at December 31, 2021 consist of the following:

Contracts	\$218,089,015
Retainage	3,650,303
Related parties	<u>17,730</u>
	221,757,048
Less: Allowance for doubtful accounts	<u>2,544,377</u>
	<u>\$219,212,671</u>

DRC EMERGENCY SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment and related accumulated depreciation at December 31, 2021 is as follows:

<u>Asset Description</u>	<u>Useful Lives</u>	
Land		\$1,500,000
Buildings	3 - 39 years	1,048,969
Furniture and fixtures	3 - 5 years	82,598
Machinery and equipment	3 - 5 years	117,835
Automobiles and trucks	3 - 5 years	<u>872,792</u>
		3,622,194
Less: Accumulated depreciation		<u>1,300,732</u>
		<u>\$2,321,462</u>

Depreciation expense for the year ended December 31, 2021 amounted to \$163,755 and is included in selling, general, and administrative expenses in the accompanying statement of income and members' equity.

NOTE 4 - ACCOUNTS PAYABLE

Accounts payable at December 31, 2021 consist of the following:

Contracts	\$ 3,630,272
Retainage	22,869,155
Related parties	<u>5,660,863</u>
	<u>\$32,160,290</u>

DRC EMERGENCY SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 - CREDIT AGREEMENT

On January 31, 2020, the Company along with other entities under common control amended the credit agreement with a financial institution syndication. On December 17, 2021, the credit agreement was further amended, joining additional entities under common control to the credit agreement. The loan is solely a Revolving loan facility of \$400,000,000, expandable to \$500,000,000. Base rate loans are calculated based on the higher of Prime rate plus 0.25%, or the sum of the Federal Funds rate plus 0.50%, or the Adjusted LIBOR rate (defined as LIBOR multiplied by the Statutory Reserve Rate) plus 1.00%. Additionally, the entities are charged each quarter an unused fee for any unused amount, based on the entities' leverage ratio. Interest is payable on a quarterly basis with principal due at maturity. The total amount borrowed against the Revolving loan facility is \$335,000,000 as of December 31, 2021 and is collateralized by all assets of the entities. The credit agreement matures on January 31, 2025 and the Company's balance is included in long-term debt in the balance sheet.

The Company's balance under this facility at December 31, 2021 are as follows:

Revolving loan facility principal	\$130,000,000
Less: Debt issuance cost	<u>(215,367)</u>
	<u>\$129,784,633</u>

On January 4, 2022, the Company, and related parties further amended the credit agreement, extending the maturity date to January 31, 2027. The credit agreement also changed from including an option to be subject to a LIBOR based loan to a Bloomberg Short-Term Bank Yield Index Rate (BSBY) based loan. All other terms of the agreement remain the same.

NOTE 6 - LONG-TERM DEBT – RELATED PARTY

Long-term debt – related party consists of a note payable to a related party, including interest at 1%. Outstanding principal and unpaid interest are due at maturity in December 2025. The outstanding balance at December 31, 2021 was \$15,243,403. On January 11, 2022, the outstanding balance was paid in full.

For the year ended December 31, 2021, the Company incurred interest expense on related party debt totaling \$508,411.

NOTE 7 - GAIN ON EXTINGUISHMENT OF DEBT

On April 9, 2021, the Company received a letter from the Small Business Administration, notifying the Company that their loan under the Paycheck Protection Program had been forgiven. As a result, the Company recognized a gain on extinguishment of debt of \$479,877.

DRC EMERGENCY SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Concentrations of Credit Risk

The Company has a concentrated credit risk for cash and cash equivalents because it maintains deposits and temporary cash investments with financial institutions. At times, such deposits and investments are in excess of federally insured limits. Management feels exposure of loss is minimal and any actual loss is unlikely.

The Company controls its credit risk associated with accounts receivable by maintaining credit policies, which include credit evaluations and monitoring procedures. The Company has no formal policy requiring collateral or other security to support its accounts receivable, although it has statutory rights to file liens on real property for amounts owed the Company for which amounts due are not paid.

The Company received approximately 34% of revenue from three customers for the year ended December 31, 2021. The Company has 36% of its accounts receivable outstanding from three customers at December 31, 2021.

Operating Leases

The Company rents office space from third-party lessors. These leases expire at various times through February 2027. Total rent expense for the year ended December 31, 2021 was \$1,374,305. Of this amount, \$1,233,596 is included in cost of service revenues and the remaining \$140,709 in selling, general, and administrative expenses.

Future minimum lease payments at December 31, 2021 are as follows:

<u>For the Year Ending December 31:</u>	
2022	\$ 75,000
2023	90,000
2024	90,000
2025	90,000
2026	90,000
Thereafter	<u>15,000</u>
	<u>\$ 450,000</u>

Employee Benefit Plan

The Company has a 401(k) Plan (the "Plan") that covers substantially all employees of the Company and certain other related participating employers. Covered employees are eligible to participate in the Plan upon completion of one year of service and the attainment of age 21. Participating employees may elect to contribute an amount up to the limited dollar amount set by law. Employer matching and profit sharing contributions are discretionary. For 2021, the employer matching contribution was 100% up to 4% of the participant's eligible compensation. The Company's contribution to the Plan for the year ended December 31, 2021 was \$56,405.

DRC EMERGENCY SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 8 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation

The Company has been named a defendant in certain lawsuits arising from the ordinary course of business. Management does not believe such litigation will have a material adverse impact on the financial statements.

NOTE 9 - RELATED-PARTY TRANSACTIONS

The Company performs services for a related party through common ownership. Total revenues with this related party totaled \$1,051,535 for the year ended December 31, 2021.

The Company paid \$17,333 in management fees to a related party through common ownership.

NOTE 10 - FAIR VALUE

The Company has a number of financial instruments, mainly cash, accounts receivable, and accounts payable, none of which are held for trading purposes. Management estimates that the fair value of all financial instruments at December 31, 2021 approximates carrying value due to the short maturities of the financial instruments.

NOTE 11 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 20, 2022, the date the financial statements were available to be issued.

DRC EMERGENCY SERVICES, LLC

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
AND INDEPENDENT AUDITOR'S REPORT



MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

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MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
DRC Emergency Services, LLC

Opinion

We have audited the financial statements of DRC Emergency Services, LLC, which comprise the balance sheet as of December 31, 2020, and the related statements of income and members' equity and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of DRC Emergency Services, LLC as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DRC Emergency Services, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about DRC Emergency Services, LLC's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 DRC Emergency Services, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about DRC Emergency Services, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Melton & Melton, LLP

Houston, Texas
April 21, 2021

DRC EMERGENCY SERVICES, LLC
BALANCE SHEET
December 31, 2020

ASSETS

Current Assets:

Cash and cash equivalents	\$ 3,194,063
Accounts receivable, net	72,646,991
Unbilled revenue	27,837,563
Note receivable	550,000
Prepaid expenses and other current assets	<u>58,532</u>
Total current assets	104,287,149

Property and Equipment, net	<u>1,738,394</u>
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\$ 106,025,543

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities:

Accounts payable	\$ 10,784,135
Accrued and other liabilities	<u>11,971,225</u>
Total current liabilities	<u>22,755,360</u>

Long-Term Liabilities:

Long-term debt - related party	10,000,000
Long-term debt - third party	<u>40,191,691</u>
Total long-term liabilities	<u>50,191,691</u>

Commitments and Contingencies

Members' Equity	<u>33,078,492</u>
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\$ 106,025,543

(See Notes to Financial Statements)

DRC EMERGENCY SERVICES, LLC
STATEMENT OF INCOME AND MEMBERS' EQUITY
For the Year Ended December 31, 2020

Service Revenues		\$ 115,713,730
Cost of Service Revenues		<u>86,253,183</u>
Gross margin		29,460,547
Selling, General, and Administrative Expenses		<u>6,847,438</u>
Income from operations		22,613,109
Other Income (Expense):		
Interest expense	\$ (156,894)	
Gain on sale of property and equipment	527,393	
Other income	<u>11,540</u>	<u>382,039</u>
Income before state income tax provision		22,995,148
State Income Tax Provision		<u>2,375,422</u>
Net income		20,619,726
Members' Equity:		
Balance, beginning of year		17,408,766
Contributions		4,050,000
Distributions		<u>(9,000,000)</u>
Balance, end of year		<u>\$ 33,078,492</u>

(See Notes to Financial Statements)

DRC EMERGENCY SERVICES, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

Cash Flows from Operating Activities:

Net income	\$ 20,619,726
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	150,139
Amortization of debt issuance costs	71,789
Gain on sale of property and equipment	(527,393)
Changes in operating assets and liabilities:	
Accounts receivable, net	(52,410,124)
Unbilled revenue	(27,837,563)
Prepaid expenses and other current assets	38,756
Accounts payable	8,563,495
Accrued and other liabilities	7,752,573
Total adjustments	<u>(64,198,328)</u>
Net cash used in operating activities	<u>(43,578,602)</u>

Cash Flows from Investing Activities:

Purchase of property and equipment	<u>(241,724)</u>
Net cash used in investing activities	<u>(241,724)</u>

Cash Flows from Financing Activities:

Advances on long-term debt - third party	40,478,848
Advances on long-term debt - related party	51,700,000
Payments on long-term debt - related party	(41,700,000)
Contributions	4,050,000
Distributions	<u>(9,000,000)</u>
Net cash provided by financing activities	<u>45,528,848</u>
Net increase in cash and cash equivalents	1,708,522

Cash and Cash Equivalents, beginning of year	<u>1,485,541</u>
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Cash and Cash Equivalents, end of year	<u><u>\$ 3,194,063</u></u>
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(See Notes to Financial Statements)

DRC EMERGENCY SERVICES, LLC
STATEMENT OF CASH FLOWS (CONTINUED)
For the Year Ended December 31, 2020

Non-Cash Supplemental Cash Flows Information

During 2020, the Company sold equipment to a third party in exchange for a \$550,000 Note Receivable.

Supplemental Cash Flows Information:

Cash paid for interest	<u><u>\$ 75,346</u></u>
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Cash paid for state income taxes	<u><u>\$ 2,375,422</u></u>
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(See Notes to Financial Statements)

DRC EMERGENCY SERVICES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business

DRC Emergency Services, LLC (the “Company”) provides disaster response and recovery services from major catastrophes. The Company is headquartered in Galveston, Texas.

Cash and Cash Equivalents

The Company considers cash and cash equivalents to include all highly liquid investments purchased with an original maturity of three months or less.

Accounts Receivable and Unbilled Revenue

Accounts receivable from performing disaster and recovery services are based on contracted prices and are recorded when contracts are billed. Management periodically reviews all accounts receivable to determine if any are considered delinquent based upon the age of the receivable and the creditworthiness of the parties involved. An allowance for doubtful accounts is recorded for the amount management estimates as uncollectible. Accounts receivable are written off when they are determined to be uncollectible. Unbilled receivables are related to revenue earned but not yet invoiced due to milestones that must be met.

Property and Equipment

Property and equipment is recorded at cost. Improvements or betterments of a permanent nature are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are credited or charged to operations currently. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

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 disclosure 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. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

Presentation of Sales Taxes

Various states impose a sales tax on the Company’s sales to nonexempt customers. The Company collects that sales tax from customers and remits the entire amount to the state. The Company’s accounting policy is to exclude the tax collected and remitted to the state from service revenues and cost of service revenues.

DRC EMERGENCY SERVICES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

For federal income tax purposes, the Company is treated as a partnership. In accordance with federal income tax regulations, no federal income taxes are levied on a partnership, but rather on the individual members. Consequently, no provision or liability for federal income taxes has been reflected in the accompanying financial statements.

The Company is subject to the State of Texas gross margin tax, which is included in the state income tax provision in the statement of income and members' equity.

Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements. The Company has no tax-related interest or penalties. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal or state tax authorities for years before 2017.

Revenue Recognition

Service Contracts

The Company recognizes revenue from disaster and recovery service contracts. Under these contracts, the Company has the right to consideration from the customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date, revenue is recognized when services are performed and contractually billable. Revenue recognized on service contracts that have not been billed to clients is classified as a current asset under accounts receivable (unbilled receivables) in the balance sheet. Customer payments on service contracts are typically due within 30 to 90 days of billing, depending on the contract.

Contract Assets and Liabilities

Contract assets represent revenue recognized in excess of amounts billed and are reflected as unbilled receivables. Unbilled receivables represent an unconditional right to payment subject only to the passage of time, and are reclassified to accounts receivable trade when they are billed under the terms of the contract. Contract assets totaled \$27,837,563 and \$1,039,928 at December 31, 2020 and 2019, respectively. Contract liabilities represent amounts billed to clients in excess of revenue recognized to date. There were no contract liabilities as of December 31, 2020 or 2019.

Advertising Costs

The Company expenses advertising costs as they are incurred. Advertising expense for the year ended December 31, 2020 was \$40,204.

DRC EMERGENCY SERVICES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

Pending

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842), which amends the existing guidance on accounting for leases. Topic 842 was further clarified and amended within ASU 2017-13, ASU 2018-01, ASU 2018-10, ASU 2018-11, ASU 2018-20, ASU 2019-10, and ASU 2020-05. The new guidance requires the recognition of right-of-use assets and lease liabilities on the balance sheet for leases with terms greater than twelve months or leases that contain a purchase option that is reasonably certain to be exercised. Lessees will classify leases as either finance or operating leases. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the terms of the lease. Topic 842 is effective for annual reporting periods beginning after December 15, 2021. Early adoption is permitted. The Company will adopt Topic 842 during the first quarter of 2022 using the modified retrospective method that could result in a cumulative effect adjustment to members' equity as of the date of adoption. The new guidance will be applied to leases that exist or are entered into on or after January 1, 2022. The Company expects to utilize the package of practical expedients in Accounting Standards Codification (ASC) 842-10-65-1(f) that, upon adoption of Topic 842, allows entities to (1) not reassess whether any expired or existing contracts are or contain leases, (2) retain the classification of leases (e.g., operating or finance lease) existing as of the date of adoption and (3) not reassess initial direct costs for any existing leases. Management is currently evaluating the impact of adopting ASU 2016-02 on the Company's financial position, results of operations and cash flows, however management does not expect the adoption of Topic 842 to have a material impact on the Company's financial results.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2020 consist of the following:

Contracts	\$69,730,441
Retainage	2,406,794
Related parties	1,029,381
Other	<u>2,351</u>
	73,168,967
Less: Allowance for doubtful accounts	<u>521,976</u>
	<u><u>\$72,646,991</u></u>

DRC EMERGENCY SERVICES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment and related accumulated depreciation at December 31, 2020 is as follows:

<u>Asset Description</u>	<u>Useful Lives</u>	
Land		\$1,500,000
Buildings	3 - 39 years	1,048,969
Furniture and fixtures	3 - 5 years	82,598
Machinery and equipment	3 - 5 years	117,835
Automobiles and trucks	3 - 5 years	<u>125,969</u>
		2,875,371
Less: Accumulated depreciation		<u>1,136,977</u>
		<u>\$1,738,394</u>

Depreciation expense for the year ended December 31, 2020 amounted to \$150,139 and is included in selling, general, and administrative expenses in the accompanying statement of income and members' equity.

NOTE 4 - ACCOUNTS PAYABLE

Accounts payable at December 31, 2020 consist of the following:

Contracts	\$ 966,996
Retainage	7,088,822
Related parties	<u>2,728,317</u>
	<u>\$10,784,135</u>

DRC EMERGENCY SERVICES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 - CREDIT AGREEMENT

On January 31, 2020, the Company, along with four other entities under common control amended the credit agreement with a financial institution syndication. The loan is solely a Revolving loan facility of \$400,000,000, expandable to \$500,000,000. Base rate loans are calculated based on the higher of Prime rate plus 0.25%, or the sum of the Federal Funds rate plus 0.50%, or the Adjusted LIBOR rate (defined as LIBOR multiplied by the Statutory Reserve Rate) plus 1.00%. Additionally, the entities are charged each quarter an unused fee for any unused amount, based on the entities' leverage ratio. Interest is payable on a quarterly basis with principal due at maturity. The total amount borrowed against the Term loan facility is \$345,000,000 as of December 31, 2020 and is collateralized by all assets of the entities. The credit agreement matures on January 31, 2025 and the Company's balance is included in long-term debt in the balance sheet.

The Company's balance under these loan facilities at December 31, 2020 are as follows:

Term loan facility principal	\$40,000,000
Less: Debt issuance cost	<u>(287,156)</u>
	<u>\$39,712,844</u>

The balance on the term loan has been paid in full as of April 21, 2021

NOTE 6 - LONG-TERM DEBT

Long-term debt - third party of \$40,191,691 consists of the credit agreement (as described above in Note 5) and a Paycheck Protection Program loan from the Small Business Administration taken on April 11, 2020, in the amount of \$475,758, with an interest rate at 1% due at maturity. Outstanding principal balance and any unpaid interest are due at maturity in April 2022. The outstanding balance at December 31, 2020 is \$478,847.

Long-term debt – related party consists of a note payable to a related party, including interest at 1% due monthly. Outstanding principal and unpaid interest are due at maturity in December 2025. The outstanding balance at December 31, 2020 was \$10,000,000.

For the year ended December 31, 2020, the Company incurred interest expense on related party debt totaling \$75,361.

DRC EMERGENCY SERVICES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Concentrations of Credit Risk

The Company has a concentrated credit risk for cash and cash equivalents because it maintains deposits and temporary cash investments with financial institutions. At times, such deposits and investments are in excess of federally insured limits. Management feels exposure of loss is minimal and any actual loss is unlikely.

The Company controls its credit risk associated with accounts receivable by maintaining credit policies, which include credit evaluations and monitoring procedures. The Company has no formal policy requiring collateral or other security to support its accounts receivable, although it has statutory rights to file liens on real property for amounts owed the Company for which amounts due are not paid.

The Company received approximately 42% of revenue from three customers for the year ended December 31, 2020. The Company has 29% of its accounts receivable outstanding from two customers at December 31, 2020.

Operating Leases

The Company rents office space from third-party lessors. These leases expire at various times through September 2022. Total rent expense for the year ended December 31, 2020 was \$378,076.

Future minimum lease payments at December 31, 2020 are as follows:

<u>For the Year Ending December 31:</u>	
2021	\$49,900
2022	<u>37,425</u>
	<u>\$87,325</u>

Employee Benefit Plan

The Company has a 401(k) Plan (the "Plan") that covers substantially all employees of the Company and certain other related participating employers. Covered employees are eligible to participate in the Plan upon completion of one year of service and the attainment of age 21. Participating employees may elect to contribute an amount up to the limited dollar amount set by law. Employer matching and profit sharing contributions are discretionary. For 2020, the employer matching contribution was 100% up to 4% after a one year period of the participant's eligible compensation. The Company's contribution to the Plan for the year ended December 31, 2020 was \$45,888.

Litigation

The Company has been named a defendant in certain lawsuits arisen from the ordinary course of business. Management does not believe such litigation will have a material adverse impact on the financial statements.

DRC EMERGENCY SERVICES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 8 - RELATED-PARTY TRANSACTIONS

The Company performs services for a related party through common ownership. Total revenues with this related party totaled \$1,014,009 for the year ended December 31, 2020.

The Company paid \$261,100 in management fees to a related party through common ownership and incurred interest expense on related party debt through common ownership of approximately \$75,000.

NOTE 9 - FAIR VALUE

The Company has a number of financial instruments, mainly cash, accounts receivable, and accounts payable, none of which are held for trading purposes. Management estimates that the fair value of all financial instruments at December 31, 2020 approximates carrying value due to the short maturities of the financial instruments.

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 21, 2021, the date the financial statements were available to be issued.

DRC EMERGENCY SERVICES, LLC

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
AND INDEPENDENT AUDITOR'S REPORT



MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

DRC EMERGENCY SERVICES, LLC

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MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
DRC Emergency Services, LLC

Report on the Financial Statement

We have audited the accompanying financial statements of DRC Emergency Services, LLC, which comprise the balance sheet as of December 31, 2019, and the related statements of income and members' equity and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's 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 entity'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 entity'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 DRC Emergency Services, LLC as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Melton & Melton, L.L.P.

Houston, Texas
March 27, 2020

DRC EMERGENCY SERVICES, LLC
BALANCE SHEET
December 31, 2019

ASSETS

Current Assets:

Cash and cash equivalents	\$ 1,485,541
Accounts receivable, net	20,236,867
Prepaid expenses and other current assets	<u>97,288</u>
Total current assets	21,819,696

Property and Equipment, net	<u>1,669,416</u>
------------------------------------	------------------

\$ 23,489,112

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities:

Accounts payable	\$ 2,220,640
Accrued and other liabilities	<u>4,218,652</u>
Total current liabilities	<u>6,439,292</u>

Long-Term Liabilities:

Long-term debt	<u>(358,946)</u>
Total long-term liabilities	<u>(358,946)</u>

Commitments and Contingencies

Members' Equity	<u>17,408,766</u>
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\$ 23,489,112

(See Notes to Financial Statements)

DRC EMERGENCY SERVICES, LLC
STATEMENT OF INCOME AND MEMBERS' EQUITY
For the Year Ended December 31, 2019

Service Revenues		\$ 76,413,146
Cost of Service Revenues		<u>54,810,730</u>
Gross margin		21,602,416
Selling, General, and Administrative Expenses		<u>7,173,446</u>
Income from operations		14,428,970
Other Income (Expense):		
Interest expense	\$ (351,667)	
Loss on sale of property and equipment	(69,068)	
Other income	<u>14,053</u>	<u>(406,682)</u>
Income before state income tax provision		14,022,288
State Income Tax Provision		<u>2,132,851</u>
Net income		11,889,437
Members' Equity:		
Balance, beginning of year		37,971,950
Contributions		11,010,449
Distributions		<u>(43,463,070)</u>
Balance, end of year		<u>\$ 17,408,766</u>

(See Notes to Financial Statements)

DRC EMERGENCY SERVICES, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

Cash Flows from Operating Activities:

Net income	\$ 11,889,437
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	216,328
Amortization of debt issuance costs	93,607
Loss on sale of property and equipment	69,068
Changes in operating assets and liabilities:	
Accounts receivable	77,108,201
Prepaid expenses and other current assets	12,152
Accounts payable	(15,184,418)
Accrued and other liabilities	(10,389,306)
Total adjustments	<u>51,925,632</u>
Net cash provided by operating activities	<u>63,815,069</u>

Cash Flows from Investing Activities:

Collections on notes receivable	29,080
Purchase of property and equipment	(56,311)
Proceeds from sale of property and equipment	<u>12,000</u>
Net cash used in investing activities	<u>(15,231)</u>

Cash Flows from Financing Activities:

Advances on line of credit	14,000,000
Payments on line of credit	(31,535,300)
Advances on long-term debt	17,293,067
Payments on long-term debt	(33,293,067)
Contributions	11,010,449
Distributions	<u>(43,463,070)</u>
Net cash used in financing activities	<u>(65,987,921)</u>
Net decrease in cash and cash equivalents	(2,188,083)

Cash and Cash Equivalents, beginning of year 3,491,448

Cash and Cash Equivalents, end of year \$ 1,303,365

(See Notes to Financial Statements)

DRC EMERGENCY SERVICES, LLC
STATEMENT OF CASH FLOWS (CONTINUED)
For the Year Ended December 31, 2019

Supplemental Cash Flows Information:

Cash paid for interest	<u>\$ 444,096</u>
------------------------	-------------------

Cash paid for state income taxes	<u>\$ 689,995</u>
----------------------------------	-------------------

(See Notes to Financial Statements)

DRC EMERGENCY SERVICES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business

DRC Emergency Services, LLC (the “Company”) provides disaster response and recovery services from major catastrophes. The Company is headquartered in Galveston, Texas.

Cash and Cash Equivalents

The Company considers cash and cash equivalents to include all highly liquid investments purchased with an original maturity of three months or less.

Accounts Receivable

Accounts receivable from performing disaster and recovery services are based on contracted prices and are recorded when contracts are billed. Management periodically reviews all accounts receivable to determine if any are considered delinquent based upon the age of the receivable and the creditworthiness of the parties involved. An allowance for doubtful accounts is recorded for the amount management estimates as uncollectible. Accounts receivable are written off when they are determined to be uncollectible. Unbilled receivables are related to revenue earned but not yet invoiced due to milestones that must be met.

Property and Equipment

Property and equipment is recorded at cost. Improvements or betterments of a permanent nature are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are credited or charged to operations currently. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

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 disclosure 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. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

Presentation of Sales Taxes

Various states impose a sales tax on the Company’s sales to nonexempt customers. The Company collects that sales tax from customers and remits the entire amount to the state. The Company’s accounting policy is to exclude the tax collected and remitted to the state from service revenues and cost of service revenues.

DRC EMERGENCY SERVICES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

For federal income tax purposes, the Company is treated as a partnership. In accordance with federal income tax regulations, no federal income taxes are levied on a partnership, but rather on the individual members. Consequently, no provision or liability for federal income taxes has been reflected in the accompanying financial statements.

The Company is subject to the State of Texas gross margin tax, which is included in the state income tax provision in the statement of income and members' equity.

Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements. The Company has no tax-related interest or penalties. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal or state tax authorities for years before 2016.

Revenue Recognition

Service Contracts

The Company recognizes revenue from disaster and recovery service contracts. Under these contracts, the Company has the right to consideration from the customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date, revenue is recognized when services are performed and contractually billable. Revenue recognized on service contracts that have not been billed to clients is classified as a current asset under accounts receivable (unbilled receivables) in the balance sheet. Customer payments on service contracts are typically due within 30 to 90 days of billing, depending on the contract.

Contract Assets and Liabilities

Contract assets represent revenue recognized in excess of amounts billed and are reflected as unbilled receivables. Unbilled receivables represent an unconditional right to payment subject only to the passage of time, and are reclassified to accounts receivable trade when they are billed under the terms of the contract. Contract assets totaled \$1,039,928 and \$23,781,415 at December 31, 2019 and 2018, respectively. Contract liabilities represent amounts billed to clients in excess of revenue recognized to date. The Company had no contract liabilities at December 31, 2019 or 2018.

Advertising Costs

The Company expenses advertising costs as they are incurred. Advertising expense for the year ended December 31, 2019 was \$36,828.

DRC EMERGENCY SERVICES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

Adopted

In May 2014, and in subsequent updates, the Financial Accounting Standards Board (FASB) issued guidance (“Topic 606”) to clarify the principles for recognizing revenue. Topic 606 replaced Topic 605, which was the revenue recognition standard in effect through December 31, 2018. Topic 606 includes the required steps to achieve the core principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. We adopted Topic 606 on January 1, 2019, using the modified retrospective method. The adoption of Topic 606 did not result in any significant changes to our historic revenue accounting under Topic 605. No cumulative change to members’ equity was required upon adoption of Topic 606.

We applied the Topic 606 practical expedient that allows entities to not restate contracts that begin and are completed within the same annual reporting period. No other practical expedients associated with the adoption of Topic 606 were applied.

Under Topic 606, revenue from contracts with customers is measured based on the consideration specified in the contract with the customer, and excludes any sales incentives and amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good or service to a customer, and is the unit of accounting under Topic 606. We recognize revenue when the services are performed for each of our customers. The amount of revenue recognized reflects the consideration we expect to be entitled to in exchange for such products or services. Management has assessed and concluded that the adoption of Topic 606 has no impact on revenue for the year ended December 31, 2019.

Pending

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842) which amends the existing guidance on accounting for leases. Topic 842 was further clarified and amended within ASU 2017-13, ASU 2018-01, ASU 2018-10, ASU 2018-11, ASU 2018-20, and ASU 2019-10. The new guidance requires the recognition of right-of-use assets and lease liabilities on the balance sheet for leases with terms greater than twelve months or leases that contain a purchase option that is reasonably certain to be exercised. Lessees will classify leases as either finance or operating leases. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the terms of the lease. Topic 842 is effective for annual reporting periods beginning after December 15, 2020. Early adoption is permitted. The Company will adopt Topic 842 during the first quarter of 2021 using the modified retrospective method that could result in a cumulative effect adjustment to members’ equity as of the date of adoption. The new guidance will be applied to leases that exist or are entered into on or after

DRC EMERGENCY SERVICES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

January 1, 2021. The Company expects to utilize the package of practical expedients in Accounting Standards Codification (ASC) 842-10-65-1(f) that, upon adoption of Topic 842, allows entities to (1) not reassess whether any expired or existing contracts are or contain leases, (2) retain the classification of leases (e.g., operating or finance lease) existing as of the date of adoption and (3) not reassess initial direct costs for any existing leases. Management is currently evaluating the impact of adopting ASU 2016-02 on the Company's financial position, results of operations and cash flows, however management does not expect the adoption of Topic 842 to have a material impact on the Company's financial results.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2019 consist of the following:

Contracts	\$12,988,650
Retainage	6,386,925
Unbilled	1,039,928
Related parties	20,620
Other	<u>2,351</u>
	20,438,474
Less: Allowance for doubtful accounts	<u>201,607</u>
	<u><u>\$20,236,867</u></u>

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment and related accumulated depreciation at December 31, 2019 is as follows:

<u>Asset Description</u>	<u>Useful Lives</u>	
Land		\$1,500,000
Buildings	3 - 39 years	884,099
Furniture and fixtures	3 - 5 years	82,598
Machinery and equipment	3 - 5 years	133,726
Automobiles and trucks	3 - 5 years	<u>571,684</u>
		3,172,107
Less: Accumulated depreciation		<u>1,502,691</u>
		<u><u>\$1,669,416</u></u>

Depreciation expense for the year ended December 31, 2019 amounted to \$216,328 and is included in selling, general, and administrative expenses in the accompanying statement of income and members' equity.

DRC EMERGENCY SERVICES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 4 - ACCOUNTS PAYABLE

Accounts payable at December 31, 2019 consist of the following:

Contracts	\$ 591,614
Retainage	1,544,980
Related parties	83,768
Other	<u>278</u>
	<u>\$2,220,640</u>

NOTE 5 - CREDIT AGREEMENT

The Company along with three other entities under common control have entered into a credit agreement with a financial institution syndication, which contains a Revolving loan facility of \$75,000,000 and a Term loan facility of \$225,000,000, expandable to \$100,000,000 and \$300,000,000, respectively. Management can elect to either lock in a LIBOR rate based loan or have the loan default to a Base rate loan. Base rate loans are calculated based on the higher of Prime rate (4.75% as of December 31, 2019) plus 0.25%, or the sum of the Federal Funds rate plus 0.50%, or the Adjusted LIBOR rate (defined as LIBOR multiplied by the Statutory Reserve Rate) plus 1.00%. The LIBOR rate loans have a margin adjustment from 1.75% to 3.00%, based on the entities' leverage ratio. Base rate loans have an additional fee of .25% to 0.50%, based on the entities' leverage ratio. Additionally, the Company is charged each quarter an unused fee for any unused amounts on both the Revolving loan and Term loan of 0.25% to 0.50%, based on the entities' leverage ratio. Interest is payable on a quarterly basis with principal due at maturity. The total amount borrowed against the Term loan facility by all companies under common control is \$76,500,000 as of December 31, 2019 and is collateralized by all assets of the companies. The credit agreement matures on November 20, 2023.

The Company has no outstanding borrowings against the Revolving loan facility or the Term loan facility as of December 31, 2019. Unamortized debt issuance costs as of December 31, 2019 were \$358,946.

On January 31, 2020, the Company, along with four other entities under common control amended the credit agreement with a financial institution syndication. The loan is solely a Revolving loan facility of \$400,000,000, expandable to \$500,000,000. Management will elect to either lock in a LIBOR based rate loan or have the loan default to a Base rate loan. Base rate loans are calculated based on the higher of Prime rate (4.75% as of December 31, 2019) plus 0.25%, or the sum of the Federal Funds rate plus 0.50%, or the Adjusted LIBOR rate (defined as LIBOR multiplied by the Statutory Reserve Rate) plus 1.00%. Additionally, the Company is charged each quarter an unused fee for any unused amount, based on the entities' leverage ratio. Interest is payable on a quarterly basis with principal due at maturity. The credit agreement matures on January 31, 2025.

DRC EMERGENCY SERVICES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Concentrations of Credit Risk

The Company has a concentrated credit risk for cash and cash equivalents because it maintains deposits and temporary cash investments with financial institutions. At times, such deposits and investments are in excess of federally insured limits. Management feels exposure of loss is minimal and any actual loss is unlikely.

The Company controls its credit risk associated with accounts receivable by maintaining credit policies, which include credit evaluations and monitoring procedures. The Company has no formal policy requiring collateral or other security to support its accounts receivable, although it has statutory rights to file liens on real property for amounts owed the Company for which amounts due are not paid.

The Company received approximately 84% of revenue from three customers for the year ended December 31, 2019. The Company has 73% of its accounts receivable outstanding from five customers at December 31, 2019.

Operating Leases

The Company rents office space from third-party lessors. These leases expire at various times through September 2022. Total rent expense for the year ended December 31, 2019 was \$211,156.

Future minimum lease payments at December 31, 2019 are as follows:

<u>For the Year Ending December 31:</u>	
2020	\$ 49,900
2021	49,900
2022	<u>37,425</u>
	<u>\$137,225</u>

Employee Benefit Plan

The Company has a 401(k) Plan (the "Plan") that covers substantially all employees of the Company and certain other related participating employers. Covered employees are eligible to participate in the Plan upon completion of one year of service and the attainment of age 21. Participating employees may elect to contribute an amount up to the limited dollar amount set by law. Employer matching and profit sharing contributions are discretionary. For 2019, the employer matching contribution was 100% up to 3% and 50% for the next 2% of the participant's eligible compensation. The Company's contribution to the Plan for the year ended December 31, 2019 was \$48,075.

DRC EMERGENCY SERVICES, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 6 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation

The Company has been named a defendant in certain lawsuits arisen from the ordinary course of business. Management does not believe such litigation will have a material adverse impact on the financial statements.

NOTE 7 - RELATED-PARTY TRANSACTIONS

The Company performs services for a related party through common ownership. Total revenues with this related party totaled \$286,353 for the year ended December 31, 2019.

The Company paid \$791,500 in management fees to a related party through common ownership and incurred interest expense on related party debt through common ownership of approximately \$180,000.

NOTE 8 - FAIR VALUE

The Company has a number of financial instruments, mainly cash, accounts receivable, and accounts payable, none of which are held for trading purposes. Management estimates that the fair value of all financial instruments at December 31, 2019 approximates carrying value due to the short maturities of the financial instruments.

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 27, 2020, the date the financial statements were available to be issued.

Per RFP requirements, please see the Pricing Schedule in a separate, electronic envelope (named "Pricing Attachments").

Please see the following forms attached:

- 🌐 Anti-Lobbying Form
- 🌐 Debarment Certification
- 🌐 Signature Page
- 🌐 Corporate Resolution
- 🌐 Affidavit

Anti-Lobbying Form

CERTIFICATION OF RESTRICTIONS ON LOBBYING

I, Kristy Fuentes, Vice President/Secretary/Treasurer, hereby certify on
(name and title of bidder's official)

behalf of DRC Emergency Services, LLC that:
(name of bidder)

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance is placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Executed this 5th day of August, 2022.

By  Kristy Fuentes
(signature of authorized official)

Vice President/Secretary/Treasurer
(title of authorized official)

Debarment/Suspension Form

DEBARMENT/SUSPENSION CERTIFICATION

Debarment:

Federal Executive Order (E.O.) 12549 "Debarment" requires that all contractors receiving individual awards, using federal funds, and all subrecipients certify that the organization and its principals are not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency from doing business with the Federal Government. By signing this document you certify that your organization and its principals are not debarred. Failure to comply or attempts to edit this language may disqualify your bid. Information on debarment is available at the following websites: www.sam.gov and <https://acquisition.gov/far/index.html> see section 52.209-6.

Your signature certifies that neither you nor your principal is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

Kristy Fuentes, Vice President/Secretary/Treasurer

(Name and Title of bidder's official)

DRC Emergency Services, LLC

(Name of bidder/company)

111 Veterans Boulevard, Suite 401

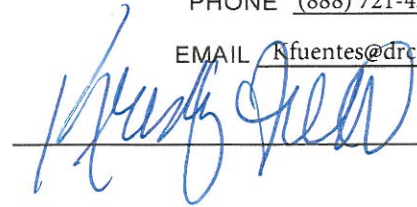
(Address)

Metairie, LA 70005

(Address)

PHONE (888) 721-4372 FAX (504) 482-2852

EMAIL kfuentes@drcusa.com



Signature 0/5/22 Date

Request for Proposals # 0000000440

To Provide Pre-Placed Emergency Fuel During A Declared Disaster

SIGNATURE PAGE

The Jefferson Parish Department of Purchasing is soliciting Request for Proposals (RFP'S) from qualified proposers who are interested in providing To Provide Pre-Placed Emergency Fuel During A Declared Disaster for the for the Jefferson Parish Fleet Management Department.

Request for Proposals will be received until 3:30 p.m. Local Time on: August 8, 2022.

Acknowledge Receipt of Addenda: Number: 1
Number: _____
Number: _____
Number: _____
Number: _____
Number: _____

Name of Proposer: DRC Emergency Services, LLC

Address: 111 Veterans Boulevard, Suite 401
Metairie, LA 70005

Phone Number: (888) 721-4372 Fax Number (504) 482-2852

Type Name of Person Authorized to Sign: Kristy Fuentes

Title of Person Authorized to Sign: Vice President/Secretary/Treasurer

Signature of Person Authorized to Sign: 

Email Address of Person Authorized to Sign: Kfuentes@drcusa.com

Date: 8/6/22

This RFP signature page must be signed by an authorized Representative of the Company/Firm for proposal to be valid. Signing indicates you have read and comply with the Instructions and Conditions.



CENTRALBIDDING
FROM CENTRAL AUCTION HOUSE

**RFP 0440 - To Provide a Pre-Placed Emergency Contract for Fuel During
a Declared Disaster for the Jefferson Parish Department of Fleet
Management**

Jefferson Parish Government

Project documents obtained from www.CentralBidding.com

02-Aug-2022 08:44:01 AM



JEFFERSON PARISH

DEPARTMENT OF PURCHASING

CYNTHIA LEE SHENG
PARISH PRESIDENT

RENNY SIMNO
DIRECTOR

August 1, 2022

ADDENDUM # 1

RFP Number: 0440

RFP Receipt Date: August 8, 2022 at 3:30 p.m.

Description of RFP: To Provide a Pre-Placed Emergency Contract for Fuel During a Declared Disaster for the Jefferson Parish Department of Fleet Management

Clarification:

Question 1: Would Jefferson Parish consider pricing for the Tanker to include one driver and the Bobtail to include one driver, rather than two drivers per fuel truck?

Answer: The two drivers are not negotiable.

Question 2: The RFP says the contract pricing will be based on the Platts Price Index. Will you accept OPIS-based pricing instead?

Answer: We will accept OPIS pricing. In fact, we prefer it.

Question 3: Attachment "B" – Pricing Schedule – Just to clarify, this pricing is for emergency fueling only. This will not be for any non-emergency situations?

Answer: This is for pre-placed emergency fueling only.

DRC is in receipt of Addendum 1.

Sincerely,

A handwritten signature in blue ink, reading "Misty A. Camardelle".

Misty A. Camardelle
Assistant Purchasing Director

Kristy Fuentes, Vice President/Secretary/Treasurer

Proposer shall acknowledge all addenda on the RFP Signature page. Proposer acknowledges receipt of this addendum on the signature page by indicating the addendum number listed above. Failure to list each addenda number on the RFP signature page could result in being considered non-responsive.

This addendum is a part of the contract documents and modifies the original RFP documents and specifications. The contents of this addendum shall be included in the contract documents. Changes made by this addendum shall take precedence over the documents of earlier date.

JOSEPH S. YENNI BUILDING - 1221 ELMWOOD PARK BLVD - SUITE 404 - JEFFERSON, LA 70123 - PO BOX 10242 JEFFERSON, LA 70181-0242
OFFICE 504.364-2678

GENERAL GOVERNMENT BUILDING - 200 DERBIGNY ST - SUITE 4400 - GRETN, LA 70053 - PO BOX 9 - GRETN - LA 70054
OFFICE 504.364.2678

EMAIL: PURCHASING@JEFFPARISH.NET

WEBSITE: WWW.JEFFPARISH.NET

CORPORATE RESOLUTION

EXCERPT FROM MINUTES OF MEETING OF THE BOARD OF DIRECTORS OF

INCORPORATED.

AT THE MEETING OF DIRECTORS OF _____
INCORPORATED, DULY NOTICED AND HELD ON _____,
A QUORUM BEING THERE PRESENT, ON MOTION DULY MADE AND SECONDED. IT WAS:

RESOLVED THAT _____, BE AND IS HEREBY
APPOINTED, CONSTITUTED AND DESIGNATED AS AGENT AND ATTORNEY-IN-FACT OF
THE CORPORATION WITH FULL POWER AND AUTHORITY TO ACT ON BEHALF OF THIS
CORPORATION IN ALL NEGOTIATIONS, BIDDING, CONCERNS AND TRANSACTIONS WITH
THE PARISH OF JEFFERSON OR ANY OF ITS AGENCIES, DEPARTMENTS, EMPLOYEES
OR AGENTS, INCLUDING BUT NOT LIMITED TO, THE EXECUTION OF ALL PROPOSALS,
PAPERS, DOCUMENTS, AFFIDAVITS, BONDS, SURETIES, CONTRACTS AND ACTS AND
TO RECEIVE ALL PURCHASE ORDERS AND NOTICES ISSUED PURSUANT TO THE
PROVISIONS OF ANY SUCH PROPOSAL OR CONTRACT, THIS CORPORATION HEREBY
RATIFYING, APPROVING, CONFIRMING, AND ACCEPTING EACH AND EVERY SUCH ACT
PERFORMED BY SAID AGENT AND ATTORNEY-IN-FACT.

I HEREBY CERTIFY THE FOREGOING TO BE A
TRUE AND CORRECT COPY OF AN EXCERPT OF
THE MINUTES OF THE ABOVE DATED MEETING OF
THE BOARD OF DIRECTORS OF SAID
CORPORATION, AND THE SAME HAS NOT BEEN
REVOKED OR RESCINDED.

SECRETARY-TREASURER

DATE

**ACTION IN LIEU OF
A MEETING OF THE
MANAGER OF
DRC EMERGENCY SERVICES, LLC**

This action is taken in accordance with Section 10-12-22 of the Alabama Limited Liability Company Act, as amended (the “Act”), in lieu of a meeting of the sole Manager of DRC EMERGENCY SERVICES, LLC, an Alabama limited liability company (the “Company”), and is made effective as of January 19, 2016.

WHEREAS, Section 4.2 of the Company’s Second Amended and Restated Operating Agreement dated January 20, 2016 (as amended, the “LLC Agreement”) and the Act permit the Manager of the Company to take the following actions; and

WHEREAS, the undersigned, DRC Equity LLC, constitutes the sole Manager of the Company (the “Manager”).

NOW, THEREFORE, the undersigned hereby makes the following resolutions and consents to the following actions in lieu of a meeting of the Manager of the Company:

1. The following persons, in their respective corporate capacities indicated below, are hereby authorized and empowered for the express limited purpose of signing documents for the submission of bids, proposals, offers, responses and other related documents to, any federal, state or local government, including any governmental entity, organization, body, agency, department or political subdivision, for the transaction of business by or on behalf of the Company:

<u>Name</u>	<u>Office/Capacity</u>
John R. Sullivan	President
Kristy Fuentes	Vice President of Business Development, Secretary and Treasurer

2. The officers listed above after giving effect to this written consent are hereby authorized and directed on behalf of the Company to execute and deliver such agreements and instruments, make such filings and give such notices, and take any and all such other actions, and to do or cause to be done, such acts as such officers may deem necessary or advisable to accomplish or otherwise implement the purposes of the foregoing resolutions or to cause the Company to perform its obligations under any of the foregoing.

3. All actions taken by any officer of the Company in connection with any of the transactions contemplated by these resolutions are hereby authorized, approved, ratified and confirmed in all respects.

4. This written consent may be executed in counterparts, and all so executed shall constitute one action notwithstanding that all of the undersigned are not signatories to the original or to the same counterpart. This written consent shall be filed with the minutes of the proceedings of the Manager of the Company.

[SIGNATURE PAGE FOLLOWS]

Dated effective as of the date first written above.

DRC EMERGENCY SERVICES LLC

By: **DRC EQUITY, LLC**
a Texas limited liability company
Its: Manager



By: John R. Sullivan
Its: President

[Consent to Appoint Manager – DRC Emergency Services, LLC (January 2016)]

Request for Proposal

AFFIDAVIT

STATE OF Louisiana

PARISH/COUNTY OF Jefferson

BEFORE ME, the undersigned authority, personally came and appeared: Kristy Fuentes
_____, (Affiant) who after being by me duly sworn, deposed and said that he/she
is the fully authorized Vice President/Secretary/Treasurer of DRC Emergency Services, LLC (Entity), the party
who submitted a proposal in response to RFP Number 0000000440, to the Parish of Jefferson.

Affiant further said:

Campaign Contribution Disclosures

(Choose A or B, if option A is indicated please include the required attachment):

Choice A _____ Attached hereto is a list of all campaign contributions, including the date and amount of each contribution, made to current or former elected officials of the Parish of Jefferson by Entity, Affiant, and/or officers, directors and owners, including employees, owning 25% or more of the Entity during the two-year period immediately preceding the date of this affidavit or the current term of the elected official, whichever is greater. Further, Entity, Affiant, and/or Entity Owners have not made any contributions to or in support of current or former members of the Jefferson Parish Council or the Jefferson Parish President through or in the name of another person or legal entity, either directly or indirectly.

Choice B X there are **NO** campaign contributions made which would require disclosure under Choice A of this section.

Affiant further said:

Debt Disclosures

(Choose A or B, if option A is indicated please include the required attachment):

Choice A _____ Attached hereto is a list of all debts owed by the affiant to any elected or appointed official of the Parish of Jefferson, and any and all debts owed by any elected or appointed official of the Parish to the Affiant.

Choice B X There are **NO** debts which would require disclosure under Choice A of this section.

Affiant further said:

Solicitation of Campaign Contribution Disclosures

(Choose A or B, if option A is indicated please include the required attachment):

Choice A _____ Attached hereto is a list of all elected officials of the Parish of Jefferson, whether still holding office at the time of the affidavit or not, where the elected official, individually, either by **telephone or by personal contact**, solicited a campaign contribution or other monetary consideration from the Entity, including the Entity's officers, directors and owners, and employees owning twenty-five percent (25%) or more of the Entity, during the two-year period immediately preceding the date the affidavit is signed. Further, to the extent known to the Affiant, the date of any such solicitation is included on the attached list.

Choice B X there are **NO** solicitations for campaign contributions which would require disclosure under Choice A of this section.

Affiant further said:

That Affiant has employed no person, corporation, firm, association, or other organization, either directly or indirectly, to secure the public contract under which he received payment, other than persons regularly employed by the Affiant whose services in connection with the construction, alteration or demolition of the public building or project or in securing the public contract were in the regular course of their duties for Affiant; and

That no part of the contract price received by Affiant was paid or will be paid to any person, corporation, firm, association, or other organization for soliciting the contract, other than the payment of their normal compensation to persons regularly employed by the Affiant whose services in connection with the construction, alteration or demolition of the public building or project were in the regular course of their duties for Affiant.

Affiant further said:

Subcontractor Disclosures

(Choose A or B, if option A is indicated please include the required attachment):

Choice A _____ Affiant further said that attached is a listing of all subcontractors, excluding full time employees, who may assist in providing professional services for the aforementioned RFP.

Choice B X There are **NO** subcontractors which would require disclosure under Choice A of this section.



Signature of Affiant

Kristy Fuentes

Printed Name of Affiant

SWORN AND SUBSCRIBED TO BEFORE ME

ON THE 25 DAY OF July, 2022.



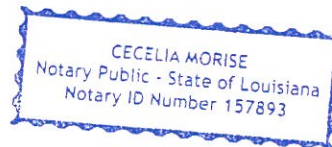
Notary Public

Cecelia Morise

Printed Name of Notary

157893

Notary/Bar Roll Number



My commission expires at death.