
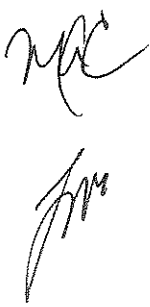


AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement for Professional Services (the "Agreement") is made and entered into by and between the **GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO**, a public corporation of the Government of Puerto Rico, created by Act Number 17, enacted on September 23, 1948, as amended ("Act 17"), represented herein by its Executive Vice President for Administration, Operations, and Comptrollership, Jesus F. Méndez, of legal age, married and a resident of Guaynabo, Puerto Rico (the "Bank"), and **V2A, INC.**, a corporation organized under the laws of the Commonwealth of Puerto Rico with principal offices in San Juan, Puerto Rico, Tax ID Number  , represented herein by its President, Manuel A. Calderón, of legal age, married and resident of San Juan, Puerto Rico (the "Service Provider").


 **WHEREAS**, Act No. 7 of March 9, 2009 ("Act 7") created the Fiscal Restructuring and Stabilization Board (the "FRSB") and established an emergency plan directed to reducing the Government of Puerto Rico's operating expenses, including payroll, payable from the General Fund by \$2.0 billion for fiscal year 2009-2010.

WHEREAS, by virtue of Act 7 the FRSB has all the powers necessary to effect its mandate as set forth therein, and in the exercise of such powers has determined that it is necessary to engage the services of the Service Provider to provide consulting services tied to the restructuring and reengineering of the government agencies.

WHEREAS, the Bank, by virtue of the powers conferred to it under Act 17 and pursuant to a delegation of power by the FRSB, respectively, has the authority to engage professional, technical and consulting services that are necessary and convenient to effect the activities, programs and operations of the Bank and of the FRSB.

NOW, THEREFORE, the Bank and the Service Provider enter into this Agreement under the following:

TERMS AND CONDITIONS



1. The Bank, for the benefit of the FRSB, agrees to engage the Service Provider to provide assistance in the implementation of Act 7 in various government agencies, as directed by the Bank or the FRSB, as fully described in **Appendix A (Proposal for Assistance to Oficina de Manejo e Integración, June 2009)** to this Agreement (the "Project"), which for all legal purposes is part of this Agreement. If any part of **Appendix A** is found to contradict any provision of the Terms and Conditions set forth herein, such Terms and Conditions shall take precedence over **Appendix A** and govern the matter in question

2. This Agreement shall be in effect from the date of its execution until December 31, 2009. The services will be provided in two phases as follows. The first phase will consist of Initial Support on Law 7 Implementation in each of the 7 agencies listed on page 10 of Appendix A, and the second phase will consist of Additional Monthly Support, as the Bank may request, at its discretion, as may be needed in any one or all of any such agencies. At the end of each phase, the Service

Provider The Service Provider will communicate with and submit reports to Eduardo Escalona, as the Bank contact person responsible for the administration of this Agreement. The Service Provider shall not subcontract professional or technical services on behalf of the Bank, unless authorized in writing by the Bank.

3. Notwithstanding any provision to the contrary in this Agreement, the Bank shall have the right to terminate this Agreement by providing the Service Provider party thirty (30) days notice by registered mail, return receipt requested, or overnight express mail; provided, however, that, upon the failure by the Service Provider to comply with the any of its material obligations under this Agreement, the Bank shall have the right to terminate the Agreement by providing a five (5) day prior written notice to the Service Provider.

The rights, duties and responsibilities of the Bank and the Service Provider shall continue in full force and effect during the applicable notice period. The Bank, however, shall be obligated to pay all fees and expenses incurred up to the date of effective termination, in accordance with the terms of this Agreement. The Service Provider shall have no further right to compensation except for what has been accrued for services rendered under this Agreement until said date.

4. The Bank and the Service Provider agree that the maximum compensation for the services rendered in connection with each agency for each phase, will not exceed the amounts per agency set forth on page 10 of Appendix A, the total sum of which shall not exceed **NINE HUNDRED SIXTY THOUSAND DOLLARS (\$960,000)**, including out of pocket expenses, payable monthly. Compensation for any additional services

provided by the Service Provider relating to the Project shall be as agreed in writing by the parties, in an amendment or amendments to this Agreement. This Agreement shall govern all services provided by the Service Provider in connection with the Project.


5. The Bank will reimburse the Service Provider for out of pocket expenses not exceeding **TEN THOUSAND DOLLARS (\$10,000)** incurred by the Service Provider in rendering services under this Agreement, and not considered part of the usual overhead of a professional office, for items such as postage, copier, fax, messenger/overnight courier, travel and travel-related costs, and long distance telephone calls. Original receipts of reimbursable expenses must be provided to the Bank. Invoices for reimbursable expenses shall not include any surcharge, and shall comply with Bank procedures.

6. All invoices will include itemized details of the services rendered and identify any expenses reimbursable under Section 5 of this Agreement. The completed invoices will be delivered to the address set forth in Section 8 below. Each invoice must be duly certified by the Service Provider, as set forth in Section 7 of this Agreement.

7. The Bank will review the invoices and if they are in compliance with the requirements set forth in this Agreement, it will proceed with payment. The Bank reserves the right to conduct the audits it deems necessary. Invoices must be submitted within one hundred twenty days (120) of services having been rendered. The Bank will not honor invoices submitted after this time, and the Service Provider

accepts and agrees to this requirement, and understands that if the Service Provider does not comply with this requirement it waives its right to payment for services rendered.

Invoices must also include a written certification stating that no officer or employee of the Bank, its subsidiaries or affiliates, or the FRSB, will derive or obtain any benefit or profit of any kind from this Agreement, with the acknowledgment that invoices which do not include this certification will not be paid. This certification must read as follows:



"We certify under penalty of nullity that no public servant of the Government Development Bank for Puerto Rico, its subsidiaries or affiliates, or the FRSB, will derive or obtain any benefit or profit of any kind from the contractual relationship which is the basis of this invoice. If such benefit or profit exists, the required waiver has been obtained prior to entering into the Agreement. The only consideration to be received in exchange for the delivery of goods or for services provided is the agreed-upon price that has been negotiated with an authorized representative of the Bank. The total amount shown on this invoice is true and correct. The services have been rendered, and no payment has been received."

8. All invoices shall be signed and mailed or physically delivered to the attention of :

POSTAL ADDRESS

Government Development Bank
PREINTERVENTION
PO Box 42001
San Juan, PR 00940-2001

PHYSICAL ADDRESS

Government Development Bank
PREINTERVENTION
De Diego Avenue No. 100
Roberto Sánchez Vilella Government
Center – Central Building Floor P
Santurce, PR 00907-2345

9. The Service Provider agrees to submit checking account transfer data to the Bank in order to facilitate future contract payments by means of electronic transfers.

The Bank certifies that all disbursements made to the Service Provider under this Agreement shall be drawn from operating Bank accounts opened at the Bank for such purpose.

10. The Service Provider shall submit in writing any reports required by the Bank regarding the functions performed under this Agreement. The Bank will provide to the Service Provider all the documentation necessary for the adequate fulfillment of the Service Provider's obligations under this Agreement.

11. The Service Provider acknowledges the proprietary and confidential nature of all internal, non-public, information systems, financial, and business information relating to the Bank and its personnel, its subsidiary corporations and affiliates and their personnel as well as to the FRSB, the Government of Puerto Rico, its agencies, corporations or municipalities and their personnel, now or hereafter provided to the Service Provider.


The Service Provider and its employees shall keep in strict confidence all such information and shall not make public or disclose any of said materials without the previous written consent of the Bank, provided such information is not previously known to the Service Provider, is not within the public domain, or is not furnished to the Service Provider by a third party who is under no obligation to keep the information confidential.

The Service Provider may divulge such materials to the persons who need to know such information to fulfill the purposes of this engagement provided that such persons (i) shall have been advised of the confidential nature of such information and the Service Provider shall direct them, and they shall agree, to treat as confidential such information and to return all materials to the Service Provider upon request; and (ii) in each case, such person is bound by obligations of confidentiality and non-use consistent with and at least as stringent as those set forth in this Agreement.

In connection with the Project, the Service Provider will furnish the Bank with any reports, analyses or other such materials as the Bank may request, which shall at all times be the property of the Bank. The Bank, however, acknowledges that the Service Provider may develop for itself, or for others, problem solving approaches, frameworks or other tools and processes developed in performing the Project and any additional services provided hereunder, and nothing contained herein precludes the Service Provider from developing or disclosing such materials and information provided that the same do not contain or reflect confidential information of the Bank.

Furthermore, the Service Provider shall hold this information, as well as any other document that may relate to its work under this Agreement, and return it to the Bank within thirty (30) days from the effective date of termination of this Agreement, certifying that all the information has been returned to the Bank. During this thirty (30) day period these documents shall be available for inspection by the Office of the Comptroller of Puerto Rico.

The Service Provider will promptly, upon the written request of the Bank, deliver to the Bank the materials without retaining any copy thereof.



12. The Service Provider acknowledges that in executing its professional services pursuant to this Agreement, it has an obligation of complete loyalty towards the Bank, including having no adverse interests to the Bank. Adverse interests include representing clients who have or may have interests that are contrary to the Bank's, but do not include rendering unrelated services to such clients that would not create a conflict. This duty includes the continued obligation to disclose to the Bank all circumstances of its relations with clients and third persons which would result in an adverse interest, and any adverse interest which could influence the Service Provider when executing the Agreement or while it is in effect.

The Service Provider represents conflicting interests when, on behalf of one client it must support that which it is its duty to oppose to comply with its obligations with another previous, present or potential client. The Service Provider also represents conflicting interests when its conduct is described as such in the standards of ethics applicable to its profession, or in Puerto Rico's laws and regulations. This

conduct by one of the Service Provider's directors, officers or employees shall constitute a violation of this prohibition. The Service Provider shall avoid even the appearance of the existence of a conflict of interest.

The Service Provider acknowledges the power of the President of the Bank to oversee the enforcement of the prohibitions herein established. If the President of the Bank determines the existence or the emergence of adverse interests with the Service Provider, he shall inform such findings in writing and his intentions to terminate the Agreement within a thirty (30) day term. Within such term, the Service Provider can request a meeting with the President of the Bank to present its arguments regarding the alleged conflict of interest, which shall be granted at the President's sole discretion. If such meeting is not requested within the specified term, or if the controversy is not settled satisfactorily during the meeting, this Agreement shall be rescinded at the end of said thirty (30) day period; provided, however, that, at the Bank's discretion, the President may grant the Service Provider fifteen (15) days from the day of such meeting to correct the alleged conflict of interest; provided, further, that if the alleged conflict of interest has not been cured by the end of the fifteen (15) day term, this Agreement shall terminate immediately upon the completion of such term.

13. The Service Provider certifies that at the time of the execution of this Agreement, it does not have nor does it represent anyone who has interests that are in conflict with the Bank's. If such conflicting interests arise after the execution of this Agreement, the Service Provider shall notify the Bank immediately.

14. The Bank and the Service Provider agree that the Service Provider's status hereunder, and the status of any agents, employees and subcontractors engaged by the Service Provider, shall be that of an independent contractor only and not that of an employee or agent of the Bank. The Service Provider recognizes that it shall not be entitled to employment benefits such as vacations, sick leave, retirement benefits and others because of its condition as an independent contractor. The Service Provider shall not have any power or right to enter into agreements on behalf of the Bank.

15. The Service Provider certifies that it has contracts with the Puerto Rico Department of the Treasury and with the Office of the Governor of Puerto Rico, and that these contracts do not involve interests adverse to the Bank or the FRSB. The Service Provider certifies that it does not have any other contract with the Bank, the FRSB, the Government of Puerto Rico, or any of its agencies, corporations or municipalities.

16. The Service Provider certifies and guarantees that at the execution of this Agreement, neither the Service Provider, nor any of its, directors, employees or agents, have been convicted, or that it has no knowledge that any are the subject of any investigation in either a civil or a criminal procedure in a state or federal court for criminal charges related to the public treasury, the public trust, a public function, or a fault that involves public funds or property. It is expressly acknowledged that this certification is an essential condition of this Agreement. If the certification is not correct in its entirety or in any of its parts, it shall constitute sufficient cause for the Bank to terminate this Agreement immediately, without prior notice, and the Service

Provider will have to reimburse the Bank any amount of money received under this Agreement.

If the status of the Service Provider with regards to the charges previously mentioned should change at any time during the term of the Agreement, it shall notify the Bank immediately. The failure to comply with this responsibility constitutes a violation of this Section, and shall result in the remedies mentioned previously.

The Service Provider certifies that it has received a copy of and agrees to comply with Act No. 84, enacted on June 18, 2002, as amended, which establishes the Code of Ethics for Contractors, Suppliers and Applicants for Economic Incentives of the Executive Agencies of the Government of the Commonwealth of Puerto Rico and the Government Ethics Law, Act No. 12, enacted on July 24, 1985, as amended.

17. The Service Provider hereby certifies that at the time of the signing of this Agreement it is not engaged in or is a party to a lawsuit against the Government of Puerto Rico, or any of its instrumentalities or agencies.

18. Both parties hereby declare that, to the best of their knowledge, no public officer or employee of the Government of Puerto Rico, its agencies, instrumentalities, public corporations or municipalities or employee of the Legislative or Judicial branches of the Government has any direct or indirect interest in the present Agreement.

19. The Service Provider certifies that neither it nor any of its employees receives salary or any kind of compensation for the delivery of regular services by

appointment in any agency, instrumentality, public corporation or municipality of the Government of Puerto Rico.

20. The parties certify that this Agreement complies with all the requirements established under the Government Ethics Law.


21. The Service Provider's failure to comply with its duties and responsibilities and to perform the services as set forth herein, or its negligence or unlawful behavior, shall constitute a breach of the Agreement by the Service Provider that shall entitle the Bank to terminate this Agreement forthwith and shall, without limitations as to any other rights, release and discharge the Bank from any further obligations and liabilities hereunder, and without having to comply with the notice requirements set forth in Section 3 of this Agreement.

22. Neither party shall be liable for consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill), regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties, failure of essential purpose or otherwise, and even if advised of the likelihood of such damages. The Bank's recourse with respect to any liability or obligation of the Service Provider hereunder shall be limited to the amount actually paid to the Service Provider hereunder.

23. The Service Provider agrees to indemnify the Bank, the FRSB and/or the Government of Puerto Rico against any liability or expense, including legal fees and related expenses incurred as a result of the publication or dissemination of any material or document negligently prepared by the Service Provider or prepared

pursuant to negligent advice, that gives rise to any claim, including, but not limited to, libel, slander, defamation, invasion of privacy, plagiarism, unfair competition, idea misappropriation and/or copyright infringement.

24. The Bank agrees to indemnify and hold the Service Provider and its employees harmless from and against all liability including all actions, claims, damages, reasonable costs and attorney's fees in which they may incur, arising out of actions taken or statements made by the Service Provider at the Bank's or the FRSB's request or based upon information provided by the Bank or the FRSB or any other individual authorized by the Bank or the FRSB except those caused by the willful misconduct or gross negligence of the Service Provider.

The Service Provider agrees to indemnify the Bank, the FRSB and/or the Government of Puerto Rico, against any liability or expense, including legal fees and related expenses incurred, in whole or in part, as a result of (i) any negligent act or omission of the Service Provider, its affiliates, subsidiaries, employees, agents and subcontractors or assignees, and their respective agents and employees, (ii) the negligent performance or non-performance by Service Provider, its affiliates, subsidiaries, employees, agents and subcontractors or assignees, and their respective agents and employees, of its or their obligations under this Agreement, or (iii) any breach by Service Provider of any representation, warranty, covenant or agreement under this Agreement.

25. Each party agrees that it will not settle, compromise or discharge any suit, claim, litigation, threatened litigation or threatened claim arising out of, based

upon, or in any way related to this Agreement and admitting any wrongdoing unless and until it has obtained written approval from the other party (which shall not be unreasonably withheld) and the other party is released from any and all liability. The Bank shall have the right to offset against any fees due Service Provider under this Agreement the amount of any indemnity to which the Bank is entitled under this Section for any damage, cost, liability, expense, fee or other disbursement, incurred by the Bank pursuant to this Section.

26. The Bank agrees to allow Service Provider to list its name as a firm client in its external communications. Service Provider will only have the right to describe the name and service line, and will not disclose any information related to the nature of the work, the fees and terms, or any other detail of its relationship with the Bank.

27. The Bank agrees not to approach, discuss, or offer employment or direct contractual services to any of Service Provider's employees or contractors involved in serving it, unless explicitly discussed and agreed between the Bank and the Service Provider.

28. The Service Provider certifies that at the execution of this Agreement it has submitted income tax returns in Puerto Rico for the last five (5) years and that it has no outstanding debts with the Government of Puerto Rico for income taxes, real or chattel property taxes, payment of unemployment insurance premiums, workers compensation payments or social security for chauffeurs in Puerto Rico.

It is expressly acknowledged that these are essential conditions of this Agreement, and that if these certifications are incorrect, the Bank shall have just cause

for terminating this Agreement immediately, and the Service Provider will have to reimburse the Bank any sums of money received under this Agreement.

29. For the purposes of this Agreement, tax debt shall mean any debt that the Service Provider, or other parties which the Bank authorizes the Service Provider to subcontract, may have with the Government of Puerto Rico for income taxes, excise taxes, real or chattel property taxes, including any special taxes levied, license rights, tax withholdings for payment of salaries and professional services, taxes for payment of interests, dividends and income to individuals, corporations and non-resident partnerships, for payment of interests, dividends and other earnings shares to residents, unemployment insurance premiums, workers compensation payments, and social security for chauffeurs.

30. Prior to the execution of this Agreement, the Service Provider shall present to the Bank the corresponding certifications issued by the Department of the Treasury, the Department of Labor and Human Resources Municipal Tax Collection Center (known by its Spanish acronyms, *CRIM*), and the Administration for the Sustenance of Minors (known by its Spanish acronyms, *ASUME*). In addition, the Service Provider shall provide the Bank with a certificate of incorporation and a Good Standing certificate issued from the Department of State of Puerto Rico as proof that it is duly authorized to do business in Puerto Rico and has complied with its annual corporation report filing obligations. The Service Provider shall also provide evidence of public liability insurance covering any liability resulting from services provided under this Agreement.

The Service Provider shall be responsible for providing the Bank with the certifications required under this Section in connection with any professional or technical services subcontracted by the Service Provider on behalf of the Bank, authorized by the Bank in writing pursuant to Section 2 of this Agreement. Any person engaged by the Service Provider in accordance with the conditions herein established, who dedicates twenty-five percent (25%) or more of his or her time to provide services related to the Agreement shall be considered subcontractors for the purposes of this Section. Anything herein to the contrary notwithstanding, the Service Provider shall have the right to rely conclusively on the aforementioned certifications of government agencies in making the representations in this Section.

31. The Service Provider is an independent contractor and as such shall be responsible for the payment of all of its income taxes and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the U.S. Internal Revenue Code. No withholdings or deductions shall be made from payments to the Service Provider for services rendered except those applicable in accordance with the Puerto Rico Internal Revenue Code and its regulations. The Bank shall forward any such withholdings or deductions to the Secretary of the Treasury of Puerto Rico. The Bank also will notify the Secretary of the Treasury of all payments and reimbursements made to the Service Provider.

32. The Service Provider will not receive any payment for the services rendered under the terms of this Agreement until the Agreement has been registered

at the Office of the Comptroller of Puerto Rico as established in Act number 18 of October 30, 1975, as amended.

33. For purposes of this Agreement, the word "written" will include electronic format, including electronic mail.

34. This Agreement and all its terms shall be construed and interpreted in accordance with the laws of the Government of Puerto Rico.

35. The court and authorities of the Government of Puerto Rico shall have jurisdiction over all controversies that may arise with respect to this Agreement. The parties hereby waive any other venue to which they might be entitled by virtue of domicile or otherwise. Should either party initiate or bring suit or action before any other court, it is agreed that upon application, any such suit or action shall be dismissed, without prejudice, and may be filed in accordance with this provision. The party bringing the suit or action before a court not agreed to herein shall pay to the other party all the costs of seeking dismissal including reasonable attorney's fees. Should any clause or condition of this Agreement be declared null and void by a competent court of law, the remaining parts of this Agreement shall remain in full force and effect.

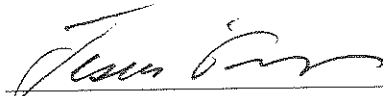
36. The Service Provider certifies it is not required to obtain a dispensation in pursuant to the Government Ethics Law, Act No. 12 of July 24, 1985, 3 L.P.R.A. 1801, as amended and its regulations. The Service Provider also certifies that it did not have to obtain authorization from the Governor of the Puerto Rico before the execution of this Contract.

37. It is understood that this Agreement is the sole agreement between the parties herein with regard to the services covered hereby and supersedes any prior agreement, written or oral, with respect to the subject matter hereof. This Agreement may not be changed orally, but may be amended in writing, by mutual agreement of the parties.

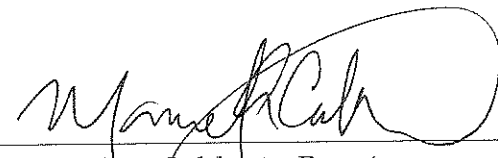
IN WITNESS THEREOF, the parties hereto sign this Agreement, in San Juan, Puerto Rico as of this 15 day of June, 2009.

**GOVERNMENT DEVELOPMENT
BANK FOR PUERTO RICO**

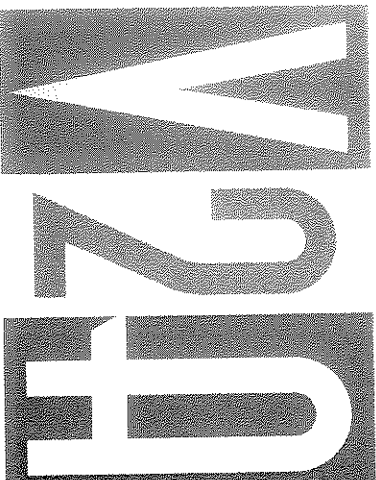
V2A, INC.



Jesus F. Méndez
Executive Vice President
for Administration, Operations,
and Comptrollership



Manuel A. Calderón Román
President
644 Fernández Juncos Avenue, 3rd Floor
San Juan, PR 00907
Tel. (787) 919-7303
Fax. (787) 919-7319



Vision to Action

Strategic Management Consultants

Proposal for Assistance to Oficina de Manejo e Integración



JUNTA DE RECREACIÓN
Y ESPECTÁCULOS PÚBLICOS

June 2009

June 16, 2009

Mr. Carlos M. Garcia
Fiscal Restructuring Stabilization Board
Government Development Bank of Puerto Rico
Roberto Sánchez Vilella Government Center
De Diego Ave. Stop 22
San Juan, PR 00907

Dear Mr. Garcia:

Thank you for the opportunity to assist the Fiscal Restructuring Stabilization Board (hereafter "JREF"), in supporting the implementation of Law 7 and the transformation of agency organizations. We recognize JREF's key leadership role in building a truly effective and efficient government. We are enthusiastic about delivering to your organization the benefits of our experience in transformation and reorganization processes. In this proposal we describe the objectives and approach of the work to be performed in addition to the estimated timing and fees.

We are eager to serve you on this important endeavor and look forward to working closely with you. Should you have any questions, please do not hesitate to contact me at 787-360-7861.

Sincerely,

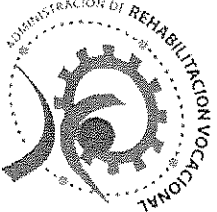
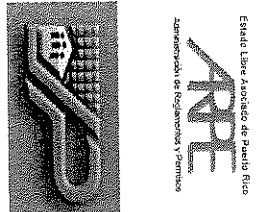
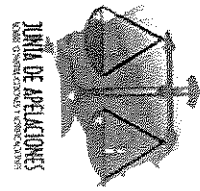











Manuel A. Calderon - V2A, Inc.

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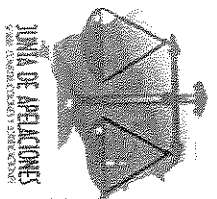
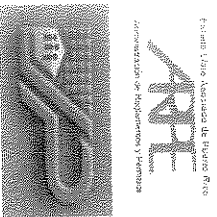
Project Scope

<p>» Law 7 Implementation Support</p>				
<p>» Permit Process Design Support (OGPE Link)</p>				
<p>» Organizational Transformation Support</p>				

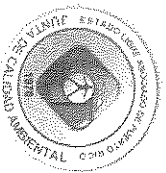
Project Scope Details



- Support the implementation of Law 7 for Administración de Rehabilitación Vocacional (1,200+ employees)
- Evaluate existing capabilities (strengths / weaknesses) and understand needs for future organization
- Design new organization in order to maximize impact to public (improve service levels) while reducing costs



- Support the implementation of Law 7 for Administración de Reglamentos y Permisos (490+ employees), Junta de Planificación (270+ employees) and Junta de Apelaciones sobre Construcciones y Lotificaciones (20+ employees)
- Evaluate key processes expected to be transferred to new permit organization ("OGPE-Oficina de Gerencia de Permisos y Endosos")
- Support design of new permit organization
- Design transition for remaining key processes



- Support the implementation of Law 7 for Departamento de Recursos Naturales y Ambientales (1,590+ employees), Junta de Calidad Ambiental (400+ employees), Autoridad de Desperdicios Sólidos (90+ employees) and Autoridad para Asuntos Energéticos (15 employees)
- Evaluate key processes expected to be transferred to new permit organization ("OGPE")
- Design new consolidated organization for remaining key processes

Project Approach

Law 7 Support Implementation

Law 7 Support Implementation

- Data room set-up
- Logistics coordination
- Validation of HR lists
- Review and validation of key data:
 - organization
 - budgets
 - capacity information
 - performance measures
 - others
- HR list review and validation
- Preliminary data analysis and identification of work units impacted
- Impact assessment for each work unit/ key process
- "Field" validation of key impacted units/ processes
- Prioritization of work units / key processes
 - % impacted
 - criticality
 - individual issues
 - others
- Preliminary identification of potential solutions
- Validation of potential solutions
 - legal review
 - communications
 - OMI / JREF
- Development of detailed implementation plan
 - project owner
 - detailed timetable
 - key milestones
 - resource assignments
- Establish implementation PMO
- Definition/ validation of lay-off process
- Agency capability assessment
 - HR capabilities
 - particular agency issues
 - logistics
- Corrective actions if necessary
- Potential Solutions Portfolio**
 - Do nothing - redeployment of work within minimal impact areas
 - Process elimination or basic process redesign
 - Organizational redistribution
 - Personnel redeployment within agency
 - Personnel redeployment from other agencies
 - Identification of external solutions until permanent solutions can be implemented
- Validation of subsequent wave targets and milestones
- Continuous implementation PMO assistance
- Identification of potential longer term restructuring opportunities

Project Approach

Permit Process Design Support (OGPE link)

Permit Process Design Support (OGPE Link)

<p>Facbase Development (Current Permit Processes)</p> <ul style="list-style-type: none"> *Current Permit Process Flow Documentation *Organizational Support (including functions and responsibilities) *Budgets/Financial resources *Information systems *Physical infrastructure assessment *Customer satisfaction feedback of current processes 	<p>Analysis & Identification of Opportunities</p> <ul style="list-style-type: none"> ■ Assessment of capabilities (strengths / weaknesses) ■ Needs assessment - understanding needs for the future ■ Identification of opportunities 	<p>Future State Design</p> <ul style="list-style-type: none"> ■ Development of new permit processes in new organization (only for agencies in scope) ■ Design of preliminary future state <ul style="list-style-type: none"> – New permit process flow design – Organizational structure – Budget – Physical infrastructure – Identification of legal considerations – Definition of metric scorecard ■ Stakeholder feedback ■ Final design validation ■ Development of transition plan to new OGPE organization
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Project Approach

Organizational Transformation Support

Organization Transformation Support

Factbase Development

- * Agency mission / legal statutes
- * Organizational structures (headcount / org charts)
- * Budgets
- * Functions & responsibilities
- * Programs & services provided
- * Internal processes (procurement, HR & finance policies & procedures, payroll, compliance, etc)
- * Information systems (platform / infrastructure, applications, reporting, etc)
- * Physical infrastructure (agency and office locations / real estate property)
- * Customer satisfaction feedback

Analysis & Identification of Opportunities

- Assessment of capabilities (strengths / weaknesses)
- Needs assessment - understanding needs for the future
- Identification of common areas, synergies & opportunities

Future State Design

- Development of vision elements
- Design of preliminary future state
 - Organizational structure
 - Budget
 - Programs & services
 - Internal processes
 - Physical infrastructure
 - Identification of legal considerations
 - Definition of metric scorecard
- Stakeholder feedback
- Final design validation
- Development of transition plan
- Submit detailed plan to "Consejo Interagencial para la Reorganización y Modernización de la Rama Ejecutiva"

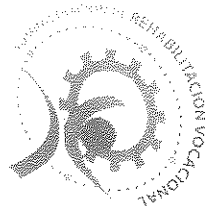
Project Resources

The following V2A resources can be available to staff these projects. Their background and experience can be found in the appendix.

Team ARPE / JP / JAACL	Team DRNA / JCA / ADS / AAE	Team ARV
▪ ROBERTO JIMENEZ	▪ MANUEL CALDERON	▪ MANUEL CALDERON
▪ FRANCISCO BRUNO	▪ MICHELLE VELEZ	▪ VICTOR RIVERA
▪ GRACIELA SALCEDO	▪ NILDA PICORELLI	▪ RAFAEL ROBERT
▪ MARIA GOMEZ	▪ JUAN VAZQUEZ	▪ BENJAMIN NOGUERAS
▪ OSCAR CALDERON	▪ FERNANDO COLON	
▪ XAVIER DIDI	▪ JUAN JIMENEZ	
Team Support Staff		

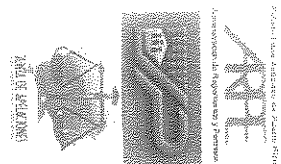
Note: ARPE (Administración de Reglamentos y Permisos); JP (Junta de Planificación); JAACL (Junta de Apelación sobre Construcción y Licitación); DRNA (Departamento de Recursos Naturales y Ambientales); JCA (Junta de Calidad Ambiental); ADS (Administración de Desperdicios Sólidos); AAE (Administración de Asuntos Energéticos); ARV (Administración de Rehabilitación Vocacional)

Timing & Fees



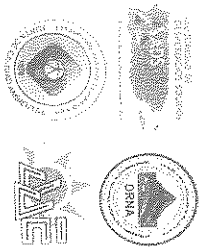
	June	July	August	Sept	Oct	Nov	Dec
Law 7 Implementation Support							
Agency Transformation Plan Development							

Professional Fees	
Initial support weeks 1 - 8:	\$112,000
Additional monthly support:	\$36,000
Maximum Fees:	\$220,000



Law 7 Implementation Support	
Permit Process Evaluation – OGPE Design Support	
Transition Plan Development for Remaining Processes	

Professional Fees	
Initial support weeks 1 - 8:	\$125,000
Additional monthly support:	\$45,000
Maximum Fees:	\$350,000



Law 7 Implementation Support	
Permit Process Evaluation – OGPE Design Support	
New Agency Design / Agency Consolidation Plan	

Professional Fees	
Initial support weeks 1 - 8:	\$130,000
Additional monthly support:	\$52,000
Maximum Fees:	\$390,000

Appendix A: About V2A...



V2A is a professional services firm based on more than a decade of experience in helping clients define and achieve their targets through strategic planning, profit improvement, restructuring and integration services.

We differentiate ourselves by our philosophy;

- We believe that management teams should "own" their strategic management processes. *We don't tell clients what to do, but rather work together in finding the right strategy together with implementable solutions.*
- We believe in building deep relationships with a limited number of clients, allowing a comprehensive understanding of their business. *We cherish the trust and confidence our clients place in us.*
- We believe that our success is defined by our clients results. *More than just defining visions and plans, we emphasize the development of specific, high impact action and help our clients every step of the way in achieving results... from Vision to Action!*

Appendix A: About V2A - Our Services



Strategic Planning / Strategic Management

As facilitators of strategic planning processes we help organizations formulate their vision and objectives, define the strategy to achieve them and create a sense of ownership and momentum to implement it. We have worked with boards of directors and management teams from dozens of organizations. Beyond helping define and implement strategies, we also assist clients in building performance management systems to maintain visibility and focus on key areas.

Profit Improvement

Improving profitability and increasing shareholder value is essential. Yet many companies struggle to pinpoint ways to reduce expenses and increase revenues. At V2A, our profit enhancement program helps identify practical opportunities for reducing costs and improving profitability. Our program approach focuses on identifying and understanding a company's key drivers of profitability, and then designing and achieving short and long term profit improvements. After prioritizing ideas with most profit potential and practicality, we help implement profitability programs.

Process & Organization Redesign / Restructuring

Changing the status quo is never easy. Inertia takes over unless a deliberate effort is made to periodically review practices, policies and organization. We have helped many clients review their way of doing business by identifying gaps between current processes and need, by reviewing best practices within and outside their organizations, by defining better ways to do their work, and by developing clear roadmaps for implementation.

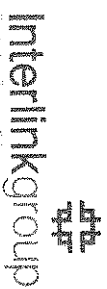
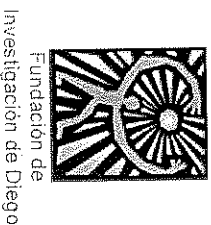
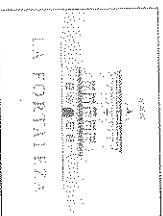
Merger / Acquisition / Joint Venture Integration

Much time and effort is often invested in executing an acquisition, merger or joint venture, yet many transactions fail to live to their expectations because of poor execution. Our assistance in post-merger/acquisition integration, focuses on quickly identifying priorities, developing and enabling broad-based initiatives, and developing visibility and accountability to reach cost, organizational, or market targets. For joint ventures, the focus is on ensuring clarity of purpose and priorities. As an independent agent, we have facilitated many joint efforts where we assist in developing the appropriate structures and framework for success.

Appendix A: About V2A - Our Clients



We have worked with some of the most recognized organizations in our community. Following is a sample of some of the organizations our team has assisted...



Appendix B: Team Profiles

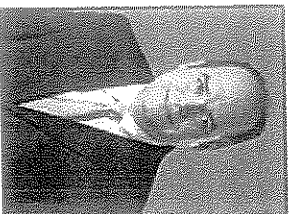


We are proud of our team of talented professionals who share a passion for delivering value. Our core team has extensive experience in a variety of management fields developed through leadership positions with multinational corporations, together with solid educational backgrounds from top universities. We also count on the experience of an extended team of professionals who collaborate with us on a project by project basis, bringing specific know-how in selected areas.



MANUEL A. CALDERON

- Managing director and founder of V2A.
- Fourteen years of experience in management consulting, including practice leader in the Strategic Management Advisory Services practice of Ernst & Young in San Juan, Puerto Rico.
- Previous experience as manufacturing and technology manager in pharmaceutical operations.
- Massachusetts Institute of Technology (MIT), BS Chemical Engineering, minor in Economics
- University of Michigan, MBA, Finance and Strategy



ROBERTO JIMENEZ

- Managing director of V2A.
- Over fifteen years in senior financial management, turnaround and program management functions in both entrepreneurial and corporate environments.
- Former economic advisor to the Governor of Puerto Rico
- Georgetown University, B.S. Accounting and Finance
- University of Pennsylvania Wharton School of Business, MBA, Strategy and Finance

Appendix B: Team Leader Profiles

FRANCISCO BRUNO

- * Business and financial advisory consultant with over fifteen years of experience
- * Previous work experience includes: Salomon-Smith Barney, Fisher Scientific International and KPMG
- * Certified Public Accountant
- * Boston College – BS, Accounting
- * University of Michigan (Ross School of Business) - MBA, Finance & Strategic Management

MICHELLE VELEZ

- * Twelve years of experience in management consulting and brand management
- * Previous experience as consulting manager for Ernst & Young and brand manager for Procter & Gamble.
- * University of Puerto Rico – BS, Industrial Engineering
- * University of California (Walter A. Haas School of Business) - MBA

VICTOR RIVERA

- * Business and financial advisory consultant with over ten years of experience
- * Previous work experience includes: Westernbank, RG Premier Bank, Oracle and Deloitte & Touche
- * Certified Public Accountant
- * University of Puerto Rico – BS, Accounting & IS
- * Indiana University (Kelley School of Business) - MBA

Appendix B: Team Profiles

GRACIELA SALCEDO

- Over ten years of experience in a broad range of brand management, management consulting and strategic planning areas.
- Previous experience as brand manager for Procter & Gamble and technical program manager for Xerox.
- University of Pennsylvania, BS Mechanical Engineering
- Rochester Institute of Technology, MS Engineering Management

MARIA M. GOMEZ

- Ten years of experience in brand management, management consulting and strategic planning
- Previous experience as brand manager for Procter & Gamble and senior consultant for KPMG
- Boston College, BS Business Administration -Finance and MIS
- University of Texas, McCombs School of Business, MBA

NILDA PICORELLI

- Business advisory consultant with over 40 years of experience including stints in Chase Manhattan, Caguas Central, and Banco Santander
- Previous experiences include senior leadership roles in areas of operations, customer service, and administration

JUAN VAZQUEZ

- Business advisory consultant with over twenty-five years of experience
- Previous consulting clients include DTOP, HF Mortgage, General Department of Internal Taxes (Dominican Republic), Viva & Orange (Dominican Republic), RG Premier Bank, among others
- Previous experiences include leadership roles in areas of operations, customer service, and administration

Appendix B: Team Profiles

RAFAEL ROBERTS

- Over 15 years of experience in consulting including IT project management, outsourcing and business process reengineering.
- University of Puerto Rico, BS-Accounting

XAVIER DIVI

- Previous work experience includes: American Express, Bear Stearns & Co. & Government of Puerto Rico
- ESADE (Barcelona, Spain), BS & MBA (International Finance)

BENJAMIN NOGUERAS

- Over 25 years of experience including work at Compaq and Digital among others
- Broad consulting experience including projects in information and resource maximization, business process redesign
- University of Puerto Rico, BS-Accounting

JUAN JIMENEZ

- Previous work experience includes: Westernbank, RG Premier Bank and Banco Popular
- Certified Public Accountant
- University of Puerto Rico, BS-Accounting

FERNANDO COLON

- Prior experience in Banco Santander, Banco Popular de Puerto Rico and Johnson & Johnson
- University of Puerto Rico, BA in Finance & Marketing