



GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF HOUSING

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)  
ENERGY GRID REHABILITATION AND RECONSTRUCTION  
COST SHARE PROGRAM (ER1)

SUBRECIPIENT AGREEMENT  
BETWEEN THE  
PUERTO RICO DEPARTMENT OF HOUSING  
AND THE  
PUERTO RICO ELECTRIC POWER AUTHORITY (PREPA)



This **SUBRECIPIENT AGREEMENT (Agreement)** is entered into this 1 day of March, 2024, by and between the **PUERTO RICO DEPARTMENT OF HOUSING ("PRDOH")**, a public agency of the Government of Puerto Rico created under Act No. 97, of June 10, 1972, as amended, 3 LPRA § 441 et seq., known as the "Department of Housing Organic Act" (**Organic Act**), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, Hon. William Rodríguez Rodríguez, of legal age, attorney, single, and resident of Guaynabo, Puerto Rico; and the **PUERTO RICO ELECTRIC POWER AUTHORITY (PREPA or Subrecipient)**, a public corporation, with principal offices at Ave. Ponce de Leon, Parada 16 1/2 San Juan, Puerto Rico, represented herein by its Executive Director, Josué A. Colón Ortiz, of legal age, engineer, married, and resident of Caguas, Puerto Rico (collectively, the **Parties**).

**I. RECITALS AND GENERAL AWARD INFORMATION**

**WHEREAS**, Hurricanes Irma and María struck Puerto Rico in September of 2017, and the effect on the electrical power system remains ever present in the daily lives of the Island residents. Power outages are common and unpredictable, electricity prices continue to rise, and rolling blackouts due to insufficient generation and faulty substations are common. The impact of the hurricanes on the power system was devastating and led to the longest sustained blackout in modern United States history. Energy remains the most critical factor for the Island's future.

**WHEREAS**, on April 10, 2018, the U.S. Department of Housing and Urban Development (**HUD**) allocated nearly \$28 billion dollars in Community Development Block Grant for Disaster Recovery (**CDBG-DR**) funds appropriated by the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act of 2018 (Pub. L. 115-123, approved February 9, 2018). Of those \$28 billion dollars, HUD allocated \$2 billion for the enhancement or improvement of electrical power systems in Puerto Rico and the U.S. Virgin Islands.

**WHEREAS**, on June 22, 2021, HUD published a Notice at Federal Register Vol. 86, No. 117 (June 22, 2021), 86 FR 32681, which governs the use of the \$2 billion CDBG-DR allocation for enhanced or improved electrical power systems in Puerto Rico and the U.S. Virgin Islands. Of those \$2 billion, **one billion, nine hundred thirty-two million, three hundred forty-seven thousand dollars (\$1,932,347,000)** were allocated to enhance the Puerto Rico electrical power system.

**WHEREAS**, on August 5, 2022, PRDOH and HUD signed Grant Agreement Number **B-18-DE-72-0001**, allowing PRDOH access to the CDBG-DR funding obligated under Pub. L. 115-123, as amended, for activities designed to enhance or improve electrical power systems.

**WHEREAS**, according to the Puerto Rico Electrical Power Systems Enhancements and Improvements Action Plan (**Action Plan**), as amended, Puerto Rico intends to undertake the Energy Grid Rehabilitation and Reconstruction Cost Share Program (**ER1 Program**).

The Program is meant to promote the development of a more reliable electrical grid for all Puerto Rico residents, as documented by the Federal Emergency Management Agency (**FEMA**) in its approval of significant recovery funds related to the comprehensive recovery of the Island's electrical system.

**WHEREAS**, the purpose of the ER1 Program is to maximize the benefit of federal grant programs by positioning CDBG-DR as the ideal source for the required local match (or "state share") to other federal funding streams. In particular, the Program targets the state share required for FEMA's Public Assistance (**PA**) allocation for the Puerto Rico Electric Power Authority (**PREPA**) Island-wide FEMA Accelerated Awards Strategy (**FAAST**) Project Worksheet (**PW**).

**WHEREAS**, the Action Plan allocated a total budget of **five hundred million dollars (\$500,000,000)** to the ER1 Program.

**WHEREAS**, pursuant to a letter dated February 23, 2018, sent by the former Governor of Puerto Rico to the Secretary of HUD, the PRDOH is the governmental agency designated as grantee of the CDBG-DR funds allocated to the Government of Puerto Rico.

**WHEREAS**, PREPA is the eligible Subrecipient for the ER1 Program through the FEMA FAAST PW. PREPA owns all the assets for generation, transmission, and distribution, while their private partners operators manage the generation and distribution side of the electrical grid system.

**WHEREAS**, PRDOH will work in partnership with the Central Office for Recovery, Reconstruction, and Resiliency (**COR3**), as well as PREPA and/or their authorized representative, to determine project match eligibility and alignment with grant timelines, targeting projects that result in a timely expenditure of funds. PRDOH will also collaborate with COR3 to develop long-term natural hazards resilience strategies and in the determination on how infrastructure investments align with other planned local capital improvements.

**WHEREAS**, the Puerto Rico Energy Bureau (**PREB**) is the independent and specialized body created by Act No. 57-2014, as amended, known as the "Puerto Rico Energy Transformation and RELIEF Act", 22 LPRA § 1051 et seq., responsible for regulating, monitoring, and enforcing the public energy policy of the Government of Puerto Rico as established by the Department of Economic Development and Commerce's (**DEDC**) Public Energy Policy Program (**PEPP**). PREB will serve as an oversight entity for PREPA. Projects obligated under the FEMA FAAST PW must receive PREB approval.

**WHEREAS**, the CDBG-DR funds made available for use by the Subrecipient under this Agreement constitute a Subaward of the PRDOH's Federal Award, the use of which must be in accordance with requirements imposed by federal statutes, regulations, and the terms and conditions of the PRDOH's Federal Award.

**WHEREAS**, the PRDOH has the legal power and authority, in accordance with its enabling statute, the Organic Act, as amended, *supra*, the federal laws and regulations creating and allocating funds to the CDBG-DR Program and the current Action Plan, to issue and award the subaward, and to enter and perform under this Agreement.

**WHEREAS**, the Subrecipient has the legal power and authority to enter into this Agreement with PRDOH, via its Executive Director, Josué A. Colón Ortiz, in accordance with Section 4 of Act No. 83 of May 2, 1941, as amended, 22 L.P.R.A. § 191 et seq., also known as the "Puerto Rico Electric Power Authority Act", and the Resolution number 4911,

dated September 29, 2021, adopted by the Subrecipient, and by signing this Agreement, the Subrecipient assures PRDOH that Subrecipient shall comply with all the requirements described herein.

GENERAL AWARD INFORMATION

The Subaward from PRDOH to the Subrecipient contemplated hereunder is for carrying out a portion of the Federal Award described in Section I above; thus, a federal assistance relationship is created with the Subrecipient. This Agreement shall be updated to reflect any changes to the Federal Award and the following award information.

CDBG-DR Grantee Federal Award Identification Number (FAIN):	B-18-DE-72-0001
CDBG- DR Grantee Federal Award Date:	August 5, 2022
CDBG- DR Grantee Unique Identifier:	Unique Entity ID: FFMUBT6WCM1
Federal Award project description:	See <b>Exhibit A</b> for <u>Scope of Work</u>
Subrecipient Contact Information:	Josué A. Colón Ortiz Executive Director PO Box 364267 San Juan, PR 00936-4267 <a href="mailto:josue.colon@prepa.pr.gov">josue.colon@prepa.pr.gov</a> 787-521-4674 Ext. 4671
Subrecipient Unique Identifier:	Unique Entity ID: EHNKJMN3LNZ7
Subaward Period of Performance:	Start Date: Effective Date, as defined in <b>Section V</b> of this Agreement. End Date: <b>Thirty-six (36) months</b> from Start Date.
Funds Certification:	Date: February 13, 2024 Authorized Amount: <b>\$500,000,000.00</b> Funds Allocation: CDBG-DR "esp-ier1doh-lmi" CDBG-DR "esp-ier1doh-un" Account Number: 6090-01-000 See <b>Exhibit D</b> for <u>Funds Certification</u>

**NOW, THEREFORE**, in consideration of the need for recovery from Hurricanes Irma and María and the premises and mutual covenants described herein, the Parties mutually agree to the terms described in this Agreement.

TERMS AND CONDITIONS

II. ATTACHMENTS

The following attachments are incorporated into this Agreement by reference and are hereby made part of this Agreement:

- Exhibit A

Scope of Work
- Exhibit B

Timeline and Performance Goals
- Exhibit C

Budget
- Exhibit D

Funds Certification
- Exhibit E

HUD General Provisions and Other Federal Statutes,  
Regulations, and PRDOH Requirements
- Exhibit F

Special Conditions
- Exhibit G

Subrogation and Assignment Provisions
- Exhibit H



Non-Conflict of Interest Certification

All Exhibits hereto are fully incorporated herewith such that the terms and conditions of the Exhibits shall be as binding as any terms and conditions of this executed written Agreement. The Agreement shall prevail if any inconsistency appears between the Exhibits and this Agreement.

### III. SCOPE OF WORK

The Subrecipient shall be responsible for performing the activities detailed in **Exhibit A** (Scope of Work) of this Agreement, herein attached and made an integral part of this Agreement, which may be amended from time to time with the consent of both Parties. The Subrecipient shall complete the Scope of Work in a manner satisfactory to the PRDOH and consistent with the terms and conditions of this Agreement and applicable Federal and local statutes, laws and regulations.

#### A. Subrecipient Management Responsibilities

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1. As a condition of receiving this Subaward, the Subrecipient shall perform the procurement, management, invoicing, monitoring, record-keeping, documenting, and reporting of the services or activities related to the development of the projects as described in the **Exhibit A** (Scope of Work) attached to this Agreement.
  2. The Subrecipient is responsible for understanding and ensuring that all services and projects are performed in accordance with PRDOH guidelines and policies, HUD guidelines and regulations, and other applicable state and federal laws and regulations.
  3. Technical assistance (**TA**) will be provided to the Subrecipient throughout the life of the Program. The Subrecipient agrees to participate in TA workshops to best ensure HUD and CDBG-DR requirements compliance.
  4. The Subrecipient shall support PRDOH's efforts regarding engagement and outreach activities.
  5. The Subrecipient shall perform the necessary actions to plan for the long-term operation and maintenance (**O&M**) of the projects to be funded under this Agreement. The Subrecipient shall submit an Operation and Maintenance Plan (**OMP**) to the PRDOH as described in **Exhibit A** (Scope of Work) of this Agreement.
  6. The Subrecipient shall comply with HUD rules and regulations that govern the environmental review process. The aforementioned rules can be found at 24 C.F.R. Part 58. Particularly, the Subrecipient shall avoid committing public or private funds (CDBG funds or non-CDBG funds) or undertaking activities or projects that would have an adverse environmental impact or limit the choice of reasonable alternatives, prior to obtaining environmental clearance. Activities such as demolition, excavating, relocation of structures, or even acquisition or leasing of real property, among others, may preclude the selection of alternative choices before a final decision is made under the environmental review. The Subrecipient shall consult the applicable regulations with PRDOH for more detailed guidance.
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#### B. General Administration

**Prohibited Activities:** The Subrecipient may only carry out the roles and responsibilities described in this Agreement and the activities related to the performance of the Scope of Work described in **Exhibit A** of this Agreement. Notwithstanding anything to the contrary in this Agreement, the Subrecipient shall not be obligated to perform any work or services outside the Scope of Work described in **Exhibit A** of this Agreement.

The Subrecipient is prohibited from charging to the PRDOH the costs of CDBG and/or CDBG-DR ineligible activities, including those described at 24 C.F.R. § 570.207, unless waived or made eligible by an applicable Federal Register Notice, from using funds

provided herein or personnel employed in the administration of activities under this Agreement for political activities, inherently religious activities, or lobbying. The Subrecipient may be financially liable for the activities undertaken outside of the parameters of **Exhibit A** (Scope of Work) of this Agreement.

C. National Objectives

As detailed in Federal Register Vol. 86, No. 117 (June 22, 2021), 86 FR 32681, at least seventy percent (70%) of the aggregated CDBG-DR Energy funds allocated for electrical power system enhancements and improvements must benefit Low and Moderate Income (**LMI**) persons. All electrical power system improvement activities funded through the ER1 Program must meet either the LMI or the Urgent Need (**UN**) National Objective specified at 24 C.F.R. § 570.483 or otherwise provided for by waiver or alternative requirement as published in 86 FR 32681.

Even though projects may qualify under the UN national objective, the seventy percent (70%) LMI target for the allocation must still be met. Additionally, unless PRDOH has received prior approval from HUD, CDBG-DR funds for electrical power system improvements cannot meet the CDBG national objective for the elimination of slum and blight described at 24 C.F.R. § 570.208(b) and 24 C.F.R. § 570.483(c). For further details regarding this matter, please refer to Section 2 of Exhibit **A** (Scope of Work).

D. Levels of Accomplishment – Performance Goals and Timelines

The Subrecipient shall complete the activities required under **Exhibit A** (Scope of Work) of this Agreement in accordance with the timeframes and performance goals set forth in **Exhibit B** (Timelines and Performance Goals) of this Agreement, herein attached and made an integral part of this Agreement.

E. Nonperformance Standard

If at the end of the **six (6) months** from the Effective Date, as defined in **Section V** of this Agreement, the Program activity has not begun or at any time during the term, the Program activity has not accomplished the performance objectives set forth by the PRDOH in **Exhibit B** (Timelines and Performance Goals), the PRDOH may, at its sole discretion, terminate this Agreement, de-obligate funds made available under this Agreement, and/or recapture funds previously expended by the Subrecipient under this Agreement from non-federal funds. No contract extensions shall be granted unless the Subrecipient can document circumstances beyond its control that prevented the start of the activity. The PRDOH shall review the properly filed and documented circumstances which are alleged to have prevented the initiation of activity and exclusively reserves the right to decide if an extension is warranted, relative to the reasons stated as well as the prevailing circumstances.

**IV. PERFORMANCE, MONITORING AND REPORTING**

A. Monitoring

The PRDOH shall monitor the performance of the Subrecipient as necessary to ensure that the funds allocated to the Subrecipient are used for authorized purposes, in compliance with Federal statutes, regulations, the Program Guidelines, and the terms and conditions of this Agreement, including the timeframes and performance goals set forth in **Exhibit B** (Timelines and Performance Goals) associated with the activities included in **Exhibit A** (Scope of Work).

This review shall include: (1) reviewing financial and performance reports required by the PRDOH; (2) following up and ensuring that the Subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the Subrecipient from the PRDOH detected through audits, on-site reviews, and other means; and (3)

issuing a management decision for audit findings pertaining to this Federal award provided to the Subrecipient from the PRDOH as required by 2 C.F.R. § 200.521.

Substandard performance, defined as a performance that falls short of the standard expected of the Subrecipient, as specified in the Agreement's exhibits, shall constitute noncompliance with this Agreement.


If action to correct such substandard performance is not taken by the Subrecipient within **fifteen (15) days** after being notified by PRDOH, PRDOH may impose additional conditions on the Subrecipient and suspend or terminate this Agreement, disallow all or part of the cost of the activity or action not in compliance or initiate other remedies for noncompliance, as appropriate and permitted under 2 C.F.R. § 200.339.

#### B. Reporting

The Subrecipient shall complete and submit quarterly reports for each funded project, in the form, timeframe, and with the content specified and required by the PRDOH. The PRDOH shall later notify Subrecipient in writing the guidelines and requirements applicable to the submittal of the progress reports, and such notification shall be deemed incorporated by reference to this Agreement.


### V. EFFECTIVE DATE AND TERM

This Agreement shall be in effect and enforceable between the Parties from the date of its execution. The performance period of this Agreement is **thirty-six (36) months** from the date of its execution, ending in March 1, 2027.

 The End of Term shall be the later of: (i) March 1, 2027; (ii) the date as of which the Parties agree in writing that all Close-Out Requirements<sup>1</sup> have been satisfied or, where no Close-Out Requirements are applicable to this Agreement, the date as of which the Parties agree in writing that no Close-Out Requirements are applicable hereto; or (iii) such later date as the Parties may agree to in a signed amendment to this Agreement.

The Subrecipient hereby acknowledges that this Agreement is subject to the Grant Agreement between the Government of Puerto Rico or the PRDOH, and HUD ("**Grant Agreement**"); and the availability of the allocated CDBG-DR funds. The Subrecipient also acknowledges and agrees that any suspension, cancellation, termination, or otherwise unavailability of the CDBG-DR allocation(s) shall result in the immediate suspension, cancellation, or termination of this Agreement, upon PRDOH's notice.

#### A. Contract Extensions:

 PRDOH may extend the Agreement's term for additional terms, upon mutual written agreement of the Parties. The term of this Agreement shall not exceed the lifetime of the initial Grant Agreement between PRDOH and HUD, unless the term of the initial Grant Agreement is extended by HUD, in which case the term of this Agreement cannot exceed the extension.

### VI. BUDGET

#### A. Budget

The Subrecipient shall complete all activities in **Exhibit A** (Scope of Work) of this Agreement in accordance with **Exhibit C** (Budget) attached herein and made an integral part of this Agreement as such Budget may be amended from time to time.

<sup>1</sup> "Close-Out Requirements" means all requirements to be satisfied by each party in order to close-out this Agreement and the CDBG-DR funds provided herein in accordance with applicable Requirements of Law, including the execution and delivery by one or more of the Parties of all close-out agreements or other legal instruments and the taking of any actions by one or more of the Parties in connection with such close-out, in any case as required under applicable Requirements of Law.

The PRDOH may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the PRDOH. Any amendments to the budget must be approved in writing and signed by the PRDOH and the Subrecipient.

**B. Program Income**

All Program Income (as defined in Section V.A.18.a of 86 FR 32681, 32696-32697) received or generated from CDBG-DR funded electrical power system improvements, is subject to the requirements of 86 FR 32681. Such program income shall be used only for electrical power system improvements. PRDOH may authorize the Subrecipient to retain the program income but is not required to do so. All Program Income generated by activities carried out with the CDBG-DR funds must be returned to PRDOH if retention of such is not previously authorized by PRDOH.<sup>2</sup>

The Subrecipient shall notify PRDOH, within **twenty-four (24) hours** of receipt, of any Program Income generated by activities carried out with CDBG-DR funds made available under this Agreement. Program Income is subject to all applicable CDBG-DR laws, regulations and PRDOH's policies and procedures for so long as it exists. Any interest earned on cash advances from the U.S. Treasury or interest paid on CDBG funds held in a revolving fund account is not Program Income and shall be remitted promptly to the PRDOH for transmittal to the U.S. Treasury no less frequently than annually.

PRDOH will later notify the Subrecipient, in writing, of the applicable procedures for the return or reversion of Program Income to the PRDOH, and such notification shall be deemed incorporated by reference to this Agreement.

**C. Property Management and Disposition**

PRDOH will comply with regulations governing property management and distribution of real property, equipment, financial obligations, and return of un-obligated cash post program closeout. Applicable regulations can be found in 24 C.F.R. §570.502, 24 C.F.R. §570.505, 2 C.F.R. §200.310, 2 C.F.R. §200.343, 2 C.F.R. § 200.344(b), 2 C.F.R. § 200.344(d)(4) and 24 C.F.R. § 570.489(j).

For any real property acquired in whole or in part with CDBG funds in excess of \$25,000.00, the Subrecipient must control the use of the property in accordance with its intended purpose and take diligent care of it and may not change the use or planned use of the property without proper notification to affected citizens and allowable time for comment by them. If the property is not a building for general government conduct, the use of the property may be changed with citizen approval if it meets one of the HUD national objectives. If the Subrecipient changes the use of the property, the Subrecipient may either retain or dispose of the property and reimburse PRDOH the amount of the current fair market value of the property.

Further details on property management and disposition can be found in the Cross Cutting Guidelines as a Property Management and Disposition Policy, available in English and Spanish at the CDBG-DR/MIT website <https://recuperacion.pr.gov/en/download/cross-cutting-guidelines/> and <https://recuperacion.pr.gov/download/guias-intersectoriales/>.

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<sup>2</sup> Regarding CDBG-DR rules on program income, it is anticipated that revenue generated by an entity operating as a public utility from the funds collected from electric energy consumers will not be considered to be program income.

## VII. PAYMENT


### A. Amount

This Agreement is based on the reimbursement of funds to the Subrecipient expended on approved CDBG-DR items. Funding is contingent on a CDBG-DR award to PRDOH or a Grant Agreement between the Government of Puerto Rico or the PRDOH, and HUD, and PRDOH's receipt of CDBG-DR funds. It is expressly agreed and understood that the total funding amount to be paid by the PRDOH to the Subrecipient under this Agreement shall not exceed the amount specified in **Exhibit C** (Budget). Such payment shall be compensated for all allowable services required, performed and accepted under this Agreement. However, PRDOH reserves the right to reduce the funding amount if CDBG-DR funding is not provided under the Grant Agreement at the currently anticipated levels and/or if the actual costs for the approved activities are less than those set forth in **Exhibit C** (Budget).


Any additional funds to complete the services requested by the PRDOH to the Subrecipient shall be subject to funds availability and shall require an amendment to this Agreement.

### B. Requests for Reimbursement

The Subrecipient shall submit to PRDOH **Request for Reimbursements** of activities under this Agreement and provide **Proof of Payments** to contractors and employees within **thirty (30) days** of completion of the work being invoiced. Each Request for Reimbursement or Proof of Payments shall be broken down into requested reimbursements against the Budget line items specified in **Exhibit C** (Budget).



The Subrecipient shall submit Requests for Reimbursements or Proof of Payments to the PRDOH, on the form and with the content specified and required by the PRDOH. The Requests for Reimbursements must be submitted with all supporting invoices, bills, timesheets, monthly reports, and any other document necessary to justify the payment, or any other supporting document requested by PRDOH. The Request for Reimbursement must also be accompanied by documentation from the Subrecipient demonstrating that all procurements for which payment is requested have been made in accordance with this Agreement.



If PRDOH determines that the submitted Request for Reimbursement and supporting documents are acceptable, then the invoice shall be approved for payment. An authorized representative of the PRDOH shall review each Request for Reimbursement and, if adequate, shall approve and process its payment. Payments to the Subrecipient shall be made by check or electronic funds transfer (**EFT**). PRDOH reserves the right to conduct any audit it deems necessary.

In order for the Subrecipient to receive payment for any work performed hereunder, the following certification must be included in each Request for Reimbursement submitted to the PRDOH:

**"Under penalty of absolute nullity, I hereby certify that no public servant of the government entity is a party to or has an interest of any kind in the profits or benefits to be obtained under the contract which is the basis of this invoice, and should he be a party to, or have an interest in, the profits or benefits to be obtained under the contract, a waiver has been previously issued. The only consideration to provide the contracted goods or services under the contract is the payment agreed upon with the authorized representative of the government entity. The amount that appears in the invoice is fair and correct. The work has been performed, the goods have**


**been delivered, and the services have been rendered, and no payment has been received therefor."**

The PRDOH shall pay to the Subrecipient CDBG-DR funds available under this Agreement [See **Exhibit D** (Funds Certification)] based upon information submitted by the Subrecipient for allowable costs permitted under this Agreement and consistent with the approved Budget. Payments shall be made for eligible and allowed expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. PRDOH reserves the right to adjust payments in accordance with program income balances available in Subrecipient accounts.

All Subrecipient invoicing and payments will be managed through PRDOH's Financial Management Systems, to ensure effective fully compliant cost principles and use of funds, maximizing operational and financial performance, minimizing risk, and providing optimal service.


For detailed requirements, refer to the PRDOH Financial Policy available in English and Spanish at CDBG-DR/MIT Website <https://www.recuperacion.pr.gov/en/resources/policies/general-policies/> and <https://www.recuperacion.pr.gov/recursos/politicas/politicas-generales/>.

#### VIII. NOTICES



All notices, requests, approvals, and consents of any kind made pursuant to this Agreement shall be in writing and shall be deemed to be effective as of the date sent by certified mail, return receipt requested, or email. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice. Communication and details concerning this Agreement shall be directed to the following contract representatives:

CDBG-DR Grantee: William O. Rodríguez Rodríguez  
Secretary  
Puerto Rico Department of Housing  
606 Barbosa Avenue  
Juan C. Cordero Building  
Río Piedras, Puerto Rico 00918



Subrecipient: Josué A. Colón Ortiz  
Executive Director  
PO Box 364267  
San Juan, PR 00936-4267  
[josue.colon@prepa.pr.gov](mailto:josue.colon@prepa.pr.gov)  
787-521-4674 Ext. 4671

#### IX. AMENDMENT AND TERMINATION

##### A. Amendments

This Agreement may be amended provided that such amendments make specific reference to this Agreement, comply with programmatic policies, procedures, and guidelines, are executed in writing and signed by a duly authorized representative of each party, and approved by PRDOH. Such amendments shall not invalidate this Agreement, nor relieve or release the Parties from their obligations under this Agreement. Unless specified, such amendments are not intended to affect, nor will they constitute an extinctive novation of the obligations of the Parties under the Agreement and amendment.

This Agreement may be amended by the Parties hereto, for the purpose of including any other CDBG-DR funded program included in the HUD-approved Hurricanes Irma and María current Action Plan.

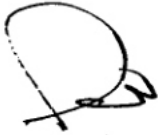

The PRDOH may, at its discretion, amend this Agreement to conform with federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or the schedule of the activities to be undertaken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

However, PRDOH reserves the right to notify the Subrecipient in writing, email or any other electronic method, of any applicable policies, procedures, regulations, requirements, guidelines, or change in law, whether existing or to be established, as well as changes and/or amendments thereof, and the notified policies, procedures, regulations, requirements, guidelines and laws shall be deemed incorporated by reference to this Agreement without the need of executing a separate written and signed amendment.

B. Suspension or Termination

1. Termination for Cause

The PRDOH may terminate this Agreement, in whole or in part, upon **thirty (30) days'** notice, whenever it determines that the Subrecipient has failed to comply with any term, condition, requirement, or provision of this Agreement. Failure to comply, includes (but is not limited to) the following:

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- a. Failure to attend mandatory technical assistance and/or training, or comply with any of the rules, regulations, or provisions referred to herein, or such statutes, regulations, executive orders, HUD guidelines, PRDOH's Program Guidelines, as applicable, and policies or directives as may become applicable at any time;
  - b. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
  - c. Ineffective or improper use of funds provided under this Agreement; or,
  - d. Submission of reports by the Subrecipient to the PRDOH that are incorrect or incomplete in any material respect.

The Subrecipient shall have up to **thirty (30) days** to resolve the issues listed above to the satisfaction of PRDOH.

2. Termination for Convenience of the PRDOH

The PRDOH may terminate this Agreement at any time by notice in writing from the PRDOH to the Subrecipient. If the Agreement is terminated by the PRDOH as provided herein, the Subrecipient shall be paid the total compensation as the allowable services actually performed up until the date of termination. Any compensation under this paragraph must be for documented costs that are CDBG-DR eligible, allowable, allocable, and reasonable in accordance with Uniform Administrative Requirements.

This Agreement may also be terminated in whole or in part by either the PRDOH or the Subrecipient, or based upon the Agreement by both the PRDOH and the Subrecipient in accordance with the requirements in 2 C.F.R. Part 200, subpart D.


3. Notification and Recoupment of Costs Incurred Prior to Termination

The PRDOH shall promptly notify the Subrecipient, in writing, of its determination and the reasons for the termination together with the date on which the termination shall take

effect and any other notifications required under 2 C.F.R. Part 200, subpart D. Upon termination, the PRDOH retains the right to recover any improper expenditures from the Subrecipient and the Subrecipient shall return to the PRDOH any improper expenditures no later than **thirty (30) days** after the date of termination. In the case of a Termination for Convenience only, the PRDOH may, at its sole discretion, allow the Subrecipient to retain or be reimbursed for costs reasonably incurred prior to termination, that were not made in anticipation of termination and cannot be canceled provided that said costs meet the provisions of this Agreement, 2 C.F.R. Part 200, subpart E, Cost Principles, and any other applicable state or Federal statutes, regulations or requirements.


#### 4. Unilateral Termination

The PRDOH may terminate this Agreement, in whole or in part, at PRDOH's sole discretion, with or without cause, at any time. The PRDOH will terminate this Agreement by delivering to the Subrecipient a **thirty (30) day** notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the effective date of termination. Upon receipt of such notice, the Subrecipient shall immediately discontinue all services affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. If the Subrecipient does not deliver to the PRDOH all information, studies, and other materials property of the PRDOH within the established timeframe, and the PRDOH invests any additional funds to reproduce the information, studies, and other materials not provided by the Subrecipient upon termination, then the PRDOH will disallow from payments to the Subrecipient under this Agreement the funds expended for the PRDOH to reproduce such information, studies, and other materials. In the event of a termination by Notice, the PRDOH shall be liable only for payment of services rendered up to and including the effective date of termination.



#### 5. Suspension

The PRDOH may suspend this Agreement in whole or in part at any time for the PRDOH's convenience. The PRDOH shall give the Subrecipient **five (5) days** written notice of such suspension. Upon receipt of said notice, the Subrecipient shall immediately discontinue all Services affected.



#### 6. Immediate Termination

In the event the Subrecipient is subjected to a criminal or civil action, suit, proceeding, inquiry or court of the applicable jurisdiction, or any governmental agency, or the Subrecipient shall be subject to an order, judgment, or opinion, issued by any federal or local authority, a court of the applicable jurisdiction, or any governmental agency, in connection with the execution, delivery, and performance by the Subrecipient of this Agreement or the Subrecipient has been non-compliant, in breach, inaccurate in any representation, warranties, covenants, or the certifications provided herein, whether the noncompliance, breach or inaccuracy takes place before or after the execution of this Agreement, the PRDOH shall have the right to the immediate termination of this Agreement notwithstanding, any provisions to the contrary herein. This section will apply in the event of any judgment that may obligate the PRDOH to terminate the Agreement pursuant to Act No. 2 of January 4, 2018, as amended, 3 LPRA § 1881 et seq., known as the "Anti-Corruption Code for the New Puerto Rico". The Subrecipient has a continuous obligation to report to PRDOH any proceedings which apply to the Subrecipient under this paragraph.

In the event that the grant of funds by HUD under any allocations of the CDBG-DR may be suspended, withdrawn or canceled, this Agreement will be immediately terminated.

#### 7. Period of Transition


Upon termination of this Agreement, and for **ninety (90) consecutive calendar days** thereafter (the **Transition Period**), Subrecipient agrees to make himself available to assist

the PRDOH with the transition of services assigned to the Subrecipient by the PRDOH. The subrecipient shall provide to the PRDOH the assistance reasonably requested to facilitate the orderly transfer of responsibility for the performance of the Services to the PRDOH or a third party designated by the PRDOH. PRDOH reserves the right to provide for the execution of a Transition Services Agreement for the Transition Period. In such instance, the Subrecipient will be paid at a reasonable, agreed upon, hourly rate for any work performed for the PRDOH during the Transition Period. Moreover, during that Transition Period, all finished or unfinished records (files, data, work product) connected with this Agreement will be turned over to PRDOH.


#### 8. Availability of Funds

This Agreement is contingent upon the availability of funds from HUD. It is expressly understood and agreed that the obligation to proceed under this Agreement is conditioned upon the receipt of Federal funds. If the funds anticipated for the continuing fulfillment of the Agreement are, at any time, not forthcoming or insufficient, either through the failure of the Federal government to provide funds or the discontinuance or material alteration of the Program under which funds were provided, or if funds are not otherwise available to PRDOH, the PRDOH has the right upon **ten (10) working days** written notice to the Subrecipient, to terminate this Agreement without damage, penalty, cost or expenses to PRDOH of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination.

#### **X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS**



The "HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements", which are attached to, and made an integral part of this Agreement as **Exhibit E**, set forth certain requirements imposed by HUD with respect to the PRDOH's Federal award or CDBG-DR Grant. Furthermore, **Exhibit F** (Special Conditions), attached herein and made an integral part of this Agreement, is reserved to cover particular circumstances, conditions or specific requirements as they arise from the demands of the Program.



The Subrecipient agrees to carry out its obligations under this Agreement in compliance with all the requirements described in **Exhibit E** (HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements), as well as those set forth in the aforementioned **Exhibit F** (Special Conditions) attached to this Agreement.

Moreover, **Exhibit H** (Non-Conflict of Interest Certification), attached herein and made an integral part of this Agreement, outlines several situations that may reasonably be considered as conflicts of interest. The Subrecipient shall disclose and certify that, to the best of its knowledge, none of the situations exist or may exist at the date of the execution of the Agreement. The aforementioned certification aids PRDOH, in its role as grantee, to identify, evaluate, disclose and manage apparent, potential, or actual conflicts of interest related to CDBG-DR funded projects, activities, and/or operations.

#### **XI. INSURANCE & BONDING**


The Subrecipient shall carry sufficient insurance coverage and bonding from insurers licensed to conduct business in the Government of Puerto Rico to protect all contract assets from loss due to any cause, including but not limited to theft, fraud, and/or physical damage. The aforementioned insurance coverage shall be provided by the Subrecipient, via Commercial General Liability (CGL) insurance policy, during the life of the Agreement. The Government of Puerto Rico, the PRDOH and HUD shall be named as additional insurers on all such insurance. The Subrecipient shall meet all other insurance

requirements as the PRDOH may impose from time to time. In addition, all insurance carriers and bonding companies shall meet minimum size and financial stability/financial rating requirements as may be imposed by the PRDOH from time to time. Certificates of insurance shall be provided to the PRDOH and full and complete copies of the policies and/or bonds shall be provided to the PRDOH upon its request for same.

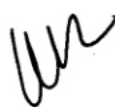
Notwithstanding the above, for construction or facility improvement performed by the subcontractors or third parties, the Subrecipient shall ensure that the subcontractors or third parties, at a minimum, comply with the bonding requirements at 2 C.F.R. Part 200, subpart D.

Moreover, in accordance with 2 C.F.R. § 200.310, the Subrecipient must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by PRDOH. Federally owned property need not be insured unless required by the terms and conditions of the Federal award.

## **XII. FEDERAL LAWS AND REGULATIONS APPLICABLE TO CONSTRUCTION CONTRACTS**



Projects receiving CDBG-DR Energy funding are required to comply with federal labor standards laws, including Davis-Bacon Act of 1931 and Related Acts (**DBRA**), as amended, 40 U.S.C. § 3141 *et seq.*; Fair Labor Standards Act of 1938 (**FLSA**), as amended, 29 U.S.C. § 201 *et seq.*; Contract Work Hours and Safety Standards Act (**CWHSSA**), as amended, 40 U.S.C. § 3701 *et seq.*; and Copeland Anti-Kickback Act, as amended, 40 U.S.C. § 3145 *et seq.* Together, these laws ensure that workers are paid the appropriate prevailing wage rate and are treated fairly by employers receiving CDBG-DR Energy funding to execute program activities. Each of these laws requires important recordkeeping practices to ensure compliance and allow for accurate and efficient reporting as required by PRDOH.



PRDOH has adopted policies for the CDBG-DR/MIT Programs, which it, its subrecipient and contractors are required to follow and comply with in the implementation of CDBG-DR Energy funded activities. These policies are available in English and Spanish at <https://recuperacion.pr.gov/en/download/davis-bacon-and-related-acts-policy/> and <https://recuperacion.pr.gov/download/politica-sobre-la-ley-davis-bacon-y-las-leyes-relacionadas/>. These laws are also described in Exhibit E (HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements).

## **XIII. CDBG-DR POLICIES AND PROCEDURES**

In addition to what is established in this Agreement, the Subrecipient shall comply with all CDBG-DR program-specific and general policies and procedures, which may include but are not limited to, the Subrecipient Management Policy, OS&H Guideline, MWBE Policy, URA & ADP Guidelines, Cross Cutting Guidelines, AFWAM Policy, Section 3 Policy, Personally Identifiable Information, Confidentiality, Language Access Plan, and Nondisclosure Policy and Conflict of Interest and Standards of Conduct Policy, as found in the CDBG-DR/MIT Website (<https://recuperacion.pr.gov/en/resources/policies/>), which are herein included and made an integral part of this Agreement, as they may be updated from time to time, Procurement policies and procedures in accordance with the Procurement Manual for the CDBG-DR, CDBG-MIT, and CDBG State Programs Regulation No. 9506 (effective on October 25, 2023), and reporting requirements as established by the PRDOH.

#### **XIV. SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION**

The Subrecipient must be registered in the System for Award Management (SAM) and shall maintain its registration active during the performance of the Agreement and through final payment. The Subrecipient is responsible during performance and through final payment for the accuracy and completeness of the data within SAM. **Failure to maintain registration in SAM can impact obligations and payments under this Agreement.**

#### **XV. FORCE MAJEURE**

In the event of a fire, flood, earthquake, natural disaster, hurricane, riot, act of governmental authority in its sovereign capacity, pandemic officially declared by the Government of Puerto Rico, strike, labor dispute or unrest, embargo, war, insurrection or civil unrest, any Force Majeure including inclement weather, herein collectively referred to as Force Majeure during the term of this Agreement, neither the PRDOH nor the Contractor or Subrecipient shall be liable to the other party for nonperformance during the conditions created by such event. The party claiming Force Majeure shall exercise due diligence to prevent, eliminate, or overcome such Force Majeure event where it is possible to do so and shall resume performance at the earliest possible date.

The Contractor or Subrecipient shall notify the PRDOH in writing as soon as possible, but in any event within ten (10) business days of the occurrence of the Force Majeure event and describe in reasonable detail the nature of the Force Majeure event, how the non-performance or delay relates to or arises from the Force Majeure event, its anticipated duration and any action taken to minimize its effect. The Contractor or Subrecipient may be entitled to reasonable adjustments in the schedule, among other measures, in the foregoing circumstances. If non-performance continues for more than thirty (30) days, without reasonable justification, the PRDOH may terminate this Agreement immediately upon written notification to the Contractor or Subrecipient.

#### **XVI. INDEPENDENT CONTRACTOR**

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the Parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the efforts to be performed under this Agreement. The PRDOH shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent entity.

#### **XVII. ASSIGNMENT OF RIGHTS**

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the PRDOH.

#### **XVIII. SEVERABILITY**

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby, and all other parts of this Agreement shall nevertheless be in full force and effect.

#### **XIX. SECTION HEADINGS AND SUBHEADINGS**

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement, and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

## XX. CONSOLIDATIONS, MERGERS, CHANGE OF NAME, OR DISSOLUTIONS

### A. Consolidation or Merger

In the event that the signing party (e.g., Subrecipient, Contractor, or Subcontractor) of the Agreement with the PRDOH moves for consolidation or merger with another entity (private or public), by its discretion or otherwise, written notice of such decision or event shall be delivered to the PRDOH Legal Division at [contractscdbgdr@vivienda.pr.gov](mailto:contractscdbgdr@vivienda.pr.gov) **at least fifteen (15) days** prior to the effective date of the consolidation or merger. The notice shall include, but not be limited to, a description of: the expected effective date of the consolidation or merger; the name of each of the constituent entities moving to consolidate or merge into the single resulting or surviving entity; the proposed name of the resulting entity (in case of a consolidation) or the name of the surviving entity (in case of a merger) if necessary; reference to the projected capacity of the resulting or surviving entity to comply with the terms, conditions, obligations, tasks, services, and performance goals or requirements included in the Agreement as well as its Exhibits or Attachments; and a brief summary of the proposed plan to achieve the transition of duties (Scope of Work or Scope of Services), tasks, and performance goals or requirements to the resulting or surviving entity.

Upon the consolidation or the merger becoming effective and supporting evidence of such event is notified to PRDOH, execution of an Amendment to the Agreement may follow. The Amendment would include, but not be limited to, modifications to the clauses that refer to the identity, personal circumstances, address, and any other information related to the signing party deemed relevant by PRDOH for the execution of the Amendment. **No amendment to the Agreement will be necessary if the Subrecipient, Contractor, or Subcontractor becomes the surviving entity following a merger.**

Failure to comply with any of the before-mentioned conditions may result in the activation of the termination clauses provided in the Agreement.

### B. Change of Name

In the event that the signing party (e.g., Subrecipient, Contractor, or Subcontractor) of the Agreement with the PRDOH initiates a change of name process, written notice of such decision or event shall be delivered to the PRDOH Legal Division at [contractscdbgdr@vivienda.pr.gov](mailto:contractscdbgdr@vivienda.pr.gov) **at least fifteen (15) days** prior to the effective date of such event. The notice shall include, but not be limited to, a description of: the expected effective date of the change of name; the proposed name; notify about inform of any change of address; and reference of any change in the capacity of the entity to comply with the terms, conditions, obligations, tasks, services, and performance goals or requirements included in the Agreement, as well as its Exhibits or Attachments.

Upon the change of name becoming effective and supporting evidence of such event is notified to PRDOH, execution of an Amendment to the Agreement may follow. The Amendment would include, but not limited to, modifications to the clauses that refer to the identity, personal circumstances, address, and any other information related to the signing party deemed relevant by PRDOH for the execution of the Amendment.

Failure to comply with any of the before-mentioned conditions may result in the activation of the termination clauses provided in the Agreement.

### C. Dissolution

In the event that the signing party (e.g., Subrecipient, Contractor, or Subcontractor) of the Agreement with the PRDOH moves for dissolution of the entity, written notice of such decision or event shall be delivered to the PRDOH Legal Division at [contractscdbgdr@vivienda.pr.gov](mailto:contractscdbgdr@vivienda.pr.gov) **at least fifteen (15) days** prior to the effective date of such event. The notice shall include, but not be limited to, a description of the expected effective date of the dissolution; and contact information of one or more of its directors, officials, or agents. Upon dissolution becoming effective and supporting evidence of

such event is notified to PRDOH, termination of the Agreement will follow. Consequently, the signing party acknowledges and agrees to provide to the PRDOH, after termination of the Agreement, the assistance reasonably requested to facilitate the orderly transfer of responsibility for the performance of the tasks or services to the PRDOH or a third party designated by the PRDOH. Moreover, all finished or unfinished records (files, data, work product) connected with this Agreement will be turned over to PRDOH following the Agreement termination.

#### **XXI. NON-WAIVER**

The PRDOH's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the PRDOH to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

#### **XXII. BANKRUPTCY**

The Parties acknowledge that the Subrecipient is currently undergoing a bankruptcy process under Title III of the Puerto Rico Oversight, Management and Economic Stability Act of 2016 (PROMESA Act), moreover, is bound to a Plan of Adjustment to address the restructure of the debt. Notwithstanding the aforementioned fact, the Parties agree that this situation shall not adversely affect the obligation nor the disbursement of funds under the Agreement, as long as any laws, rules, or regulations, or portions thereof, applicable to the Agreement are not preempted due to inconsistencies with Subrecipient's obligations under the Plan of Adjustment. In such instance (preemption), since the Plan of Adjustment shall prevail as per PROMESA Act, PRDOH may resort to remedies such as the de-obligation or recapture of funds if applicable, and even the suspension or termination of the Agreement.

#### **XXIII. GOVERNING LAW: JURISDICTION**

This Agreement shall be governed by, interpreted, and enforced in accordance with the laws of the Government of Puerto Rico and any applicable federal laws and regulations. The Parties further agree to assert any claims or causes of action that may arise out of this Agreement in the Puerto Rico Court of First Instance, San Juan Part.

#### **XXIV. COMPLIANCE WITH THE LAW**

It is the intention and understanding of the Parties hereto that each and every provision of law required to be inserted in this Agreement should be and is inserted herein. Furthermore, it is hereby stipulated that every such provision is deemed to be inserted and if, through mistake or otherwise, any such provision is not inserted herein or is not inserted in the correct form, then this Agreement shall forthwith, upon the application of any Party, be amended by such insertion so as to comply strictly with the law and without prejudice to the rights of any Party.

#### **XXV. SUBROGATION**

The Subrecipient acknowledges that funds provided through this Agreement are Federal funds administered by HUD under the CDBG-DR Program and that all funds provided by this Agreement are subject to audit, disallowance, and repayment. Any disagreement with adverse findings may be challenged and subject to Federal regulation, however, the Subrecipient shall promptly return any and all funds to the PRDOH, which are found to be ineligible, unallowable, unreasonable, a duplication of benefits, or non-compensable, no matter the cause. This clause shall survive indefinitely the termination of this Agreement for any reason in accordance with **Exhibit G** (Subrogation and Assignment Provisions).

#### **XXVI. COMPTROLLER REGISTRY**

The PRDOH shall remit a copy of this Agreement to the Office of the Comptroller for registration within **fifteen (15) days** following the date of execution of this Agreement and any subsequent amendment thereto. The services object of this Agreement may not be invoiced or paid until this Agreement has been registered by the PRDOH at the Comptroller's Office, pursuant to Act No. 18 of October 30, 1975, as amended by Act No. 127 of May 31, 2004.

#### **XXVII. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement among the Parties for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written among the Parties with respect to this Agreement.

#### **XXVIII. FEDERAL FUNDING**

The fulfillment of this Agreement is based on funds being made available to the PRDOH as the lead administrative agency for Recovery. All expenditures under this Agreement must be made in accordance with this Agreement, the policies and procedures promulgated under the CDBG-DR Program, and any other applicable laws. Further, Subrecipient acknowledges that all funds are subject to recapture and repayment for non-compliance.

#### **XXIX. RECAPTURE OF FUNDS**

PRDOH may recapture payments it makes to Subrecipient that (i) exceed the maximum allowable rates; (ii) are not allowed under applicable laws, rules, or regulations; or (iii) are otherwise inconsistent with this Agreement, including any unapproved expenditures. Subrecipient must refund such recaptured payments within **thirty (30) days** after the PRDOH issues notice of recapture to Subrecipient.

#### **XXX. OVERPAYMENT**

Subrecipient shall be liable to the PRDOH for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Agreement. Subrecipient shall reimburse such disallowed costs from funds other than those Subrecipient received under this Agreement.

#### **XXXI. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, however, all of which together shall constitute one and the same instrument. If the Agreement is not executed by the PRDOH within **thirty (30) days** of execution by the other party, this Agreement shall be null and void.

#### **XXXII. SURVIVAL OF TERMS AND CONDITIONS**

The terms and conditions of this Agreement related to the following subjects shall survive the termination or expiration of this Agreement: interpretive provisions; consideration; warranties; general affirmations, federal assurances, federal and state certifications; CDBG-DR and state funding, recapture of CDBG-DR and/or state funds, overpayment of CDBG-DR and/or state funds; ownership and intellectual property, copyright; records retention methods and time requirements; inspection, monitoring and audit; confidentiality; public records; indemnification and liability; infringement of intellectual property rights; independent contractor relationship; compliance with laws; notices; choice of law and venue; severability; dispute resolution; consolidations, mergers, change of name, and dissolution. Terms and conditions that, explicitly or by their nature, evidence the Parties' intent that they should survive the termination or expiration of this Agreement shall so survive.

### XXXIII. LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE

The Subrecipient does not have a legal claim to any amount of CDBG funds to be used for the specific project or site until the environmental review process is satisfactorily completed. As such, the Subrecipient acknowledges that it has no legal claim to any amount of CDBG funds for any projects or site acquisition under this Agreement, until the environmental review process is completed under PRDOH's satisfaction. The Subrecipient acknowledges that it will not begin any actions related to the project or site until the environmental review process is completed and has written acceptance and a **Notice to Proceed** from PRDOH.

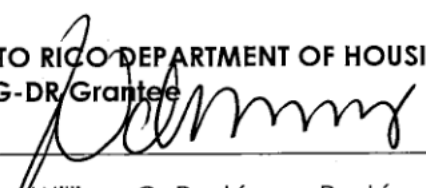
### XXXIV. PUERTO RICO POLITICAL CAMPAIGN FINANCING OVERSIGHT ACT

Act No. 222-2011, known as the "Puerto Rico Political Campaign Financing Oversight Act", 16 LPRA §621-634, as amended, states that starting in January of each general election year, and until the general canvass of the general elections has been completed, and the official and final results thereof have been certified, any entity of the Government of Puerto Rico (Executive Branch, Judicial Branch, Legislative Branch, and Municipalities) is prohibited from disbursing public funds for the purpose of exposing achievements, accomplishments, projections, plans or messages and content for partisan or electoral political purposes that seek to highlight, or disfavor an aspirant, candidate, elected official, political party, or committee. This includes any advertisement or article that has been purchased, acquired, produced, or assembled prior to the year in which the general election is held, provided that it is to be disseminated during the election year, and regardless of whether the public funds used by the government entity come from the general fund, a special fund, federal funds, municipal funds, or any other source.

It will be the Subrecipient's responsibility to comply with the requirements set forth in Act No. 222-2011. Failure to comply with the provisions of this legislation and applicable regulations, as determined by a competent authority, may affect the disbursement of funds allocated under this Agreement.

**IN WITNESS THEREOF**, the Parties hereto execute this Agreement in the place and on the date first above written.

**PUERTO RICO DEPARTMENT OF HOUSING**  
**CDBG-DR Grantee**

By: 

Name: William O. Rodríguez Rodríguez  
Title: Secretary

**PUERTO RICO ELECTRIC POWER AUTHORITY**  
**Subrecipient**

By: 

Name: Josué A. Colón Ortiz  
Title: Executive Director



GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF HOUSING

## EXHIBIT A

### SCOPE OF WORK

#### ENERGY GRID REHABILITATION AND RECONSTRUCTION COST SHARE PROGRAM

##### PUERTO RICO ELECTRIC POWER AUTHORITY

This document defines the tasks that the Puerto Rico Electric Power Authority (**PREPA**) must perform as a Subrecipient to the Puerto Rico Department of Housing (**PRDOH**) in the implementation of the Energy Grid Rehabilitation and Reconstruction Cost Share Program (**ER1 Program** or **Program**) of the Community Development Block Grant – Disaster Recovery Energy (**CDBG-DR Energy**) allocation.

A description of the Program is included in the CDBG-DR Action Plan approved by the U.S. Department of Housing and Urban Development (**HUD**). A complete action plan copy is available at <https://recuperacion.pr.gov/en/action-plans/action-plan-electrical-system-enhancements/>.

#### 1. Program Overview/Background

The CDBG-DR Energy's ER1 Program, as approved in the Puerto Rico Electrical Power Systems Enhancements Action Plan (**Action Plan**) with a budget of \$500,000,000, is designed to benefit Puerto Rican communities by funding projects that enhance electric system reliability, affordability, and resiliency. The Program's design will promote the development of a more reliable electrical grid for all Puerto Rico residents, as documented by the Federal Emergency Management Agency (**FEMA**) in its approval of significant recovery funds related to the comprehensive recovery of the Island's electrical system.

The purpose of the ER1 Program is to maximize the benefit of federal grant programs by positioning CDBG-DR as the ideal source for the required local match (or "state share") to other federal funding streams. In particular, the Program targets the state share required for FEMA's Public Assistance (**PA**) allocation for the PREPA Island-wide FEMA Accelerated Awards Strategy (**FAASi**) Project Worksheet (**PW**). This approach will relieve the financial burden related to the recovery efforts of Puerto Rico's Electrical Grid and Puerto Rico's long-term infrastructure resilience needs. Through the matching of funding provided by FEMA, critical infrastructure needs will be addressed, making the Island

more adaptable to changing conditions and able to withstand and recover rapidly from disruptions caused by future disasters.

The PRDOH will work closely with the Central Office for Recovery, Reconstruction, and Resiliency (**COR3**), as well as PREPA and/or their authorized representative, to determine project match eligibility and alignment with grant timelines, targeting projects that result in a timely expenditure of funds. PRDOH will also collaborate with COR3 to develop long-term natural hazards resilience strategies and in the determination on how infrastructure investments align with other planned local capital improvements.

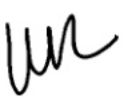
PRDOH will implement a Flexible Match approach for the PREPA FAASt award to ease the administrative burden and expedite recovery. The Flexible Match approach seeks to streamline the cost share match process by selecting specific projects within an overall PW. PRDOH may choose to fund one hundred percent (100%) of the costs for specifically selected projects with CDBG-DR match, up to the total corresponding cost share amount for the entirety of the PW, and/or up to the committed available cost share amount.



## 2. National Objective

As detailed in 86 FR 32681, at least seventy percent (70%) of the aggregated CDBG-DR Energy funds allocated for electrical power system enhancements and improvements must benefit low- and moderate-income (**LMI**) persons. All electrical power system improvement activities funded through the ER1 Program must meet either the LMI or the Urgent Need (**UN**) National Objective specified at 24 C.F.R. § 570.483 or otherwise provided for by waiver or alternative requirement as published in 86 FR 32681.

- Benefit to LMI persons:<sup>1</sup>
  - i. Eligible activities will be considered to meet the criteria for activities benefitting low- and moderate-income persons—area benefit activities at 24 C.F.R. § 570.483(b)(1) if at grant closeout at least seventy percent (70%) of the funds, not including planning and administrative costs, have been used to:
    - Provide at least fifty-one percent (51%) of the grantee's LMI residents with either a subsidized rate for electricity below that charged to other residential ratepayers or a lower rate for



<sup>1</sup> For purposes of this allocation, documentation of LMI is distinct. To document compliance with this national objective criterion, a grantee's policies and procedures shall provide for the measurement of improved reliability in LMI areas that are primarily residential, using relevant legal and regulatory standards, as amended from time to time, including those identified by Puerto Rico Act 17; FEMA Section 1235(b) of DRR "Consensus-Based Codes and Standards"; RUS Bulletins for Electric Power; Institute of Electrical and Electronics Engineers (**IEEE**) standards and guidance; EPA environmental protections; and, as appropriate; and NERC standards and guidance.

electricity than was charged prior to complete implementation of the CDBG-DR funding electrical power system improvements; or

- Measurably improve the reliability of the electrical power system in LMI areas that are primarily residential. Measurably improved reliability shall mean a documented decrease in power supply interruptions, excluding planned interruptions and interruptions caused by major events.
- ii. To meet the seventy percent (70%) overall benefit requirement, grantees may also use the LMI benefit national objective criteria at 24 C.F.R. § 570.483(b) to the extent that an eligible activity authorized by this notice qualifies under the criteria for that national objective. Considering the nature of this Program and its set-asides, PRDOH anticipates the following national objectives criteria may apply:
  - LMI Area Benefit – the benefits of a project are available to all the residents in a particular area, where at least fifty-one percent (51%) of the residents are LMI persons. (24 C.F.R. § 570.483 (b)(1))
- Meet a UN:
  - i. PRDOH may also use CDBG-DR funds allocated to meet the UN national objective for addressing community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, that the unit of general local government is unable to finance the activity on its own, and other financial resources are not available to meet such needs, pursuant to the waiver and alternative requirement provided by HUD in 86 FR 32681.
    - The provisions of 24 C.F.R. §570.483(d) are waived at 86 FR 32681 and replaced with the alternative requirement to document how the activity: (i) Responds to and addresses a disaster-related impact as identified in the Action Plan Unmet Needs Assessment.

### 3. Tasks

The Subrecipient in collaboration with and directly assisted by the **COR3** will be responsible for ensuring the accuracy, timeliness, and completion of all tasks assigned under this Subrecipient Agreement (**SRA**) as part of the ER1 Program.

PRDOH reserves the right to modify tasks prior to and during the term of the SRA if it is determined to be in the best interest of the ER1 Program implementation. Any modification will be informed in writing to the Subrecipient and shall be documented and executed by way of Amendment to the SRA.

### Task 1. Access to Documentation

**Activity:** A key area of compliance for CDBG-DR projects is record-keeping and documenting. During HUD monitoring activities, all items needed to substantiate a reimbursement request shall be readily available for review. While PRDOH will obtain most documentation from materials that the Subrecipient has previously provided to COR3 and FEMA, some HUD-required materials may not be in the documentation previously provided and will need to be obtained directly from Subrecipients. This documentation may include detailed information on procurement processes and proof of payments to contractors and employees. PRDOH expects that most of these materials will be provided through electronic means.

**Deliverable:** Throughout the life of Program, the Subrecipient will, as needed, provide PRDOH with the documentation required to determine Program eligibility and compliance with CDBG-DR specific requirements so that PRDOH can issue a match payment to the Subrecipient for CDBG-DR eligible work. These requirements include Environmental Reviews, Civil Rights requirements, including Section 3, MWBE, and Davis Bacon, among others.

### Task 2. Participation in Mandatory Technical Assistance

**Activity:** A focus area for HUD is ensuring that PRDOH provides Technical Assistance (TA) to Subrecipients who receive CDBG-DR funding. PRDOH will provide TA to Subrecipients throughout the life of the Program in order to ensure that areas that could pose challenges for documenting full programmatic compliance are addressed. TA workshops will initially cover broad federal cross-cutting areas that are applicable to both HUD and FEMA. These will be followed by TA on HUD-specific topics that are pertinent to applicable phases of Subrecipients' project portfolios.

**Deliverable/Outcome:** The Subrecipient agrees to participate in the TA workshops provided by the PRDOH to best ensure CDBG-DR compliance throughout the life of the Program. In the event that the Subrecipient decides to not participate in TA workshops, PRDOH reserves the right to place on hold, suspend or terminate the SRA and not provide corresponding reimbursement under the Program.

### Task 3. Follow Procurement and Contractual Requirements

**Activity:** A key area of compliance is ensuring that procurements are done in a manner compliant with all applicable CDBG-DR requirements, and the corresponding contracts awarded include all HUD-required clauses. Due to

the considerable amount of disaster recovery work that will take place and that will require CDBG-DR funding to cover the Non-Federal share, PRDOH will adopt the procurement validation completed by FEMA and COR3, in compliance with the procurement requirements set forth in 2 C.F.R. §§ 200.317, 200.322 and 200.326.

The Subrecipient hereby agrees to comply with all requirements established by FEMA and 2 C.F.R. §§ 200.318-200.327 and to provide any additional supporting documentation requested by PRDOH to comply with applicable policies and regulations for any work that is expected to receive CDBG-DR funding.

Furthermore, the Subrecipient understands that, if the appropriate procurement procedures are not followed, they may not be considered eligible for corresponding match payments.

Procurement processes validated by FEMA and/or COR3 will be stored under the PRDOH system of record and may be subject to monitoring or auditing by PRDOH, HUD, or any other entity with such authority.

**Deliverable/Outcome:** The Subrecipient hereby agrees to comply with all requirements established by FEMA and 2 C.F.R. §§ 200.318-200.327 and to provide any additional supporting documentation requested by PRDOH to comply with applicable policies and regulations. For all procurement processes corresponding to projects included within an ER1 application, the Subrecipient shall also submit a certification to PRDOH indicating compliance with 2 C.F.R. §§ 200.317, 200.322 and 200.326.


All contracts executed for services or work to be performed under an ER1 project which will receive CDBG-DR funding, must include the standard CDBG-DR HUD-required clauses to ensure compliance with Labor and Civil Rights requirements.

**Task 4. Compliance with CDBG-DR Requirements: Section 3 & Minority/Women Owned Business Enterprises (MWBE) Best Faith Efforts and Davis Bacon**

**Activity:** Subrecipient agrees to participate in outreach events and utilize PRDOH resources to ensure compliance with Section 3, MWBE, and other applicable hiring goals for projects funded through the Program. Subrecipient agrees to timely file all Section 3 compliance documentation, including but not limited to submission of any and all required reports and supporting documentation.

A key difference between FEMA and HUD funding, and an area of focus for HUD, is ensuring that best faith efforts for Section 3 take place and that Section 3, MWBE, and Davis Bacon reporting is completed by both Subrecipients and contractors.


One of the best ways to ensure that the spending targets and compliance is met is that prior to procurements taking place, Section 3 and/or MWBE firms are considered and built into project teams. Throughout the life of the Program, PRDOH will provide TA to Subrecipients on Section 3, MWBE, and Davis Bacon requirements so that the overall Program targets for PRDOH are met and best faith efforts are documented.



**Deliverable/Outcome:** Subrecipients will be required to participate in TA workshops and may be required by PRDOH to participate or conduct other outreach events that are designed to ensure that CDBG-DR compliance with these requirements is achieved. In the event that the Subrecipient decides to not participate in TA workshops or engage in strategies that PRDOH develops to meet these Program goals, PRDOH reserves the right to place on hold, suspend and/or not provide reimbursement for ER1 projects being undertaken by Subrecipient. Subrecipients are advised that compliance with these focus areas may require that specific clauses are included in all service and construction contracts executed to carry out the work included in the ER1 projects for which costs are being provided.

#### **Task 5. Compliance with CDBG-DR Operation and Maintenance requirements**

**Activity:** The Subrecipient shall perform the necessary actions to plan for long term operation and maintenance of the projects funded under this SRA.



Before starting activities to be funded by CDBG-DR, the Subrecipient shall submit an Operation and Maintenance plan to the PRDOH, that shall describe the following, but not limited to: the Subrecipient's ability to operate the project for its useful life, a preliminary estimate of that useful life and the Operation and Maintenance costs required, identify the responsible entity (or entities) in charge of such Operation and Maintenance activities, and any other aspect or requirement established by the PRDOH, CDBG-DR and HUD associated with this task.

**Deliverable:** An Operation and Maintenance plan that describes and complies with the established PRDOH requirements.

#### Task 6. Project Development

**Activity:** During the performance of this Task, the Subrecipient shall perform all necessary deliveries to PRDOH for environmental review processes, environmental compliance records, design, and construction documents at established benchmarks, for revision and to demonstrate progress of work. The submission schedule of deliveries shall be coordinated with the PRDOH before commencing the development of the project.

After the revision of each delivery, the Subrecipient may receive comments from PRDOH that might require revision of the documentation. PRDOH expects to receive all necessary progress deliveries with a compliance certification of applicable codes and regulations, and the progress accomplished, prepared by a licensed architect/engineer in charge of the design of each project. The Subrecipient may request TA from the PRDOH to prepare the required documentation.

**Deliverable:** Documents that evidence and support project development progress and compliance with applicable regulations, as required by the PRDOH.

#### Task 7. Submit Requests for Reimbursement and Provide Proof of Payment

**Activity:** Upon CDBG-DR compliance determination by the Program, the Subrecipient agrees to submit a Request for Reimbursement, uploaded to PRDOH's Financial Management System. The Subrecipient will be required to set up a unique account through this system and provide all required information, including information related to dedicated bank accounts.

A key area of focus for HUD is ensuring that CDBG-DR projects are reimbursement-based and that contractors who undertook work are paid for services provided. HUD requires that all documented costs were incurred and completed. As a result, PRDOH cannot approve CDBG-DR reimbursement for work that the Subrecipient undertook until it has obtained proof that the work was performed, completed and that this information is uploaded to PRDOH databases.

**Deliverable:** The Subrecipient shall submit to PRDOH the required documentation to support and request payment under the Program. The PRDOH will provide TA and guidance to instruct the Subrecipient about the required documentation. The Subrecipient shall submit to PRDOH proof of payment or work completed, as required and instructed by the PRDOH.

After a project is fully completed, the Subrecipient will provide PRDOH electronic copies documenting proof of payment to vendors within **sixty (60) days** of the Effective Date of this SRA or completion of the respective project's scope of work, whichever is later. Such proof of payment documentation will be provided in an electronic form sufficient to document that an electronic funds transfer (**EFT**) was made from Subrecipient to all vendors for costs potentially eligible for reimbursement under this Program. Alternatively, proof of purchase may also be provided by electronic copies (**PDF**) of emitted checks corresponding to such payments.

**Task 8: Submit additional documentation requested via a Request for Information (RFI) as part of the Match Payment Evaluation Process**

**Activity:** As part of the match payment compliance evaluation, the Program may request additional information to support CDBG-DR specific compliance requirements.

**Deliverable:** The Subrecipient shall be responsible for providing the requested documentation required by PRDOH through an RFI related to specific CDBG-DR Compliance Requirements **within fifteen (15) days** after receiving the RFI from PRDOH. Documentation shall be submitted to PRDOH in electronic means, when requested by PRDOH, and include the information requested by PRDOH. The PRDOH will provide TA and guidance to instruct the Subrecipient about the required documentation if necessary. PRDOH reserves the right to consider the project ineligible for match payment if Subrecipient fails to comply with this task.

**Task 9. Reporting**

**Activity:** The Subrecipient will be responsible for submitting quarterly reports to the PRDOH to inform the status of tasks, ER1 project progress and metrics, and payment status. Each report must be prepared in compliance with PRDOH's reporting requirements, using the report template provided by the Program.

**Deliverable:** Quarterly reports shall be submitted to PRDOH upon the **10th day of the subsequent month for which the reporting period covers**. Up to date reports will be required to be on file for the approval for payment of any cost share invoices.

**Task 10. Closeout**

**Activity:** The Subrecipient shall prepare a documentation package which will include all deliverables, reports, proofs of payments, and any other


documents that the PRDOH may consider necessary to summarize, support and closeout the Subrecipient's tasks completed, and payments provided.

**Deliverable:** As required by the PRDOH, the Subrecipient will be responsible for submitting all the required documentation to record, reconcile and closeout the SRA.

#### 4. Time Performance

All activities must be completed within the Term agreed upon in the SRA. More specific periods of performance for each scope of work within this SRA are shown in **Exhibit B (Timelines and Performance Goals)**.

#### 5. Budget



The ER1 provides Subrecipient an initial amount of funds as specified on **Exhibit C (Budget)**. As additional FEMA PWs are obligated, PRDOH may budget additional funding through execution of budget modifications by way of an amendment. PRDOH reserves the right to de-obligate funding on a PW level should the PW fail to fully comply with CDBG-DR requirements or if the Subrecipient is deficient in following the established processes and/or submitting any additional information required within the timeframes stipulated under this SRA.

All funds provided to the Subrecipient are for Project Costs, which will be used for the coordination of Non-Federal share payments that the Subrecipient has incurred. There are no Administrative, Activity Delivery, Planning, or Staff Costs in this budget.

**END OF DOCUMENT**





## EXHIBIT B

### TIMELINES AND PERFORMANCE GOALS

#### ENERGY GRID REHABILITATION AND RECONSTRUCTION COST SHARE PROGRAM

#### PUERTO RICO ELECTRIC POWER AUTHORITY

TASKS	DESCRIPTION	TIMEFRAME DATES	DELIVERABLES
<b>Access to Documentation</b>	The Subrecipient shall provide PRDOH with the documentation required to determine Program eligibility and compliance with CDBG-DR specific requirements.	Within <b>ten (10) days</b> after receiving a document request from PRDOH.	Submit the requested documentation to the PRDOH.
<b>Participate in Mandatory Technical Assistance (TA)</b>	The Subrecipient agrees to participate in TA workshops provided by the PRDOH to best ensure CDBG-DR compliance throughout the life of the Program.	As established on the <b>Exhibit F (Special Conditions)</b> of the SRA.	Participation in mandatory TA will be documented by PRDOH upon the Subrecipient's participation. No deliverable is required.
<b>Follow applicable Procurement, Compliance and Contractual Requirements</b>	The Subrecipient shall comply with: (1) all procurement procedures set forth under 2 C.F.R. §§ 200.317, 200.322 and 200.326; and (2) any other applicable CDBG-DR funding, PRDOH and HUD regulations for projects ( <b>PW</b> ) included under the SRA.	Throughout the duration of the SRA.	The Subrecipient hereby agrees to provide any additional supporting documentation requested by PRDOH to comply or evidence compliance with applicable policies and regulations.
<b>Compliance with CDBG-DR Requirements</b>	The Subrecipient must comply with all HUD, PRDOH and CDBG-DR requirements, including but not limited to Section 3, Section 504, Fair Housing Act, Minority/Women Owned Business Enterprises, and Davis Bacon Act, as applicable. Subrecipient shall reference specific compliance timelines included in the Program Guidelines.	As established in the SRA and required by the PRDOH and the CDBG-DR Program.	The Subrecipient shall submit all reporting required to comply with CDBG-DR requirements within the compliance timeframes established by each process.
<b>Compliance with CDBG-DR Operation and Maintenance</b>	The Subrecipient shall submit to PRDOH all required documentation to demonstrate that an O&M plan has been developed.	As established in the Exhibit A and required by the PRDOH and the	The Subrecipient shall submit all documentation related to the O&M plan and related

TASKS	DESCRIPTION	TIMEFRAME DATES	DELIVERABLES
(O&M) Requirements		CDBG-DR Program.	compliance requirements, for all projects considered for CDBG-DR funding. Updated O&M plans shall be submitted concurrently with the project development schedule.
Project Development	The Subrecipient shall submit to PRDOH all required documentation to demonstrate project development status and progress periodically.	Throughout the duration of the SRA.  Within <b>ten (10) days</b> after receiving a document request from PRDOH.	The Subrecipient shall submit all documentation related to development progress for all projects considered for CDBG-DR funding, following the schedule established during the initial project coordination phase.
Submit Requests for Reimbursements and Provide Proof of Payments	The Subrecipient shall submit to PRDOH all required documentation to support and request a match payment, in addition to any required proof of payments.	Submit Requests for Reimbursements and provide Proof of Payments within <b>thirty (30) days</b> of completion of the work being invoiced.	The Subrecipient shall submit to PRDOH all required documentation to support and request a match payment, in addition to any required proof of payments.
Submit additional documentation requested via a Request for Information (RFI) as part of the Match Payment Evaluation Process	The Subrecipient shall provide the requested documentation required by PRDOH through an RFI related to specific CDBG-DR Compliance Requirements.	<b>Within 15 days</b> after receiving the RFI from PRDOH.	Submit the requested documentation and/or information to the PRDOH.
Reporting	The Subrecipient will be responsible for the submittal of quarterly reports to the PRDOH to inform status of tasks and match payment status.	Upon the <b>10th day of the subsequent month</b> for which the reporting period covers.	The Subrecipient shall submit quarterly reports in the template provided by the Program. Up to date reports will be required to be on file for the approval for payment of any cost share invoices.
Close-out	The Subrecipient shall prepare a documentation package which will include all deliverables, reports, proofs of payments, and any other documents that the PRDOH may consider	Upon <b>sixty (60) days</b> of completion of the entirety of PW's included in this SRA, as	Project Closeout Binder including all documentation, reporting, proofs of payment, and any other information

TASKS	DESCRIPTION	TIMEFRAME DATES	DELIVERABLES
	necessary to summarize, support and closeout the Subrecipient's tasks completed, and match payments provided.	required by PRDOH.	deemed necessary by the PRDOH.

The Subrecipient shall develop workplans, schedules, reports, and/or any other document as may be requested by PRDOH or its Representatives in connection to the above timelines and performance goals. The Subrecipient shall submit any such documents for review and approval as requested by the PRDOH within the specified time frame provided for such request. PRDOH reserves the right to request any information from the Subrecipient as part of the Grantee's responsibilities.

END OF DOCUMENT





GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF HOUSING

## EXHIBIT C

### BUDGET

#### ENERGY GRID REHABILITATION AND RECONSTRUCTION COST SHARE PROGRAM

##### PUERTO RICO ELECTRIC POWER AUTHORITY

The Energy Grid Rehabilitation and Reconstruction Cost Share Program (**ER1 Program** or **Program**) will provide a budget of five hundred million dollars (\$500,000,000.00) for activities in this SRA, dedicated toward facilitating a drawdown of CDBG-DR funds to cover the state share required for FEMA's Public Assistance (**PA**) allocation for the Puerto Rico Electric Power Authority (**PREPA**) Island-wide FEMA Accelerated Awards Strategy (**FAAST**) Project Worksheet (**PW**), as listed in the table below.

The ER1 Program will utilize data provided by FEMA, COR3, and the Subrecipient for the ER1 Program to determine HUD eligibility, creating a project file with sufficient supporting documentation that will allow PRDOH to submit a request for CDBG-DR funds.

**Activity Delivery Costs** – No Activity Delivery costs are to be incurred by the Subrecipient under this SRA.

**Planning** – No Planning costs are to be incurred by the Subrecipient under this SRA.

**Project Costs** – the Subrecipient and PRDOH have agreed that five hundred million dollars (\$500,000,000.00) of the CDBG-DR funds requested for the ER1 Program will be directed toward Project Costs and considered as the budget for this SRA. Project Costs may be used under either the Standard Match or Flex Match approach for the project's current funding requirement, as agreed upon by COR3 (SHMO) and PRDOH.

**Administrative Costs** – No Administrative costs are to be incurred by the Subrecipient under this SRA.

Outside of the Subrecipient's assistance to PRDOH through its scope of services in the form of additional documentation required, PRDOH will perform all eligibility reviews. PRDOH will also obtain and collect required documentation from FEMA, COR3 data sources, and the Subrecipient for the eligibility review. PRDOH also has the primary responsibility to engage with the Subrecipient in the Program and to provide Technical Assistance (**TA**).

The following table provides current totals for all of the Subrecipient's CDBG-DR Flex Match budget for each approved ER1 projects:

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FAAST Number	Project (Description)	Plan Year	Total Estimated Funding	FEMA Total Approved	Cost Share Funding	FAAST Number
11583	FAAST Advance Metering Infrastructure (AMI) (Teleco- munications)		\$ 876,270,176.00	\$ 786,464,010.90	\$ 87,384,890.10	
11045	FAAST Rio Grande Estate Substation CH- 2306 (Substation)		\$ 873,848,901.00	\$ 10,515,253.24	\$ 1,168,361.47	
10978	FAAST San Juan 115kV Underground Transmission Loop (Transmission)		\$ 11,683,614.71	\$ 13,271,435.61	\$ 1,474,603.96	
11479	FAAST - Substations - Tapia GIS Rebuilt - Equipment Repair & Replacement		\$ 14,746,039.57	\$ 13,805,939.10	\$ 1,533,993.23	
11347	FAAST - Bayamon TC - MC-1711-BKRS- Y1 - 230kV (Substation)		\$ 15,339,932.33	\$ 5,734,856.70	\$ 637,206.30	
11100	FAAST Aguirre TC - BKRS (Substations)		\$ 6,372,063.00	\$ 35,131,132.80	\$ 3,903,459.20	
10957	Energy Management System (EMS) (include the Primary and Sec. Control Center)		\$ 39,034,592.00	\$ 44,047,335.60	\$ 4,894,148.40	
11385	Substation Minor Repairs- Group B		\$ 48,941,484.00	\$ 3,071,318.40	\$ 341,257.60	
11478	Substation Minor Repairs- Group C		\$ 3,412,576.00	\$ 2,729,602.08	\$ 303,289.12	
10909	Distribution Pole and Conductor Repair-Arecibo Group 1		\$ 3,032,891.20	\$ 2,129,904.48	\$ 236,656.05	
10690	Distribution Pole and Conductor Repair-Arecibo Group 2		\$ 2,366,560.53	\$ 691,081.20	\$ 76,786.80	
11041	Distribution Pole and Conductor Repair-		\$ 767,868.00	\$ 5,175,932.83	\$ 575,103.65	

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	Bayamon Group 1				
10922	Distribution Pole and Conductor Repair-Bayamón Group 3	\$ 5,751,036.48	\$ 1,018,669.50	\$ 113,185.50	
10906	Distribution Pole and Conductor Repair-Caguas Group 1	\$ 1,131,855.00	\$ 999,984.60	\$ 111,109.40	
10635	Distribution Pole and Conductor Repair-Caguas Group 4 under FAAST [Distribution Feeders - Caguas Short Term Group	\$ 1,111,094.00	\$ 138,368.70	\$ 15,374.30	
10893	Distribution Pole and Conductor Repair-Caguas Group 5	\$ 153,743.00	\$ 478,557.00	\$ 53,173.00	
10935	Distribution Pole and Conductor Repair-Caguas Group 6	\$ 531,730.00	\$ 1,883,052.00	\$ 209,228.00	
10701	Distribution Pole and Conductor Repair-Caguas Group 8	\$ 2,092,280.00	\$ 111,348.90	\$ 12,372.10	
10812	Distribution Pole and Conductor Repair-Carolina Group 2	\$ 123,721.00	\$ 216,461.70	\$ 24,051.30	
10919	Distribution Pole and Conductor Repair-Mayagüez Group 2	\$ 240,513.00	\$ 3,710,268.00	\$ 412,252.00	
10962	Distribution Pole and Conductor Repair-Mayagüez Group 3	\$ 4,122,520.00	\$ 3,989,383.12	\$ 443,264.79	
10630	Distribution Pole and Conductor Repair-Ponce Group 1	\$ 4,432,647.91	\$ 353,539.80	\$ 39,282.20	
10629	Distribution Pole and Conductor	\$ 392,822.00	\$ 342,227.70	\$ 38,025.30	

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	Repair- Ponce Group 2				
10821	Distribution Pole and Conductor Repair- San Juan Group 1	\$ 380,253.00	\$ 714,076.20	\$ 79,341.80	
10764	Distribution Pole and Conductor Repair- San Juan Group 2	\$ 793,418.00	\$ 321,852.60	\$ 35,761.40	
10837	Transmission- Line 6700 Martin Peña TC to Villamar Sect. under Transmission Priority Pole Replacement - Line 6700	\$ 357,614.00	\$ 621,632.70	\$ 69,070.30	
10841	Physical Security - Group 1	\$ 690,703.00	\$ 6,022,106.26	\$ 669,122.92	
11350	Physical Security - Group 2	\$ 6,691,229.18	\$ 2,145,323.69	\$ 238,369.30	
11372	Physical Security - Group 3	\$ 2,383,692.99	\$ 3,720,005.85	\$ 413,333.98	
11095	Streetlighting - Hatillo	\$ 4,133,339.83	\$ 18,301,034.66	\$ 2,033,448.30	
11318	Streetlighting - San German	\$ 20,334,482.95	\$ 31,394,633.40	\$ 3,488,292.60	
11085	San Juan Plant - Permanent Repair (Unit 7 & 8)	\$ 34,882,926.00	\$ 17,602,893.00	\$ 1,955,877.00	
10891	Line 9800 Bayamon TC - Guaraguao Sect. under Transmission Priority Pole Replacement - Line 9800	\$ 19,558,770.00	\$ 378,779.40	\$ 42,086.60	
10800	Line 13300 GOAB 13301C to Hato Tejas Sect. under Transmission Priority Pole Replacement - Line 13300	\$ 420,866.00	\$ 408,237.30	\$ 45,359.70	
10679	[Line 13300 GOAB 13301C to Hato Tejas Sect] (Transmission) under Transmission Priority Pole Replacement - Line 2200	\$ 453,597.00	\$ 1,095,686.10	\$ 121,742.90	

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11351	Streetlighting - Caguas	\$ 1,217,429.00	\$ 68,027,911.78	\$ 7,558,656.86	
11109	Distribution Pole and Conductor Repair- Caguas Group 10	\$ 75,586,568.64	\$ 507,201.44	\$ 56,355.72	
11089	Distribution Pole and Conductor Repair- Mayagüez Group 5	\$ 563,557.15	\$ 141,468.30	\$ 15,718.70	
11106	Distribution Pole and Conductor Repair- Mayagüez Group 6	\$ 157,187.00	\$ 193,665.61	\$ 21,518.40	
11105	Distribution Pole and Conductor Repair- Ponce Group 3	\$ 215,184.01	\$ 671,839.20	\$ 74,648.80	
11114	Distribution Pole and Conductor Repair- Ponce Group 4	\$ 746,488.00	\$ 534,526.20	\$ 59,391.80	
11101	Distribution Pole and Conductor Repair- San Juan Group 4	\$ 593,918.00	\$ 268,767.90	\$ 29,863.10	
11107	Distribution Pole and Conductor Repair- San Juan Group 5	\$ 298,631.00	\$ 531,266.40	\$ 59,029.60	
11096	Distribution Pole and Conductor Repair- Arecibo Group 3	\$ 590,296.00	\$ 195,446.53	\$ 21,716.28	
11103	Distribution Pole and Conductor Repair- Bayamón Group 4	\$ 217,162.81	\$ 367,151.26	\$ 40,794.58	
11113	Distribution Pole and Conductor Repair- Bayamón Group 5	\$ 407,945.84	\$ 1,006,008.44	\$ 111,778.72	
11098	Distribution Pole and Conductor Repair- Caguas Group 9	\$ 1,117,787.16	\$ 818,047.80	\$ 90,894.20	

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11184	Transmission Priority Pole Replacements - Line 2300	\$ 908,942.00	\$ 194,730.30	\$ 21,636.70	
11182	Distribution Pole and Conductor Repair- Arecibo Group 8	\$ 216,367.00	\$ 239,464.22	\$ 26,607.14	
11149	Distribution Pole and Conductor Repair- Bayamón Group 8	\$ 266,071.35	\$ 624,402.48	\$ 69,378.05	
11203	Distribution Pole and Conductor Repair- Bayamón Group 9	\$ 693,780.53	\$ 509,044.50	\$ 56,560.50	
11145	Distribution Pole and Conductor Repair- Caguas Group 13	\$ 565,605.00	\$ 638,306.60	\$ 70,922.96	
11169	Distribution Pole and Conductor Repair- Mayagüez Group 9	\$ 709,229.55	\$ 215,862.85	\$ 23,984.76	
11181	Distribution Pole and Conductor Repair- San Juan Group 9	\$ 239,847.61	\$ 562,678.20	\$ 62,519.80	
11166	Distribution Pole and Conductor Repair- San Juan Group 8	\$ 625,198.00	\$ 483,412.77	\$ 53,712.53	
11229	Distribution Pole and Conductor Repair- Ponce Group 7	\$ 537,125.30	\$ 568,850.40	\$ 63,205.60	
11196	Distribution Pole and Conductor Repair- Ponce Group 8	\$ 632,056.00	\$ 857,395.28	\$ 95,266.14	
11201	Distribution Pole and Conductor Repair- Arecibo Group 7	\$ 952,661.42	\$ 236,061.28	\$ 26,229.03	
11116	Distribution Pole and Conductor Repair-	\$ 262,290.31	\$ 287,645.40	\$ 31,960.60	

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	Arecibo Group 5				
11171	Distribution Pole and Conductor Repair- Arecibo Group 6	\$ 319,606.00	\$ 372,133.80	\$ 41,348.20	
11183	Distribution Pole and Conductor Repair- Bayamón Group 6	\$ 413,482.00	\$ 669,624.41	\$ 74,402.71	
11212	Distribution Pole and Conductor Repair- Bayamón Group 7	\$ 744,027.12	\$ 560,540.70	\$ 62,282.30	
11130	Distribution Pole and Conductor Repair- Caguas Group 11	\$ 622,823.00	\$ 593,135.46	\$ 65,903.94	
11136	Distribution Pole and Conductor Repair- Caguas Group 12	\$ 659,039.40	\$ 551,140.77	\$ 61,237.86	
11138	Distribution Pole and Conductor Repair- Ponce Group 5	\$ 612,378.63	\$ 286,409.00	\$ 31,823.22	
11143	Distribution Pole and Conductor Repair- Ponce Group 6	\$ 318,232.22	\$ 605,144.70	\$ 67,238.30	
11510	FAAST - IT/OT System Upgrade for: Aguirre Power Plant, Aguirre Combined Cycle, Cambalache, Mayagüez, Costa Sur, San Juan and Palo Seco (Telecommunication)	\$ 672,383.00	\$ 10,281,442.50	\$ 1,142,382.50	
11207	Distribution Pole and Conductor Repair- Ponce Group 9	\$ 11,423,825.00	\$ 487,633.50	\$ 54,181.50	
11193	Distribution Pole and Conductor	\$ 541,815.00	\$ 338,366.24	\$ 37,596.25	

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	Repair- Arecibo Group 9				
11264	Distribution Pole and Conductor Repair- San Juan Group 11	\$ 375,962.49	\$ 507,086.33	\$ 56,342.93	
11217	Distribution Pole and Conductor Repair- Mayagüez Group 11	\$ 563,429.26	\$ 161,905.37	\$ 17,989.49	
11231	Distribution Pole and Conductor Repair- San Juan Group 10	\$ 179,894.86	\$ 220,806.06	\$ 24,534.01	
11277	Distribution Pole and Conductor Repair- Mayagüez Group 13	\$ 245,340.07	\$ 121,346.03	\$ 13,482.89	
11279	Distribution Pole and Conductor Repair- Ponce Group 10	\$ 134,828.92	\$ 811,161.25	\$ 90,129.03	
11319	Streetlight - Aguadilla	\$ 901,290.28	\$ 18,983,325.60	\$ 2,109,258.40	
11326	Streetlight - Trujillo Alto	\$ 21,092,584.00	\$ 23,658,232.50	\$ 2,628,692.50	
11268	Distribution Pole and Conductor Repair- Arecibo Group 12	\$ 26,286,925.00	\$ 169,400.70	\$ 18,822.30	
11269	Distribution Pole and Conductor Repair- Ponce Group 11	\$ 188,223.00	\$ 554,606.10	\$ 61,622.90	
11257	Distribution Pole and Conductor Repair- Ponce Group 12	\$ 616,229.00	\$ 214,345.80	\$ 23,816.20	
11275	Distribution Pole and Conductor Repair- Ponce Group 13	\$ 238,162.00	\$ 584,484.30	\$ 64,942.70	
11465	FAAST [Distribution Pole and Conductor Repair - San Juan Group 13-14-15-16] (Distribution)	\$ 649,427.00	\$ 1,283,535.90	\$ 142,615.10	


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Cost Share Program under CDBG-DR  
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Page 9 / 10

11312	FAASt [Distribution Pole and Conductor Repair - Arecibo Group 13-14-15-16] (Distribution)	\$ 1,426,151.00	\$ 273,573.00	\$ 30,397.00	
11340	FAASt [Distribution Pole and Conductor Repair - Caguas Group 16-17-18-19-20] (Distribution)	\$ 303,970.00	\$ 368,368.20	\$ 40,929.80	
11352	FAASt [Distribution Pole and Conductor Repair- Bayamón Group 12-13- 14] (Distribution)	\$ 409,298.00	\$ 471,952.45	\$ 52,439.16	
11311	FAASt Distribution Pole and Conductor Repair - Bayamón Group 11 (Distribution)	\$ 524,391.61	\$ 391,650.30	\$ 43,516.70	
11314	FAASt Distribution Pole and Conductor Repair - Bayamon Group 10 (Distribution)	\$ 435,167.00	\$ 520,766.10	\$ 57,862.90	
11449	FAASt [Distribution Pole and Conductor Repair - San Juan 17-18-19- 20-21] (Distribution)	\$ 578,629.00	\$ 691,068.60	\$ 76,785.40	
11365	FAASt [Distribution Pole and Conductor Repair - Ponce Groups 14 & 15] (Distribution)	\$ 767,854.00	\$ 1,658,681.10	\$ 184,297.90	
					\$500,000,000 .00

Notes on budget:

- 
- (1) ER1 Project Numbers included in this table are representative of the ER1 Projects for which the budget allocation was based on and should not be interpreted as a definitive list of ER1 Project Numbers to receive disbursement under this SRA. Additional ER1 Projects may receive match disbursement, as needed by the Subrecipient, the Program, or the PRDOH. Changes to the ER1 Projects listed may be reconciled through subsequent amendments to this SRA.
- (2) "CDBG-DR Potential Allocation (Estimated)" represents the current maximum CDBG-DR funding corresponding to each ER1 Project currently approved by FEMA for the Flex Match methodology. The amount included should not be interpreted as a capped cost for disbursement under a specific Project. The CDBG-DR Allocated Amount (Estimated) under this SRA shall be based on the actual needs of each Project, which may be affected by changes in project formulation, modification, approval or revisions made by FEMA. Changes to the CDBG-DR Potential Allocation (Estimated) listed may be reconciled through subsequent Amendments to this SRA.
- (3) "CDBG-DR Allocated Amount (Estimated)" is the amount allocated under this Agreement as supported by the CDBG-DR Potential Allocation (Estimated) amount for ER1 Projects included in this table. This amount is the total sum of CDBG-DR funding for each Project. This amount should not be interpreted as a capped cost for disbursement under any specific Project, or the sum of any particular group of ER1 Projects. This allocation may be based on the Program's budget availability, Program or individual project needs, or any other parameter considered by the Program. Disbursement shall be based on the actual needs of each Project, which may be affected by changes in project formulation, modification, approval or revisions made by FEMA. Changes to the CDBG-DR Allocated Amount (Estimated) listed may be reconciled through subsequent Amendments to this SRA.

**END OF DOCUMENT**



EXHIBIT D



GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF HOUSING

Contract Code: 8091  
Type: StandAloneSRA\_V2  
Original Registered Code:

CERTIFICATION OF FUNDS

Requested on behalf: CDBG-DR Director

The Finance Division certifies the availability of the following funds:

Contracting Of: Puerto Rico Electric Power Authority  
Source of Funds: 14.228 CDBG Funds  
For: Energy Grid Rehabilitation and Reconstruction Cost Share (ER1) Program  
Amount: \$500,000,000.00

The breakdown and grant of the certified funds is as follows:

B-18-DE-72-0001	esp-ier1doh-lmi	I - Program Subsidy	6090-01-000	\$350,000,000.00
B-18-DE-72-0001	esp-ier1doh-un	I - Program Subsidy	6090-01-000	\$150,000,000.00
				\$500,000,000.00

The above distribution of funds is subject to changes and will be allocated in accordance with the executed agreement within the parties. These funds do not affect the Puerto Rico Department of Housing (PRDOH) operational budget, and are available to be use.

If you have any questions, feel free to contact us at (787)274-2527.

Cesar Candelario Signed Date - 02/13/2024  
Electronic Approval  
Budget Manager

Nilda Baez Signed Date - 02/13/2024  
Electronic Approval  
Finance Director

*\*This transaction does not represent an overcharge of the account herein.*



## EXHIBIT E

### HUD GENERAL PROVISIONS AND OTHER FEDERAL STATUTES, REGULATIONS, AND PRDOH REQUIREMENTS ENERGY GRID REHABILITATION AND RECONSTRUCTION COST SHARE PROGRAM

#### PUERTO RICO ELECTRIC POWER AUTHORITY

Given that the Subrecipient Agreement (SRA) involves funds for which the U.S. Department of Housing and Urban Development (HUD) is the oversight agency, the following terms and conditions may apply to this SRA. In addition, SUBRECIPIENT shall comply with the Federal Labor Standards Provisions set forth in Form HUD-4010, available at <https://www.hudexchange.info/resource/2490/hud-form-4010-federallaborstandards-provisions/>.

These terms and conditions must be included in their entirety by the SUBCONTRACTOR in all purchase orders or subcontracts that are directly related to the SRA, even though some of the terms and conditions might not apply to a particular kind of purchase order or subcontract.

These general provisions may be updated from time to time. It is the sole responsibility of the SUBRECIPIENT to be aware of any changes hereto, to amend and implement such changes, and to ensure subcontracts terms and conditions are modified as necessary, if any.

#### General Provisions:

##### 1. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this SRA shall be deemed to be inserted herein and the SRA shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the SRA shall forthwith be physically amended to make such insertion or correction.

##### 2. STATUTORY AND REGULATORY COMPLIANCE

SUBRECIPIENT shall comply with all laws and regulations applicable to the Community Development Block Grant-Disaster Recovery funds appropriated by the Supplemental Appropriations for Disaster Relief Requirements, 2017 (Pub. L. 115-56), approved September 8, 2017 (Appropriations Act), as amended, including but not limited to the applicable Office of Management and Budget Circulars, which may impact the administration of funds and/or set forth certain cost principles, including if certain expenses are allowed.

##### 3. BREACH OF SUBRECIPIENT AGREEMENT TERMS


The Puerto Rico Department of Housing (PRDOH) reserves its right to all administrative, contractual, or legal remedies, including but not limited to suspension or termination of this SRA, in instances where the SUBRECIPIENT or any of its subcontractors violate or breach any SRA term. If the SUBRECIPIENT or any of its subcontractors violate or breach any SRA term, they shall be subject to such sanctions and penalties as may be appropriate. The duties and obligations imposed by the SRA documents, and the rights and remedies available thereunder, shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

#### 4. REPORTING REQUIREMENTS

The SUBRECIPIENT shall complete and submit all reports, in such form and according to such schedule, as may be required by the PRDOH and/or the Government of Puerto Rico. The SUBRECIPIENT shall cooperate with all the PRDOH and/or the Government of Puerto Rico efforts to comply with HUD requirements and regulations pertaining to reporting, including but not limited to 2 C.F.R. § 200.328 and 24 C.F.R. § 570.507, when applicable.

#### 5. SMALL AND MINORITY FIRMS, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS

The SUBRECIPIENT will take necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used in subcontracting when possible. Steps include, but are not limited to:

- 
- (i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
  - (ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
  - (iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
  - (iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises; and
  - (v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce.

Additionally, for contracts of \$10,000 or more, the SUBRECIPIENT shall file Form HUD 2516 (Contract and Subcontract Activity) with the PRDOH on a quarterly basis.

#### 6. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 C.F.R. Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms under Government Grants, Contracts and Cooperative Agreements", and any implementing regulations issued by HUD.



#### 7. DEBARMENT, SUSPENSION, AND INELIGIBILITY

The SUBRECIPIENT represents and warrants that it and its subcontractors are not debarred or suspended or otherwise excluded from or ineligible for participation in Federal assistance programs subject to 2 C.F.R. Part 2424.


#### 8. CONFLICTS OF INTEREST

The SUBRECIPIENT shall notify the PRDOH as soon as possible if this SRA or any aspect related to the anticipated work under this SRA raises an actual or potential conflict of interest, if applicable. The SUBRECIPIENT shall explain the actual or potential conflict in writing in sufficient detail so that the PRDOH is able to assess such actual or potential conflict. The SUBRECIPIENT shall provide the PRDOH any additional information necessary to fully assess and address such actual or potential conflict of interest. The SUBRECIPIENT shall accept any reasonable conflict mitigation strategy employed by the PRDOH, including but not limited to the use of an independent subcontractor(s) to perform the portion of work that gives rise to the actual or potential conflict.

## 9. SUBCONTRACTING

When subcontracting, the SUBRECIPIENT shall solicit for and contract with such subcontractors in a manner providing for fair competition. Some of the situations considered to be restrictive of competition include, but are not limited to:

- (i) Placing unreasonable requirements on firms in order for them to qualify to do business;
- (ii) Requiring unnecessary experience and excessive bonding;
- (iii) Noncompetitive pricing practices between firms or between affiliated Companies;
- (iv) Noncompetitive awards to consultants that are on retainer contracts,
- (v) Organizational conflicts of interest;
- (vi) Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement; and
- (vii) Any arbitrary action in the procurement process.



The SUBRECIPIENT represents to the PRDOH that all work shall be performed by personnel experienced in the appropriate and applicable profession and areas of expertise, taking into account the nature of the work to be performed under this SRA.


The SUBRECIPIENT will include these HUD General Provisions in every subcontract issued by it, so that such provisions will be binding upon each of its subcontractors as well as the requirement to flow down such terms to all lower-tiered subcontractors.

## 10. ASSIGNABILITY

The SUBRECIPIENT shall not assign any interest in this Agreement and shall not transfer any interest in the same (whether by assignment or novation) without prior written approval of the PRDOH.

## 11. COPELAND "ANTI-KICKBACK" ACT

**(Applicable to all construction or repair contracts)**



Salaries of personnel performing work under this SRA shall be paid unconditionally and not less often than once a month without payroll deduction or rebate on any account except only such payroll deductions as are mandatory by law or permitted by the applicable regulations issued by the Secretary of Labor pursuant to the Copeland "Anti-Kickback Act" of 1934, 48 Stat. 948; (codified at 18 U.S.C. § 874; and 40 U.S.C. § 3145). The SUBRECIPIENT shall comply with all applicable "Anti-Kickback" regulations and shall insert appropriate provisions in all subcontracts covering work under this Agreement to ensure compliance by subcontractors with such regulations, and shall be responsible for the submission of affidavits required of subcontractors thereunder except as the Secretary of Labor may specifically provide for variations of or exemptions from the requirements thereof.

## 12. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

**(Applicable to construction contracts exceeding \$2,000 and contracts exceeding \$2,500 that involve the employment of mechanics or laborers.)**

The SUBRECIPIENT shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701-3708) as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

All laborers and mechanics employed by SUBRECIPIENTS or subcontractors shall receive overtime compensation in accordance with and subject to the provisions of the CWHSSA, and the SUBRECIPIENTS and subcontractors shall comply with all regulations issued pursuant to that act and with other applicable Federal laws and regulations pertaining to labor standards.

### 13. DAVIS-BACON ACT

**(Applicable to construction contracts exceeding \$2,000 when required by Federal program legislation.)**

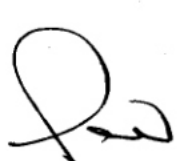
The SUBRECIPIENT shall comply with the Davis Bacon Act (40 U.S.C. § 3141 *et seq.*) as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

All laborers and mechanics employed by SUBRECIPIENTS or subcontractors, including employees of other governments, on construction work assisted under this SRA, and subject to the provisions of the federal acts and regulations listed in this paragraph, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis Bacon Act.

On a semi-annual basis, the SUBRECIPIENT shall submit Form HUD 4710 (Semi-Annual labor Standards Enforcement Report) to PRDOH.

### 14. TERMINATION FOR CAUSE

**(Applicable to contracts exceeding \$10,000)**



If, through any cause, the SUBRECIPIENT shall fail to fulfill in a timely and proper manner his or her obligations under this SRA, or if the SUBRECIPIENT shall violate any of the covenants, agreements, or stipulations of this SRA, the PRDOH shall thereupon have the right to terminate this SRA by giving written notice to the SUBRECIPIENT of such termination and specifying the effective date thereof, **at least five (5) days** before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by the SUBRECIPIENT under this Agreement shall, at the option of the PRDOH, become the PRDOH's property and the SUBRECIPIENT shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, the SUBRECIPIENT shall not be relieved of liability to the Government of Puerto Rico and PRDOH for damages sustained by the Government of Puerto Rico and/or PRDOH by virtue of any breach of the Agreement by the SUBRECIPIENT, and the Government of Puerto Rico and/or PRDOH may withhold any payments to the SUBRECIPIENT for the purpose of set-off until such time as the exact amount of damages due to the Government of Puerto Rico and/or PRDOH from the SUBRECIPIENT is determined.



### 15. TERMINATION FOR CONVENIENCE

**(Applicable to contracts exceeding \$10,000)**



The PRDOH may terminate this SRA at any time by giving at least a **ten (10) days'** notice in writing to the SUBRECIPIENT. If the SRA is terminated by the PRDOH as provided herein, the SUBRECIPIENT will be paid for the time provided and expenses incurred up to the termination date.

### 16. SECTION 503 OF THE REHABILITATION ACT OF 1973

**(Applicable to contracts exceeding \$10,000)**

The SUBRECIPIENT shall comply with Section 503 of the Rehabilitation Act of 1973 (29 U.S.C. § 793), as amended, and any applicable regulations.

Equal Opportunity for Workers with Disabilities:

- 
- 1) The SUBRECIPIENT will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The SUBRECIPIENT agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with disabilities without discrimination based on their physical or mental disability in all employment practices, including the following:
- (i) Recruitment, advertising, and job application procedures;
  - (ii) Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
  - (iii) Rates of pay or any other form of compensation and changes in compensation;
  - (iv) Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
  - (v) Leaves of absence, sick leave, or any other leave;
  - (vi) Fringe benefits available by virtue of employment, whether or not administered by the SUBRECIPIENT;
  - (vii) Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
  - (viii) Activities sponsored by the SUBRECIPIENT including social or recreational programs; and
  - (ix) Any other term, condition, or privilege of employment.
- 
- 2) The SUBRECIPIENT agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
- 3) In the event of the SUBRECIPIENT's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
- 4) The SUBRECIPIENT agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Deputy Assistant Secretary for Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the SUBRECIPIENT's obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The SUBRECIPIENT must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the SUBRECIPIENT may have the notice read to a visually disabled individual, or may lower the posted notice so that it might be read by a person in a wheelchair).
- 5) The SUBRECIPIENT will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the SUBRECIPIENT is bound by the terms of Section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment individuals with physical or mental disabilities.



- 6) The SUBRECIPIENT will include the provisions of this clause in every subcontract or purchase order in excess of \$10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to Section 503 of the Rehabilitation Act of 1973, as amended, as amended, so that such provisions will be binding upon each subcontractor or vendor. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order as the Deputy Assistant Secretary for Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.


## **17. EQUAL EMPLOYMENT OPPORTUNITY**

### **(Applicable to construction contracts and subcontracts exceeding \$10,000)**

The SUBRECIPIENT shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 C.F.R. Subpt. B, Ch. 60).


During the performance of this Agreement, the SUBRECIPIENT agrees as follows:

- 
- 1) The SUBRECIPIENT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The SUBRECIPIENT shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- 2) The SUBRECIPIENT shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by Contracting Officer setting forth the provisions of this non-discrimination clause. The SUBRECIPIENT shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- 3) The SUBRECIPIENT will, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- 
- 4) The SUBRECIPIENT will send to each labor union or representative of workers with which he or she has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers representative of the SUBRECIPIENT's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 5) The SUBRECIPIENT will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

- 
- 6) The SUBRECIPIENT will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
  - 7) In the event of the SUBRECIPIENT's non-compliance with the non-discrimination clause of this Agreement or with any of such rules, regulations or orders, this Agreement may be cancelled, terminated or suspended in whole or in part and the SUBRECIPIENT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.
  - 8) SUBRECIPIENT shall incorporate the provisions of 1 through 7 above in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor so that such provisions shall be binding on such subcontractor. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance, provided, however, that in the event the SUBRECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the SUBRECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.

**18. CERTIFICATION OF NONSEGREGATED FACILITIES**  
**(Applicable to construction contracts exceeding \$10,000)**

The SUBRECIPIENT certifies that it does not maintain or provide for its establishments, and that it does not permit employees to perform their services at any location, under its control, where segregated facilities are maintained. It certifies further that it will not maintain or provide for employees any segregated facilities at any of its establishments, and it will not permit employees to perform their services at any location under its control where segregated facilities are maintained. The SUBRECIPIENT agrees that a breach of this certification is a violation of the equal opportunity clause of this Agreement.




As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities provided for employees which are segregated by explicit directive or are, in fact, segregated on the basis of race, color, religion, or national origin because of habit, local custom, or any other reason.

The SUBRECIPIENT further agrees that (except where it has obtained for specific time periods) it will obtain identical certification from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the equal opportunity clause; that it will retain such certifications in its files; and that it will forward the preceding notice to such proposed subcontractors (except where proposed subcontractors have submitted identical certifications for specific time periods).

**19. CERTIFICATION OF COMPLIANCE WITH CLEAN AIR AND WATER ACTS**  
**(Applicable to contracts exceeding \$100,000)**

The SUBRECIPIENT and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 U.S.C. § 7401 *et seq.*, the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 *et seq.*, and the regulations of the Environmental Protection Agency with respect thereto, at 40 C.F.R. Ch. I, Subch. C, Pt. 60, Subpt. B and Ch. I, Subch. C, Pt. 93, Subpt. B, as amended, Section 508 of the Federal Water Pollution Control Act (33 U.S.C. § 1368) and Executive Order 11738 of September 10, 1973.

In addition to the foregoing requirements, all nonexempt contractors and subcontractors shall furnish to the owner, the following:

- 
- 1) A stipulation by the SUBRECIPIENT or subcontractors, that any facility to be utilized in the performance of any nonexempt contract or subcontract, is not listed on the Excluded Party Listing System pursuant to Ch. I, Subch. C, Pt. 93, Subpt. B or on the List of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 C.F.R. Ch. I, Subch. C, Pt. 60, Subpt. B, as amended.
  - 2) Agreement by the SUBRECIPIENT to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 U.S.C. § 7414) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 U.S.C. § 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
  - 3) A stipulation that as a condition for the award of the Agreement, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized, or to be utilized for the Agreement, is under consideration to be listed on the Excluded Party Listing System or the EPA List of Violating Facilities.
  - 4) Agreement by the SUBRECIPIENT that he or she will include, or cause to be included, the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the SUBRECIPIENT will take such action as the government may direct as a means of enforcing such provisions.

**20. ANTI-LOBBYING**

**(Applicable to contracts exceeding \$100,000)**



By the execution of this SRA, the SUBRECIPIENT certifies, to the best of his or her knowledge and belief, that:

- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the SUBRECIPIENT, to any person for influencing or attempting to influence an officer or employee of an 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 SUBRECIPIENT shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.


3) The SUBRECIPIENT shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. 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.

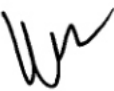
## **21. BONDING REQUIREMENTS**

**(Applicable to construction and facility improvement contracts exceeding \$100,000)**


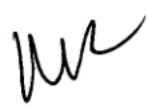
The SUBRECIPIENT shall comply with 2 C.F.R. § 200.326 minimum bonding requirements:

- 
- 1) A bid guarantee from each bidder equivalent to five percent (5%) of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his or her bid, execute such contractual documents as may be required within the time specified.
  - 2) A performance bond on the part of the SUBRECIPIENT for one hundred percent (100%) of the Agreement price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the SUBRECIPIENT's obligations under such contract.
  - 3) A payment bond on the part of the SUBRECIPIENT for one hundred percent (100%) of the Agreement price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

## **22. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968**

- 
- A. The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
  - B. The parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. Part 75, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no

contractual or other impediment that would prevent them from complying with the in 24 C.F.R. Part 75 regulations.

- 
- C. The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which the SUBRECIPIENT has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the SUBRECIPIENT's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
  - D. The SUBRECIPIENT agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 75. The SUBRECIPIENT will not subcontract with any subcontractor where the SUBRECIPIENT has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 75.
  - E. The SUBRECIPIENT acknowledges that subrecipients, contractors, and subcontractors are required to meet the employment, training, and contracting requirements of 24 C.F.R. 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts signed after this SRA.
  - F. The SUBRECIPIENT will certify that any vacant employment positions, including training positions, that are filled: (1) after the SUBRECIPIENT is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 75 require employment opportunities to be directed, were not filled to circumvent the SUBRECIPIENT's obligations under 24 C.F.R. Part 75.
  - G. Noncompliance with HUD's regulations in 24 C.F.R. Part 75 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
  - H. With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (46 U.S.C. § 5307) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible: (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).
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- I. The SUBRECIPIENT agrees to submit, and shall require its subcontractors to submit to them, quarterly reports to the PRDOH detailing the total number of labor hours worked on the Section 3 Project, the total number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 Workers and Targeted Section 3 Workers.

**23. UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT (URA)**

Every project funded in part or in full by Community Development Block Grant – Disaster Recovery (CDBG-DR/MIT) funds, and all activities related to that project, are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, 42 U.S.C. § 4601 *et seq.*, and section 104(d) of the Housing and Community Development Act of 1992, as amended (HCDA), 42 U.S.C. § 5304(d), except where waivers or alternative requirements have been provided by the U.S. Department of Housing and Urban Development (HUD).

The implementing regulations for URA are at 49 C.F.R. Part 24, and the regulations for section 104(d) are at 24 C.F.R. Part 42, subpart C. Additionally, HUD has established regulations specific to CDBG-funded housing activities at 24 C.F.R. § 570.606. PRDOH has also established the Uniform Relocation Assistance Guide & Residential AntiDisplacement and Relocation Assistance Plan (URA & ADP Guide) which provides guidance and requirements regarding URA compliance and minimizing displacement that are applicable to all CDBG-DR/MIT programs. The primary purpose of these laws and regulations is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.

When CDBG-DR/MIT funds are planned, intended, or used for any activity or phase of a project and the phases are interdependent, URA applies to that activity or project. This includes any property acquisition, even if CDBG-DR/MIT funds are not used to fund the purchase, if the contract to acquire property is executed with the intention of seeking CDBG-DR/MIT funds to complete the project or an interdependent phase of the project. Subrecipients are responsible for ensuring URA compliance throughout the design, proposal, and implementation of any project that includes real property acquisition or displacement of residential or business occupants.

**24. FAIR HOUSING ACT**

SUBRECIPIENT shall comply with the provisions of the Fair Housing Act of 1968, as amended. The Act prohibits discrimination in the sale or rental of housing, the financing of housing or the provision of brokerage services against any person on the basis of race, color, religion, sex, national origin, disability, or familial status. The Equal Opportunity in Housing Act prohibits discrimination against individuals on the basis of race, color, religion, sex or national origin in the sale, rental, leasing or other disposition of residential property, or in the use or occupancy of housing assisted with Federal funds.

**25. ENERGY POLICY AND CONSERVATION ACT**

SUBRECIPIENT shall comply with mandatory standards and policies relating to energy efficiency as contained in the Government of Puerto Rico's energy conservation plan, issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201 *et seq.*).

## **26. POLITICAL ACTIVITY**


The SUBRECIPIENT agrees to comply with mandatory standards and policies relating to Hatch Political Activity Act (Hatch Act), 5 U.S.C. §§ 1501–1508, which limits the political activity of employees.

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

The Hatch Act applies to political activities of certain state and local employees. As a PRDOH's SUBRECIPIENT, you may participate in any of the following activities: be a candidate in nonpartisan elections; attend political meetings and conventions; contribute money; campaign in partisan elections; and hold office in political parties.

The SUBRECIPIENT may not do the following activities: be a candidate in partisan elections; use official influence to interfere in elections; coerce political contributions from subordinates in support of political parties or candidates the office of special counsel operates a website that provides guidance concerning hatch act issues.

## **27. HEALTH AND SAFETY STANDARDS**

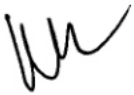


All parties participating in this project agree to comply with Sections 3702 and 3704 (a) of the Contract Work Hours and Safety Standards Act (CWHSSA), 40 U.S.C. §§ 3702 and 3704. Section 3704 (a) of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions, which are unsanitary, hazardous, or dangerous to his or her health and safety as determined under construction, safety, and health standards promulgated by the Secretary of Labor. These requirements do not apply to a contract to acquire a commercial product (as defined in 41 U.S.C. § 103) or a commercial service (as defined in 41 U.S.C. § 103a).

## **28. PERSONNEL**

The SUBRECIPIENT represents that it has, or will secure at its own expense, all personnel required in performing the services under this Agreement. Such personnel shall not be employees of, or have any contractual relationship with, the contracting party. All the services required hereunder will be performed by the SUBRECIPIENT or under its supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. No person who is serving sentence in a penal or correctional institution shall be employed on work under this SRA.

## **29. WITHHOLDING OF WAGES**



If in the performance of this Agreement, there is any underpayment of wages by the SUBRECIPIENT or by any subcontractor thereunder, the PRDOH may withhold from the SUBRECIPIENT out of payment due to him or her an amount sufficient to pay to employees underpaid the difference between the wages required thereby to be paid and the wages actually paid such employees for the total number of hours worked. The amounts withheld may be disbursed by the PRDOH for and on account of the SUBRECIPIENT or subcontractor to the respective employees to whom they are due.

## **30. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES**


Claims and disputes pertaining to wage rates or to classifications of professional staff or technicians performing work under this SRA shall be promptly reported in writing by

the SUBRECIPIENT to the PRDOH for the latter's decision, which shall be final with respect thereto.

### **31. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS**

No person employed on the services covered by this Agreement shall be discharged or in any way discriminated against because he or she has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable hereunder to his or her employer.

### **32. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS**



The SUBRECIPIENT agrees to establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have a family, business, or other tie. The SUBRECIPIENT will be aware of and avoid any violation of the laws of this State which prohibit municipal officers and employees from having or owning any interest or share, individually or as agent or employee of any person or corporation, either directly or indirectly, in any contract made or let by the governing authorities of such municipality for the construction or doing of any public work, or for the sale or purchase of any materials, supplies or property of any description, or for any other purpose whatsoever, or in any subcontract arising therefrom or connected therewith, or to receive, either directly or indirectly, any portion or share of any money or other thing paid for the construction or doing of any public work, or for the sale or purchase of any property, or upon any other contract made by the governing authorities of the municipality, or subcontract arising therefore or connected therewith.

The SUBRECIPIENT will also be aware of and avoid any violation of the laws of this State which prescribe a criminal penalty for any public officer who has an interest in any contract passed by the board of which he or she is a member during the time he or she was a member and for one year thereafter.


### **33. INTEREST OF CERTAIN FEDERAL OFFICERS**

No member of, or delegate to, the Congress of the United States and no Resident Commissioner shall be admitted any share or part of this Agreement or to any benefit to arise therefrom.

### **34. INTEREST OF SUBRECIPIENT**

The SUBRECIPIENT agrees that it presently has no interest and shall not acquire any interest, direct or indirect, in the above described project or any parcels therein or any other interest which would conflict in any manner or degree with the performance of the Work hereunder. The SUBRECIPIENT further agrees that no person having any such interest shall be employed in the performance of this Agreement.

### **35. RELIGIOUS ACTIVITY**



The SUBRECIPIENT, in compliance with 24 C.F.R. 570.200(j) and 24 C.F.R. § 5.109 (c), agrees to provide equal participation to faith-based organizations in HUD programs and activities and to abstain from disfavoring any faith-based organization, including by failing to select a faith-based organization, disqualifying an faith-based organization, or imposing any condition or selection criterion that otherwise disfavors or penalizes an faith-based organizations in the selection process using any funds related to this Agreement.

### **36. FLOOD DISASTER PROTECTION ACT OF 1973**

The SUBRECIPIENT will ensure that procedures and mechanisms are put into place to monitor compliance with all flood insurance requirements as found Section 202(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4106, and the regulations in 44 C.F.R. Parts 59 through 79 and 24 C.F.R. § 570.605.

### **37. LEAD BASED PAINT**


The SUBRECIPIENT must comply with the regulations regarding lead-based paint found at 24 C.F.R. Part 35, Subpt. A on LEAD-BASED PAINT POISONING PREVENTION IN CERTAIN RESIDENTIAL STRUCTURES with regards to all housing units assisted using CDBGDR/MIT funds.

### **38. VALUE ENGINEERING**

**(Applicable to construction contracts exceeding \$2,000 when required by Federal Program legislation.)**


The SUBRECIPIENT must comply with the regulations regarding systematic and organized approach to analyze functions of systems, equipment, facilities, services, and materials to ensure they achieve their essential functions at the lowest cost consistent to life cycle in execution, reliability, quality, and safety, in accordance with 2 C.F.R. § 200.318(g).

### **39. GENERAL COMPLIANCE**



The SUBRECIPIENT shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, and the regulations at 24 C.F.R. § 570, as modified by the Federal Register notices that govern the use of CDBGDR/MIT funds available under this Agreement. See Federal Register Notice 83 FR 5844 (February 9, 2018). Notwithstanding the foregoing, (1) the SUBRECIPIENT does not assume any applicable of the PRDOH's responsibilities for environmental review, decision making, and action, described in 24 C.F.R. Part 58 and (2) the SUBRECIPIENT does not assume any applicable of the PRDOH's responsibilities for initiating the review process under the provisions of 24 C.F.R. Part 52.

The SUBRECIPIENT shall also comply with all other applicable Federal, state and local laws, regulations, and policies that govern the use of the CDBG-DR/MIT funds in complying with its obligations under this Agreement, regardless of whether CDBGDR/MIT funds are made available to the SUBRECIPIENT on an advance or reimbursement basis. This includes without limitation, applicable Federal Registers; 2 C.F.R. Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Community Development Act of 1974; 24 C.F.R. Part 570 Community Development Block Grant; applicable waivers; Fair Housing Act, 24 C.F.R. Part 35, Subpt. A; 24 C.F.R. Part 58; 24 C.F.R. Part 75; National Historic Preservation Act, and any other applicable state laws or regulations, including the requirements related to nondiscrimination, labor standards and the environment; and Action Plan amendments and HUD's guidance on the funds.




Where waivers or alternative requirements are provided for in the applicable Federal Register Notice dated February 9, 2018, at 83 FR 5844 or any future Federal Register Notice published by HUD ("HUD Notices"), such requirements, including any regulations referenced therein, shall apply.

The SUBRECIPIENT also agrees to comply with all other applicable Federal, State, and local laws, regulations, HUD Notices, policies, and guidelines, whether existing or to

be established, provided the same are applied to activities occurring after the date the policy or guideline was established, governing the Grant Funds provided under this Agreement. In the event a conflict arises between the provisions of this Agreement and any of the foregoing, the Federal, State, and local laws, regulations, HUD Notices, policies, and guidelines shall control and this Agreement shall be interpreted in a manner so as to allow for the terms contained herein to remain valid and consistent with such Federal, State, and local laws, regulations, HUD Notices, policies and guidelines.

The SUBRECIPIENT shall also comply with applicable PRDOH's policies and guidelines as established in Program Guidelines and their amendments, if any, as found in the CDBG-DR Website ([www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov)) which are herein included and made integral part of this Agreement, as it may be updated from time to time.

#### **40. DUPLICATION OF BENEFITS**




The SUBRECIPIENT shall not carry out any of the activities under this Agreement in a manner that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5155) and described in Appropriations Act. The SUBRECIPIENT must comply with HUD's requirements for duplication of benefits, imposed by Federal Register notice on the PRDOH, which are published in a separate notices entitled: "Clarification to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees" (November 16, 2011, 76 FR 71060); "Updates to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees" (June 20, 2019, 84 FR 28836); and "Applicability of Updates to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees," (June 20, 2019, 84 FR 28848). The SUBRECIPIENT shall carry out the activities under this Agreement in compliance with PRDOH's procedures to prevent duplication of benefits.

#### **41. DRUG-FREE WORKPLACE**

The SUBRECIPIENT must comply with drug-free workplace requirements in 2 C.F.R. §§ 182.200 through 182.230 of the Drug-Free Workplace Act of 1988, 41 U.S.C. §§ 81018106.

#### **42. HOLD HARMLESS**



The SUBRECIPIENT shall and hereby agrees to hold harmless, defend (with counsel acceptable to the PRDOH) and indemnify the Government of Puerto Rico, PRDOH, HUD and each and all of its successors, affiliates, or assigns, and any of their employees, officers, directors, attorneys, consultants, agents, managers, and affiliates, from and against any and all damages, costs, attorneys' fees, claims, expenses, injuries, property damage, causes of action, violations of law, violations of this Agreement, and losses of any form or nature arising from or related to the conduct of the SUBRECIPIENT in the performance of the efforts called for in this Agreement. This indemnity shall expressly include, but is not limited to, the obligation of the SUBRECIPIENT to indemnify and reimburse the PRDOH for any and all attorneys' fees and other litigation or dispute resolution costs incurred or to be incurred in the PRDOH's enforcement of this Agreement or any portion thereof against the SUBRECIPIENT or otherwise arising in connection with the SUBRECIPIENT's breach, violation, or other noncompliance with this Agreement. This clause shall survive indefinitely the termination of this Agreement for any reason.


#### **43. PRDOH RECOGNITION**

Unless otherwise directed by the PRDOH, the SUBRECIPIENT shall ensure recognition of the role of HUD and the PRDOH in providing funding, services, and efforts through this Agreement. Unless otherwise directed by the PRDOH, all activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as to role of HUD and of the PRDOH. In addition, the SUBRECIPIENT shall include a reference to the support provided herein in all publications made possible with funds made available under this Agreement. The PRDOH reserves the right to direct specific reasonable recognition requirements on a case-by-case basis, including but not limited, to the size and content, waiver, removal or addition of such recognition.

#### **44. LOGOS CLAUSE**

The Parties hereto will not use the name of the other party, seals, logos, emblems or any distinctive trademark/ trade name, without the prior written express authorization of the other party.

#### **45. UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS**




The SUBRECIPIENT shall comply with the applicable provisions in 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200.

#### **46. FINANCIAL & PROGRAM MANAGEMENT**

The SUBRECIPIENT shall expend and account for all CDBG-DR/MIT funds received under this Agreement in accordance with 2 C.F.R. § 200.302 and 2 C.F.R. § 200.303 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

The SUBRECIPIENT shall administer its program in conformance with Cost Principles as outlined in 2 C.F.R. § 200.400 through 2 C.F.R. § 200.476, as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

#### **47. DOCUMENTATION AND RECORD KEEPING**



The SUBRECIPIENT shall maintain all records required by applicable law to be maintained, including but not limited to the Federal regulations specified in (1) 2 C.F.R. Part 200; (2) 24 C.F.R. § 570.506; and (3) the applicable HUD Notices that are pertinent to the activities to be funded under this Agreement, as well as any additional records required by the PRDOH. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-DR/MIT programs, as modified by the HUD Notices;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG-DR/MIT funds;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG-DR/MIT program;

- f. Financial records as required by (1) 24 C.F.R. § 570.502; and (2) 2 C.F.R. Part 200;
- g. Other records necessary to document compliance with Subpart K of 24 C.F.R. Part 570.

#### 48. ACCESS TO RECORDS

The Government of Puerto Rico, the PRDOH, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, shall have at any time and from time to time during normal business hours, access to any work product, books, documents, papers, and records of the SUBRECIPIENT which are related to this SRA, for the purpose of inspection, audits, examinations, and making excerpts, copies and transcriptions.

#### 49. RECORD RETENTION AND TRANSMISSION OF RECORDS TO THE PRDOH

The SUBRECIPIENT shall retain all official records on programs and individual activities shall be retained for the greater of **five (5) years**, starting from the closeout of the grant between PRDOH and HUD, or the end of the affordability period for each housing activity, whichever is longer. If any other laws and regulations as described in 24 C.F.R. § 570.490 applies to a project, the record retention period may be extended. All records involved in litigation, claims, audits, negotiations, or other actions, which have started before the expiration date of their retention, will be kept until completion of the action and resolution of all issues or the end of the regular **five (5) years period**, whichever is longer. (See 2 C.F.R. § 200.334 and 24 C.F.R. § 570.490(d).)

Records shall be made available to PRDOH upon request.

#### 50. CLIENT DATA AND OTHER SENSITIVE INFORMATION

In the event that the SUBRECIPIENT comes to possess client data and other sensitive information as a result of this Agreement, then the SUBRECIPIENT shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to PRDOH monitors or their designees for review upon request.

The SUBRECIPIENT must comply with 2 C.F.R. § 200.303 and shall take reasonable measures to safeguard protected personally identifiable information, as defined in 2 C.F.R. § 200.82, and other information HUD or the PRDOH designates as sensitive or the SUBRECIPIENT considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality. Additionally, the Subrecipient must comply with the PRDOH CDBG-DR *Personally Identifiable Information, Confidentiality, and Nondisclosure Policy*, as found in the CDBG-DR Website (<https://cdbg-dr.pr.gov/en/download/personally-identifiable-informationconfidentiality-and-nondisclosure-policy/>), which is herein included and made integral part of this Agreement, as it may be updated from time to time

The SUBRECIPIENT shall comply with all State or local requirements concerning the privacy of personal records, consistent with 24 C.F.R. § 570.508 (local governments) and § 570.490(c) (States).


#### 51. CLOSE-OUT

The SUBRECIPIENT's obligation to PRDOH shall not end until all close-out requirements are completed. Activities during this close-out period may include, but are not limited

to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the PRDOH), properly addressing Program Income (as that term is defined in Section VI (A)(19) of the HUD Notice 83 FR 5844, 5856 (February 9, 2018, as may be amended by HUD)), balances, and accounts receivable to the PRDOH), determining the custodianship of records, and the SUBRECIPIENT certification of compliance with the terms of this Agreement. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the SUBRECIPIENT has control over CDBG-DR/MIT funds, including Program Income.

Notwithstanding the terms of 2 C.F.R. § 200.343, upon the expiration of this Agreement, the SUBRECIPIENT shall transfer to the recipient any CDBG-DR/MIT funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBGDR/MIT funds, further, any real property under the SUBRECIPIENT's control that was acquired or improved in whole or in part with CDBG-DR/MIT funds (including CDBGDR/MIT funds provided to the SUBRECIPIENT in the form of a loan) shall be treated in accordance with 24 C.F.R. § 570.503(b)(7).


## 52. AUDITS AND INSPECTIONS



All SUBRECIPIENT records with respect to any matters covered by this Agreement shall be made available to the PRDOH, HUD, and the Comptroller General of the United States, or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the SUBRECIPIENT within **thirty (30) days** after receipt by the SUBRECIPIENT. Failure of the SUBRECIPIENT to comply with the above audit requirements shall constitute a violation of this Agreement and may result in the withholding of future payments and/or termination.

## 53. SINGLE AUDIT

The SUBRECIPIENT must be audited as required by 2 C.F.R. Part 200, Subpt. F, when the SUBRECIPIENT's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 C.F.R. § 200.501 (Audit requirements). Once said threshold is reached or exceeded, the SUBRECIPIENT shall notify the PRDOH and shall report that event in the corresponding monthly progress report, as provided in Part VI - Performance, Monitoring, and Reporting, Subpart B (Reporting) of this Agreement.



The SUBRECIPIENT shall procure or otherwise arrange for the audit to be conducted for that year, as required in 2 C.F.R. § 200.501(a)-(b); moreover, that it is properly performed and submitted when due in accordance with provisions that include but are not limited to those set forth in 2 C.F.R. § 200.512 (Report submission), as stated in 2 C.F.R. § 200.508(a) (Auditee responsibilities).

Among other relevant provisions, the SUBRECIPIENT shall comply with: (a) the Electronic submission of data and reports to the Federal Audit Clearinghouse (FAC) (2 C.F.R. § 200.512(d)) and; (b) ensuring that reports do not include protected personally identifiable information as set forth in 2 C.F.R. § 200.512(a)(2)).


#### 54. INSPECTIONS AND MONITORING

The SUBRECIPIENT shall permit the PRDOH and auditors to have access to the SUBRECIPIENT's records and financial statements as necessary for the PRDOH to meet the requirements of 2 C.F.R. Part 200.

#### 55. CORRECTIVE ACTIONS


The PRDOH may issue management decisions and may consider taking enforcement actions including but not limited to corrective actions in 24 C.F.R. § 570.910 if noncompliance is detected during monitoring and audits. The PRDOH may require the SUBRECIPIENT to take timely and appropriate action on all deficiencies pertaining to the Federal award provided to the SUBRECIPIENT from the pass-through entity detected through audits, on-site reviews, and other means. A timely and appropriate action shall be predicated on reasonable standard wherein the SUBRECIPIENT utilizes all available resources to correct the noted issue or issues. In response to audit deficiencies or other findings of noncompliance with this Agreement, the PRDOH may impose additional conditions on the use of the CDBG-DR/MIT funds to ensure future compliance or provide training and technical assistance as needed to correct noncompliance.

#### 56. NONDISCRIMINATION



The SUBRECIPIENT shall comply with 24 C.F.R. Part 6, which implements the provisions of Section 109 of Title I of the Housing and Community Development Act of 1974, 42 U.S.C. § 5309. Section 109 provides that no person in the United States shall, on the ground of race, color, national origin, religion, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Federal financial assistance.

The SUBRECIPIENT shall adhere to the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, 42 U.S.C. §§ 6101-6107 (**Age Discrimination Act**) and the prohibitions against discrimination on the basis of disability under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794 (Section 504). Section 109 of the Housing and Community Development Act of 1974 makes these requirements applicable to programs or activities funded in whole or in part with CDBG-DR/MIT funds. Thus, the SUBRECIPIENT shall comply with regulations of 24 C.F.R. Part 8, which implement Section 504 for HUD programs, and the regulations of 24 C.F.R. Part 146, which implement the Age Discrimination Act for HUD programs.



The SUBRECIPIENT shall ensure that all CDBG-DR/MIT activities conducted by itself or its contractors are consistent with the applicable federal and local legal provisions, regulations, and policies that prohibit discrimination on the basis of race, creed, color, national origin, religion, sex, disability, familial status, actual or perceived sexual orientation or gender identity, marital status, or age, as established in the CDBG-DR Fair Housing and Equal Opportunity (FHEO) Policy for CDBG-DR Programs.<sup>1</sup>

#### 57. ARCHITECTURAL BARRIERS ACT AND THE AMERICANS WITH DISABILITIES ACT

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

<sup>1</sup> Follow the link for document access at the CDBG-DR Website: <https://cdbg-dr.pr.gov/en/download/fair-housing-and-equal-opportunity-fheo-policy-for-cdbg-dr-programs/>.

The Architectural Barriers Act of 1968, 42 U.S.C. §§ 4151-4156, requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that ensure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of "residential structure" as defined in 24 C.F.R. § 40.2 or the description of "facilities" in 41 C.F.R. § 102-76.60 are subject to the requirements of the Architectural Barriers Act of 1968 and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 C.F.R. Part 40 for residential structures, and 41 C.F.R. Subt. C, Ch. 102, for general type buildings).

The Americans with Disabilities Act of 1990 ("ADA"), 42 U.S.C. § 12101 *et seq.* (**ADA**), provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 26, 1993, that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable—that is, easily accomplishable and able to be carried out without much difficulty or expense.

The SUBRECIPIENT agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 C.F.R. § 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

## **58. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 (24 C.F.R. PART 1)**

### **1) General Compliance:**

The SUBRECIPIENT shall comply with the requirements of Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d *et seq.*, and 24 C.F.R. § 570.601 and § 570.602. No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this Agreement. The specific nondiscrimination provisions at 24 C.F.R. § 1.4 apply to the use of these funds. The SUBRECIPIENT shall not intimidate, threaten, coerce, or discriminate against any person for the purpose of interfering with any right or privilege secured by Title VI of the Civil Rights Act of 1964 or 24 C.F.R. Part 1, or because he or she has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under 24 C.F.R. Part 1. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of 24 C.F.R. Part 1, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

### **2) Assurances and Real Property Covenants:**

As a condition to the approval of this Agreement and the extension of any Federal financial assistance, the SUBRECIPIENT assures that the program or activities described in this Agreement shall be conducted and the housing, accommodations, facilities, services, financial aid, or other benefits to be provided shall be operated and administered in compliance with all requirements imposed by or pursuant to this 24 C.F.R. Part 1.

If the Federal financial assistance under this Agreement is to provide or is in the form of personal property or real property or interest therein or structures thereon, the SUBRECIPIENT's assurance herein shall obligate the SUBRECIPIENT or, in the case of a subsequent transfer, the transferee, for the period during which the property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits, or for as long as the recipient retains ownership or possession of the property, whichever is longer. In all other cases the assurance shall obligate the SUBRECIPIENT for the period during which Federal financial assistance is extended pursuant to the contract or application.

This assurance gives the PRDOH and the United States a right to seek judicial enforcement of the assurance and the requirements on real property.

In the case of real property, structures or improvements thereon, or interests therein, acquired with Federal financial assistance under this Agreement or acquired with CDBG-DR/MIT funds and provided to the SUBRECIPIENT under this Agreement, the instrument effecting any disposition by the SUBRECIPIENT of such real property, structures or improvements thereon, or interests therein, shall contain a covenant running with the land assuring nondiscrimination for the period during which the real property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

If the SUBRECIPIENT receives real property interests or funds or for the acquisition of real property interests under this Agreement, to the extent that rights to space on, over, or under any such property are included as part of the program receiving such assistance, the nondiscrimination requirements of this part 1 shall extend to any facility located wholly or in part in such space.

### **3) Women- and Minority-Owned Businesses (W/MBE)**

The SUBRECIPIENT shall take the affirmative steps listed in 2 C.F.R. § 200.321(b)(1) through (6) to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible when the SUBRECIPIENT procures property or services under this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in Section 3(a) of the Small Business Act, as amended, 15 U.S.C. § 632 (a), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish heritage Americans, Asian- Americans, and American Indians. The SUBRECIPIENT may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

In compliance with the CDBG-DR/MIT Minority and Women-Owned Business Enterprise Policy (M/WBE Policy), the SUBRECIPIENT shall complete a utilization plan to identify how they plan on successfully achieving the contracting goals for MBE and WBE's. SUBRECIPIENT shall also complete quarterly reporting to provide information on contracting opportunities and payouts provided to WBE or MBE contractors or subcontractors. SUBRECIPIENT shall also document their efforts and submit those to PRDOH on a quarterly basis. See the M/WBE Policy, as found in the CDBG-DR Website ([www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov)) which is herein included and made integral part of this Agreement, as it may be updated from time to time.


#### **4) Notifications**

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

#### **5) Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement**

The SUBRECIPIENT shall, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that it is an Equal Opportunity or Affirmative Action employer.

### **59. LABOR STANDARDS**



The SUBRECIPIENT shall comply with the in labor standards in Section 110 of the Housing and Community Development Act of 1974, 42 U.S.C. § 5310, and ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this Agreement shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis Bacon Act, as amended (40 U.S.C. § 3141, et seq.), and 29 C.F.R. Parts 1, 3, 5, 6, and 7, provided, that this requirement shall apply to the rehabilitation of residential property only if such property contains not less than eight (8) units.

The SUBRECIPIENT agrees to comply with 18 U.S.C. § 874 and it's implementing regulations of the U.S. Department of Labor at 29 C.F.R. Part 3 and Part 5. The SUBRECIPIENT shall maintain documentation that demonstrates compliance with applicable hour and wage requirements. Such documentation shall be made available to the PRDOH for review upon request.

The SUBRECIPIENT is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; or nepotism activities.

### **60. CONDUCT**



#### **1) Contracts**

- a. Monitoring: As applicable, the SUBRECIPIENT will monitor all contracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.
- b. Content: The SUBRECIPIENT shall cause all of the provisions of this contract in its entirety to be included in and made a part of any contract executed in the performance of this Agreement, as applicable.
- c. Selection Process: The SUBRECIPIENT shall ensure that all contracts awarded after the execution of this Agreement and in the performance of such, follow the procurement policies and procedures described in this Agreement.

- d. Notification: The SUBRECIPIENT shall notify and provide a copy of any and all contracts related to this Agreement and CDBG-DR/MIT funds to the Contract Administration Area of the PRDOH CDBG-DR/MIT Legal Division within **three (3) days** of its execution.

2) Conflict of Interest

The SUBRECIPIENT agrees to abide by the provisions of 2 C.F.R. Part 200, as applicable, and 24 C.F.R. § 570.611, which include (but are not limited to) the following:

- a. It is presumed that the SUBRECIPIENT is subject to state and local ethic laws and regulations related to the conduct of its officers, employees or agents engaged in the award and administration of this Agreement.
- b. In the event the SUBRECIPIENT is not, the SUBRECIPIENT shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of this Agreement. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would rise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the Parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or Parties to sub Agreements. However, recipients may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.
- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-DR/MIT assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or Agreement with respect to the CDBG-DR/MIT assisted activity, or with respect to the proceeds from the CDBG-DR/MIT assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of **one (1) year** thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the PRDOH, the SUBRECIPIENT, or any designated public agency.
- d. Clause of Governmental Ethics Certification of Absence of Conflict of Interests - The SUBRECIPIENT certifies that: (1) No public servant of the PRDOH has pecuniary interest in this contract. (2) No public servant of the PRDOH has solicited or accepted, directly or indirectly, for him (her), for any member of his family unit or for any other person, gifts, allowances, favors, services, donations loans or any other thing of monetary value. (3) No public servant of the PRDOH related to this transaction, asked for or accepted any good of economic value, from any person or organization as payment for the duties and responsibilities of his employment. (4) No public servant of the PRDOH has solicited, directly or indirectly, for him (her), any member of his family unit, neither for any other person, business or

organization, any good of economic value, including gifts, loans, promises, favors or services in exchange for his(her) obligations and performance of said public employment, to influence or favor any organization. (5) No public servant of the PRDOH has kinship relationship, within the fourth degree of consanguinity and second by affinity, with nobody in public employment that has faculty to influence and to participate in the institutional decisions of this Agreement.

#### **61. CITIZEN GRIEVANCES**

If the SUBRECIPIENT receives any complaint or grievance, it shall refer said complaint or grievance immediately to the PRDOH CDBG-DR/MIT Program so that PRDOH may respond appropriately.

#### **62. TECHNICAL ASSISTANCE AND TRAININGS**

The SUBRECIPIENT shall attend any and all technical assistance and/or trainings that the PRDOH requires from time to time at its discretion. Failure to attend may be considered as cause for termination.

#### **63. DISASTER RELIEF ACCOUNT**

Pursuant to Federal Register Vol. 85, No. 17, 85 FR 4681 (January 27, 2020), PRDOH must comply with an additional requirement imposed by an Order of October 26, 2017, granted by the United States District Court for the District of Puerto Rico, as may be amended from time to time. As required by the Order, grant funds or disaster relief funds received by the Commonwealth of Puerto Rico or other Non-Federal Entities (as defined by 2 C.F.R. § 200.69) shall be deposited solely into a Disaster Relief Account.

As a result, thereof, under the terms of the beforementioned Court order and under the conditions of this Agreement, any and all CDBG-DR/MIT funds subawarded by PRDOH to its SUBRECIPIENTS shall be deposited into a new, separate, non-co-mingled, unencumbered account held in the name of the SUBRECIPIENT. The funds shall be used solely for eligible activities. Further, the SUBRECIPIENT shall provide and make available to PRDOH any and all documentation related to such account.

#### **64. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970 (OSH ACT)**

The SUBRECIPIENT shall comply with the Occupational Safety and Health Act of 1970 (OSH Act) as supplemented by the Department of Labor regulations. This Act created the Occupational Safety and Health Administration (OSHA). OSHA sets and enforces protective standards of safety and health in the workplace. Under the OSH Act, employers have a responsibility to provide a safe workplace.

Employers must comply with the 29 CFR 1910 General Obligations Clause of the OSH Act. This clause requires employers to maintain their workplaces free from serious recognized hazards. This includes the adoption of safety and health guidelines and the subsequent training of the employer's workforce in these.

Subrecipient whose Scope of Work includes construction activities must comply with the General Clauses, and also with provisions of 29 CFR 1926 "Construction Health and Safety Regulations". It shall be a condition of any contract for construction, alteration and/or repair, including painting and decorating, that no contractor or subcontractor for any part of the contract work shall require any worker or mechanic employed in

the performance of the contract to work in an environment or in unhealthy, hazardous or dangerous working conditions to their health or safety.

**END OF DOCUMENT**

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GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF HOUSING

## EXHIBIT F

### SPECIAL CONDITIONS

#### ENERGY GRID REHABILITATION AND RECONSTRUCTION COST SHARE PROGRAM

#### PUERTO RICO ELECTRIC POWER AUTHORITY

**1. Policies and Procedures:**

Within **sixty (60) days** after this SRA is executed, the Subrecipient must develop, update and implement all policies and procedures in compliance with PRDOH CDBG-DR policies and, state and federal regulations. The Subrecipient must certify compliance with this requirement through the Grant Compliance Portal (GCP) on the Self-Certification tab at its GCP Profile.

**2. Staffing and Training Plan:** Within **sixty (60) days** after this SRA is executed, Subrecipient must develop a staffing and training plan that identifies specific personnel responsible for implementation and compliance of key requirements, including citizen complaints, financial management, payments, internal controls, procurement, monitoring and CDBG-DR specific requirements (e.g., national objective) and submit it to the Program POC and Subrecipient Management Team.

The entity must develop and implement an organizational structure that clearly establishes the segregation of duties in the implementation and management of the CDBG-DR programs and activities, including the finance division, in compliance with the requirements in 2 C.F.R § 200.303 for internal controls and the Standards for Internal Controls in the Federal Government by GAO. A final staffing capacity analysis must be completed to cover the positions listed to perform the roles and responsibilities under the different areas where no names were added, as required for the implementation and management of the CDBG-DR federally funded program and submitted to the Program POC.

**3. Capacity Building, Training and Technical Assistance:** Within **sixty (60) days** after this SRA is executed, Subrecipient's key staff must participate in capacity building activities directed to the development and implementation of

effective internal controls of federal awards to ensure that the Subrecipient is capable of managing federal awards in compliance with federal statutes and regulation. Subrecipient's key staff must complete the Core Curriculum developed for CDBG-DR/MIT programs.

4. **Needs Assessment:** Within **sixty (60) days** after this SRA is executed, Subrecipient shall participate in a Needs Assessment with PRDOH Staff and shall complete the recommendations resulting from the Needs Assessment to improve organizational capacity.



END OF DOCUMENT.



GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF HOUSING

# EXHIBIT G

## SUBROGATION AND ASSIGNMENT PROVISIONS

### ENERGY GRID REHABILITATION AND RECONSTRUCTION COST SHARE PROGRAM


#### PUERTO RICO ELECTRIC POWER AUTHORITY

1. General Provisions.

- a) The Parties acknowledge that the following provisions of this Exhibit are hereto incorporated by reference and made an integral part of the aforementioned Subrecipient Agreement as **Exhibit G**.
- b) Changes in the provisions of this Exhibit will require an amendment to the Subrecipient Agreement. Such amendment would result in the incorporation by reference of a modified **Exhibit G** to the Subrecipient Agreement.

2. Subrogation and Assignment Relating to Funds Received from the Puerto Rico Department of Housing – Energy Grid Rehabilitation and Reconstruction Cost Share Program

- a) These provisions are incorporated into the Subrecipient Agreement in consideration of the commitment by PRDOH to evaluate the Subrecipient's application for the award of disaster assistance funds (the "**Application**") or the Subrecipient's receipt of CDBG-DR/MIT disaster recovery and mitigation funds (the "**Grant Proceeds**") under the Program being administered by PRDOH.
- b) Subrecipient understands and acknowledges that the Program is subject to the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. §§ 5121-5207 (the "**Act**") and that, under such Act, the Subrecipient may only receive assistance to the extent that the Subrecipient has a disaster recovery need that is not fully met by insurance or other forms of disaster assistance. Subrecipient further acknowledges that these provisions are intended to ensure that Subrecipient does not receive duplicate benefits available to the Subrecipient from another source, for the same purposes as the Grant Proceeds provided under the Program, and that, any assistance determined to be duplicative must be deducted from the Program's calculation of the Subrecipient's total need before awarding assistance.

- 
- c) Subrecipient hereby subrogates and assigns to PRDOH any and all of Subrecipient's future rights to, and any interest Subrecipient may have in, any reimbursement and all payments received or subsequently received from any grant, loan, insurance policy, or policies of any type (each individually, a "**Policy**" and collectively, the "**Policies**"), or under any subsidy, reimbursement or relief program related to or administered by the Federal Emergency Management Agency ("**FEMA**"), insurance payments, or any other federal, state or local government agency (each, individually, a "**Disaster Program**" and collectively, the "**Disaster Programs**") to the extent of all Grant Proceeds paid or to be paid under the Program and that are determined, in the sole discretion of PRDOH or its designated agent, to be a duplication of benefits ("**DOB**"). Any payments referred to in this paragraph, whether they are from Policies, FEMA, or any other source, and whether or not such amounts are a DOB, shall be referred to herein as "**Proceeds**"; any Proceeds that are determined to be a DOB shall be referred to herein as "**DOB Proceeds**".
- d) Subrecipient agrees that in the event that Subrecipient receives additional Proceeds related to disaster recovery that are not listed on the Duplication of Benefits Certification submitted in connection with the Application, Subrecipient will notify the PRDOH within **ten (10) working days** of receipt of the funds by sending a written notification to [energycdbg@vivienda.pr.gov](mailto:energycdbg@vivienda.pr.gov). PRDOH will, in turn, determine, in its sole discretion, if such Proceeds constitute DOB Proceeds. If any of the Proceeds are determined to be DOB Proceeds, the Subrecipient shall pay PRDOH the DOB Proceeds, to be disbursed as provided in Section 3 of this Agreement.



3. **Cooperation and Further Documentation.**

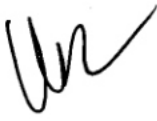
- a) If PRDOH elects to pursue any of the claims Subrecipient has or may have under any Policies, Subrecipient agrees to assist and cooperate with PRDOH. Subrecipient's assistance and cooperation shall include, but shall not be limited to, allowing the suit to be brought in Subrecipient's name(s) and providing any additional documentation concerning such consent, giving depositions, providing documents, producing records and other evidence, testifying at trial, and any other form of assistance and cooperation reasonably requested by the PRDOH. Subrecipient also agrees to assist and cooperate in the attainment and collection of any DOB Proceeds that the Subrecipient would be entitled to under any applicable Disaster Assistance Program.
- b) If requested by PRDOH, Subrecipient agrees to execute such further and additional documents and instruments as may be requested to further and

better subrogate and assign to PRDOH (to the extent of the Grant Proceeds paid to Subrecipient under the Program) the Policies, any amounts received under the Disaster Assistance Programs that are determined to be DOB Proceeds and/or any rights thereunder. The subrecipient further agrees to take, or cause to be taken, all actions and to do, or cause to be done, all things requested by the PRDOH to consummate and make effective the purposes of these provisions.

- c) Subrecipient expressly allows and authorizes PRDOH to request information from any company with which Subrecipient holds or held any insurance policy or policies of any type, any other company or entity -public or private- from which the Subrecipient has applied for or is receiving assistance (such as FEMA, or others), or any non-public or confidential information determined by PRDOH, in its sole discretion, to be reasonably necessary to monitor/enforce its interest in the rights subrogated and assigned to it under this Agreement, and grant consent to such company or entity to release said information to the PRDOH.



4. **Agreement to Turn Over Proceeds; Future Reassignment.**

- a) If Subrecipient (or, to the extent permitted by superior loan documents, any lender to which DOB Proceeds are payable) hereafter receives any DOB Proceeds, Subrecipient agrees to promptly pay such amounts to PRDOH, if Subrecipient received Grant Proceeds under the Program in an amount greater than the amount Subrecipient would have received if such DOB Proceeds had been considered in the calculation of Subrecipient's award.
- b) In the event that Subrecipient receives or is scheduled to receive any Proceeds not listed on its Duplication of Benefits Certification ("**Subsequent Proceeds**"), Subrecipient shall pay such Subsequent Proceeds directly to the PRDOH, and PRDOH will determine the amount, if any, of such Subsequent Proceeds that are DOB Proceeds ("**Subsequent DOB Proceeds**"). Subsequent Proceeds shall be disbursed as follows:
- (i) If Subrecipient has received full payment of the Grant Proceeds, Subrecipient shall remit any Subsequent DOB Proceeds to PRDOH. PRDOH shall return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.
- (ii) If Subrecipient has received no payment of the Grant Proceeds, PRDOH shall reduce the payment of the Grant Proceeds to Subrecipient by the amount of the Subsequent DOB Proceeds and shall return all Subsequent Proceeds in excess of the Subsequent DOB Proceeds to Subrecipient.
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(iii) If Subrecipient has received a portion of the Grant Proceeds, the following shall occur: (A) PRDOH shall reduce the remaining payments of the Grant Proceeds and return Subsequent DOB Proceeds in such amount to the Subrecipient, and (B) Subrecipient shall remit any remaining Subsequent DOB Proceeds to PRDOH. PRDOH shall also return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.

(iv) If the PRDOH determines that Subrecipient does not qualify to participate in the Program or the Subrecipient decides not to participate in the Program, PRDOH shall return the Subsequent Proceeds to Subrecipient, and the Agreement shall terminate.

c) Once PRDOH has recovered an amount equal to the Grant Proceeds paid to Subrecipient, PRDOH will reassign to Subrecipient any rights given to PRDOH under these provisions.

**5. Miscellaneous.**

a) Subrecipient hereby represents that all statements and representations made by Subrecipient regarding any Proceeds are true and correct, as of the date of the issuance of the Grant Proceeds.

b) In any proceeding to enforce these provisions, PRDOH shall be entitled to recover all costs of enforcement, including PRDOH's attorney fees.

c) The parties hereto each waive the right to have any judicial proceeding concerning any of the provisions hereof tried by a jury.

d) Neither these provisions, nor any portion or provisions hereof may be changed, waived, or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by all parties hereto and approved by PRDOH.

e) These provisions, and the rights and obligations of the parties shall be governed and construed by federal law and the laws of the Government of Puerto Rico without giving effect to conflict of law provisions. Any action arising out of or related to this Subrogation and Assignment provisions shall be brought within the Government of Puerto Rico.

f) The captions of the various sections of this Subrogation and Assignment provisions have been inserted only for the purpose of convenience; such captions are not a part of the Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any provisions of this Subrogation.



Subrecipient Agreement  
Between PRDOH and Puerto Rico Electric Power Authority  
for the Energy Grid Rehabilitation and Reconstruction  
Cost Share Program under CDBG-DR  
Exhibit G - Subrogation and Assignment Provisions  
Page 5 of 5

- g) Subrecipient acknowledges that making a false, fictitious, or fraudulent statement or representation in this agreement is punishable under State and Federal law (18 U.S.C. 287, 1001, and 31 U.S.C. 3729), and shall constitute a separate criminal offense each time a public benefit is fraudulently received.
- h) The subrecipient acknowledges that they have been informed and understand the penalties for making a materially false or misleading statement to obtain CDBG-DR funds under the Program or any other of the PRDOH's Programs.

**END OF DOCUMENT**





GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF HOUSING

## EXHIBIT H

### NON-CONFLICT OF INTEREST CERTIFICATION ENERGY GRID REHABILITATION AND RECONSTRUCTION COST SHARE PROGRAM PUERTO RICO ELECTRIC POWER AUTHORITY

The Subrecipient certifies that to the best of its knowledge:

1. No public servant of this executive agency has a pecuniary interest in this agreement, contract, purchase, or commercial transaction.
2. No public servant of this executive agency has requested me or accepted from me, directly or indirectly, for him (her), for any member of his family unit or for any person, gifts, bonuses, favors, services, donations, loans or anything else of monetary value.
3. No public servant (s) requested or accepted any good of economic value, linked to this transaction, from any person of my entity as payment for performing the duties and responsibilities of their employment.
4. No public servant has requested from me, directly or indirectly, for him (her), for any member of his or her family unit, or for any other person, business, or entity, something of economic value, including gifts, loans, promises, favors or services in exchange for the performance of said public servant is influenced in my favor or of my entity.
5. I have no kinship relationship, within the fourth degree of consanguinity and second of affinity, with any public servant who has the power to influence and participate in the institutional decisions of this executive agency.

"I hereby certify under penalty of perjury that the foregoing is complete, true, and correct."

Signature

Date

Josué A. Colón Ortiz

Printed Name

Executive Director

Position