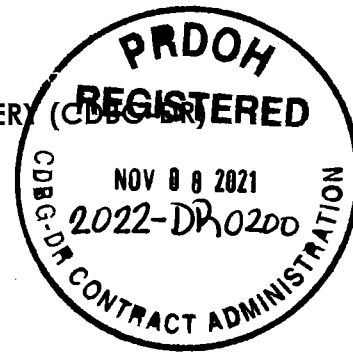




COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)



SUBRECIPIENT AGREEMENT  
BETWEEN THE  
PUERTO RICO DEPARTMENT OF HOUSING  
AND  
PUERTO RICO DEPARTMENT OF AGRICULTURE

This **SUBRECIPIENT AGREEMENT** (hereinafter, the "**Agreement**") is entered into this 8 day of November, 2021, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (the "**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" (the "**Organic Act**"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, Hon. William O. Rodríguez Rodríguez, of legal age, attorney, single, and resident of San Juan, Puerto Rico; and the **PUERTO RICO DEPARTMENT OF AGRICULTURE** (the "**Subrecipient**"), a public agency of the Government of Puerto Rico, organized and ruled by the Reorganization Plan No. 4 of July 26, 2010, as amended, 3 LPRA App. XV, § 5 *et seq.*, known as the "2010 Department of Agriculture Reorganization Plan," with principal offices at Fernández Juncos Ave. Bldg. 1309, Stop 19 ½, San Juan, Puerto Rico 00908-1163, represented herein by its Secretary, Ramón González Beiró, of legal age, married, and resident of Salinas, Puerto Rico, collectively the "**Parties**".

**I. RECITALS AND GENERAL AWARD INFORMATION**

**WHEREAS**, on September 2017, Hurricanes Irma and María made landfall in Puerto Rico causing catastrophic island wide damage, knocking out power, water, and telecommunications for the entire island and its island municipalities. Hurricane María caused major structure and infrastructure damage to family homes, businesses and government facilities triggering the displacement of thousands of residents of the Island from their homes and jobs.

**WHEREAS**, under the Continuing Appropriations Act, 2018, and Supplemental Appropriations for Disaster Relief Requirements Act, 2017, signed into law September 8, 2017 (Pub. L. 115-56), \$1.5 billion were allocated by the U.S. Department of Housing and Urban Development (**HUD**) for disaster recovery assistance to the Government of Puerto Rico under the Community Development Block Grant – Disaster Recovery (**CDBG-DR**) Program. These funds are intended to provide financial assistance to address unmet needs that arise and that are not covered by other sources of financial aid.

**WHEREAS**, on February 9, 2018, a Notice was published in the Federal Register, Vol. 83, No. 28 (83 FR 5844), that allocated \$1.5 billion for disaster recovery assistance to the Government of Puerto Rico.

**WHEREAS**, under the Bipartisan Budget Act of 2018, signed into law February 9, 2018 (Pub. L. 115-123), Congress appropriated an additional \$8.22 billion for disaster recovery assistance to the Government of Puerto Rico under CDBG-DR.

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

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**WHEREAS**, on August 14, 2018, an additional allocation of \$8.22 billion for recovery was allocated to Puerto Rico under Federal Register Vol. 83, No. 157, (83 FR 40314).

**WHEREAS**, on September 20, 2018, the Governor of Puerto Rico and the Secretary of HUD signed Grant Agreement Number B-17-DM-72-0001; allowing PRDOH access to \$1,507,179,000 in CDBG-DR funding obligated under Pub. L. 115-56, as amended.

**WHEREAS**, under the Additional Supplemental Appropriations for Disaster Relief Act of 2019, signed into law June 6, 2019 (Pub. L. 116-20), an additional \$277 million were appropriated by Congress for disaster recovery assistance to the Government of Puerto Rico under CDBG-DR.

**WHEREAS**, on January 27, 2020, an additional allocation of \$277 million for unmet infrastructure recovery needs was allocated to Puerto Rico under Federal Register Vol. 85, No. 17, (85 FR 4681). With these allocations of funding, the PRDOH aims to lead a transparent, comprehensive recovery to benefit the residents of Puerto Rico. PRDOH holds accountability and is committed to the responsible, efficient, and transparent administration of CDBG-DR grant funding.

**WHEREAS**, on February 21, 2020, the Governor of Puerto Rico and the Secretary of HUD signed Grant Agreement Number B-18-DP-72-0001; allowing PRDOH access to \$1,700,000,000 in CDBG-DR funding, obligated under Pub. L. 115-123, as amended.

**WHEREAS**, with these allocations of funding, the PRDOH aims to lead a transparent, comprehensive recovery to benefit the residents of Puerto Rico. PRDOH holds accountability and is committed to the responsible, efficient, and transparent administration of CDBG-DR grant funding.

**WHEREAS**, according to the approved current Action Plan, Puerto Rico intends to undertake the **Re-Grow Puerto Rico Urban-Rural Agriculture Program** (hereinafter, "**Re-Grow**" or the "**Program**"). Re-Grow will build agricultural capacity and meet the needs created by the hurricanes through a substantial investment of CDBG-DR funds in a wide variety of viable and sustainable agricultural activities. Citizens served by the Program will be diverse; spanning from urban to rural areas and across all ages. The Program will focus on small farms and agricultural businesses and non-governmental organizations engaged in sustainable agricultural activities that contribute to the strengthening of the agricultural economy since the hurricanes. Challenges with urbanization, population migration and land use change will be addressed through urban agriculture and technology deployment. Battered agricultural infrastructure will be improved to withstand future climatic uncertainties. The Program will expose individuals to agricultural opportunities while simultaneously helping established producers create employment opportunities across the sector.

**WHEREAS**, the Re-Grow Program, through its subrecipients, intends to provide Technical Assistance and Capacity Building Services to CDBG-DR Program applicants. The focus of these services is to assist and complement the compliance efforts of PRDOH in providing technical assistance ("**TA**") and capacity building to Program Participants and Beneficiaries and to improve Program Participant's CDBG-DR Program knowledge as well as program implementation and/or federal cross-cutting requirements. TA also includes the operation of one (1) or more virtual help desks and address questions and issues raised by Program Participants and Beneficiaries.

**WHEREAS**, the approved current Action Plan allocated a total budget of **\$92,500,000.00** to this Program. Out of this total allocation, the PRDOH designated **nine million dollars**

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**(\$9,000,000.00)** to the Subrecipient who will serve as administrator and servicer for the services included in the **Exhibit A** ("Scope of Work") under this Agreement;

**WHEREAS**, on April 19, 2021, according to HUD Press Release No. 21-066, HUD announced the obligation of \$8.2 billion in Community Development Block Grant Mitigation (**CDBG-MIT**) funds for Puerto Rico, along with the removal of onerous restrictions unique to Puerto Rico that limited the island's access to CDBG-DR recovery funds that were allocated following Hurricane María in September 2017.

**WHEREAS**, as the Subrecipient strengthens its internal capacity it may submit requests for amendments to this Agreement.

**WHEREAS**, the Subrecipient will assist the PRDOH in utilizing CDBG-DR funds to carry out the Program, pursuant to this Agreement.

**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 Disaster Recovery Action Plan ("**Action Plan**"), to issue and award the Subaward, and to enter and perform under this Agreement; and

**WHEREAS**, the Subrecipient, in accordance with its enabling statute, the 2010 Department of Agriculture Reorganization Plan, as amended, *supra*, has the legal power and authority to enter into this Agreement and has agreed to undertake the corresponding administrative responsibilities under the Program. By signing this Agreement, the Subrecipient assures PRDOH that the 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:	PRDOH DUNS #: 125967484
CDBG-DR Grantee Federal Award Date:	September 20, 2018
Federal Award project description:	See <b>Exhibit A</b> for <u>Scope of Work</u>
Subrecipient Contact Information:	Ramón González Beiró Secretary Ave. Fernández Juncos, Edificio 1309 Pda. 19 ½ Santurce San Juan, Puerto Rico 00908-1163 EMAIL: <a href="mailto:pirulgonzalez@agricultura.pr.gov">pirulgonzalez@agricultura.pr.gov</a>

*Handwritten initials: WL and RCB*

	PHONE: 787-304-5350
Subrecipient Unique Identifier:	DUNS number: 078517553
Subaward Period of Performance:	Start Date: Effective Date, as defined in <b>Section V</b> of this Agreement. End Date: <b>Twenty-four (24) months from Start Date.</b>
Funds Certification:	Dated: November 5, 2021 Authorized Amount: \$9,000,000.00 Funds Allocation: CDBG-DR "r02e23rur-doa-lm" CDBG-DR "r02e23rur-doa-un" Account Number: 6090-01-000 See <b>Exhibit E</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	Timelines and Performance Goals
Exhibit C	Key Personnel
Exhibit D	Budget
Exhibit E	Funds Certification
Exhibit F	HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements
Exhibit G	Special Conditions
Exhibit H	Subrogation and Assignment Provisions

All Attachments hereto are fully incorporated herewith such that the terms and conditions of the Attachments shall be as binding as any terms and conditions of this executed written Agreement. Should any inconsistency appear between the Attachments and this Agreement, the Agreement shall prevail.

#### 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

1. As a condition of receiving this Subaward, the Subrecipient shall perform the procurement, management, monitoring, and reporting of the services included in the **Exhibit A** ("Scope of Work") for the Program.
2. All services included in the **Exhibit A** ("Scope of Work") shall be performed in accordance with PRDOH guidelines, HUD guidelines and regulations, and other applicable state and federal laws and regulations.

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3. The Subrecipient will develop plans in accordance with the **Exhibit A** ("Scope of Work"). The PRDOH reserves authority and discretion to review and approve such plans.

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 the **Exhibit A** ("Scope of Work") of this Agreement.

C. National Objectives

All activities funded with CDBG-DR funds must meet one (1) of the (3) CDBG-DR Program's National Objectives: (i) benefit low-and moderate-income persons; (ii) aid in the prevention or elimination of slums or blight, or; (iii) meet community development needs having a particular urgency, as defined in 24 C.F.R. § 570.208, as amended by waiver published in the Federal Register, Vol. 83, No. 28 (83 FR 5844) on February 9, 2018.

The Subrecipient certifies that the activities carried out under this Agreement shall meet one (1) of the following notional objective(s) as defined in 24 C.F.R. § 570.483.

The Subrecipient shall ensure that the services meet the applicable CDBG-DR National Objective(s) and that the subcontractor or third party complete the applicable forms to document the National Objective(s).

D. Levels of Accomplishment – Performance Goals and Timelines

The Subrecipient shall complete the activities required under the 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 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.

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F. Staffing

The Subrecipient shall supervise and direct the completion of all activities under this Agreement. Any changes in assigned key personnel (hereinafter, the "**Key Personnel**") assigned or their responsibilities under the activities are subject to the prior approval of the PRDOH. If possible, it is the best practice for Subrecipient to provide PRDOH with ample written notice to the personnel changes and requests. Ample notice in this context shall be **ten (10) business days**. If that is not possible, then the Subrecipient shall make all reasonable efforts to notify PRDOH of changes.

At a minimum, Subrecipient shall assign the staff with the identified responsibilities to the identified activities as described in **Exhibit C** ("Key Personnel") of this Agreement, herein attached and made integral part of this Agreement.

Depending on the needs of the Program activity, the Subrecipient shall provide staff and/or procure professional service contractors to assist with the compliance of said activities. The staff who will support the Program activities included in the Scope of Work, shall solely perform those tasks and shall be remunerated hourly.

The Subrecipient shall monitor the performance of its staff, and contractors against the goals and performance standards as stated in the **Exhibit B** ("Timelines and Performance Goals").

G. Pre-Award Costs

Pre-award costs applicable to the Subrecipient are strictly prohibited.

**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, 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 the **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 submit regular monthly progress reports to the PRDOH, in the form and with the content to be specified and required by the PRDOH. The PRDOH shall later

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notify Subrecipient in writing the guidelines and requirements applicable to the submittal of the monthly 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 **twenty-four (24) months** from the date of its execution, ending in 7 Nov, 2023.

The End of Term shall be the later of: (i) 7 Nov, 2023. (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 (the "**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, at its sole discretion, 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 the **Exhibit A** ("Scope of Work") of this Agreement in accordance with the **Exhibit D** ("Budget") attached herein and made integral part of this Agreement as such Budget may be amended from time to time.

Any proposed budget to be managed by the Subrecipient shall clearly specify proposed funding for administrative costs and/or program delivery costs and/or planning costs, to the extent that such costs are considered applicable categories for funding.

The Budget may include a reserve of the Subaward for PRDOH's activity delivery costs and expenditures related to the Program. The Subrecipient may not access the reserve identified in the Budget without written consent from the PRDOH.

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.

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<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.

B. Indirect Costs

Indirect costs invoiced, if any, must be consistent with the conditions set forth herein. Indirect costs may be charged to PRDOH under a negotiated indirect cost rate agreement with a federal cognizant agency, a *de minimis* indirect cost rate (for applicable entities), or an indirect cost proposal prepared in accordance with 2 C.F.R. Part 200, subpart E, submitted to a federal cognizant agency, and as approved by PRDOH in accordance with its written policies and procedures, which shall be included in the **Exhibit D** ("Budget").

C. Program Income

PRDOH reserves the right to authorize the Subrecipient to retain Program Income<sup>2</sup> to be used in eligible program activities as described in this Agreement. 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. All Program Income (as defined at 24 C.F.R. § 570.500) 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. 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.

All Program assets, other than Program Income (property, equipment, etc.), if any, shall revert to PRDOH upon termination of this Agreement in accordance with applicable Federal laws, regulations, HUD Notices, policies, and guidelines.

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

D. Reversion of Assets

**Use and Reversion of Assets.** The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 C.F.R. Part 84 and 24 C.F.R. §§ 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

The Subrecipient shall transfer to PRDOH any CDBG-DR funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

<sup>2</sup> As defined in section VI(A)(19)(a) of the HUD Notice 83 Fed. Reg. 5844, 5856 (February 9, 2018, as may be amended by HUD), *Program Income* is:

[...] gross income generated from the use of CDBG-DR funds, except as provided in subparagraph (d) of this paragraph, and received by a State or a Subrecipient of a State."

[...]

Program income includes, but is not limited to, the following: (a) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG-DR funds; (b) Proceeds from the disposition of equipment purchased with CDBG-DR funds; (c) Gross income from the use or rental of real or personal property acquired by a State, local government, or Subrecipient thereof with CDBG-DR funds, less costs incidental to generation of the income (i.e., net income); (d) Net income from the use or rental of real property owned by a State, local government, or Subrecipient thereof, that was constructed or improved with CDBG-DR funds; (e) Payments of principal and interest on loans made using CDBG-DR funds; (f) Proceeds from the sale of loans made with CDBG-DR funds; (g) Proceeds from the sale of obligations secured by loans made with CDBG-DR funds; (h) Interest earned on program income pending disposition of the income, including interest earned on funds held in a revolving fund account; (i) Funds collected through special assessments made against nonresidential properties and properties owned and occupied by households not low- and moderate-income, where the special assessments are used to recover all or part of the CDBG-DR portion of a public improvement; (j) Gross income paid to a State, local government, or a Subrecipient thereof, from the ownership interest in a for profit entity in which the income is in return for the provision of CDBG-DR assistance.

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Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 C.F.R. § 570.208 until **five (5) years** after expiration of this Agreement [or such longer period of time as PRDOH deems appropriate]. If the Subrecipient fails to use CDBG-DR assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Subrecipient shall pay PRDOH an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG-DR funds for acquisition of, or improvement to, the property. Such payment shall constitute Program Income to the PRDOH. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the **five (5) year period** or such longer period of time as PRDOH deems appropriate.

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

## 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 the **Exhibit D** ("Budget"). Such payment shall be compensation 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 the **Exhibit D** ("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 requests for reimbursements of activities under this Agreement and consistent with the approved Budget (hereinafter, the "**Request for Reimbursement**") and Scope of Work on a monthly basis. Each Request for Reimbursement shall be broken down into requested reimbursements against the Budget line items specified in **Exhibit D**.

The Subrecipient shall submit Requests for Reimbursements 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, time sheets, 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

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procurements for which payment is requested have been made in accordance with this Agreement.

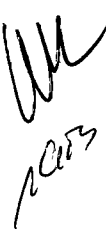
If PRDOH determines that the submitted Request for Reimbursement and supporting documents are acceptable, then the invoice shall be approved for payment. An authorized representative of the PRDOH shall review each Request for Reimbursement and, if adequate, shall approve and process its payment. Payments will be issued to the Subrecipient within a **forty-five (45) day** period from the date the PRDOH Finance Department receives an approved request for reimbursement. 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 E** (“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.

#### 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:

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

Secretary  
Ave. Fernández Juncos,  
Edificio 1309  
Pda. 19 ½ Santurce  
San Juan, Puerto Rico 00908-1163  
Email: [pirulgonzalez@agricultura.pr.gov](mailto:pirulgonzalez@agricultura.pr.gov)  
Phone: 787-304-5350

Subrecipient POC:  
(if different than authorized representative)

Name: Noelia López Rivera  
Title: Deputy Secretary for Planning, Management and  
Finance  
Tel: (787) 510-5117  
Email: [nlopez@agricultura.pr.gov](mailto:nlopez@agricultura.pr.gov)

## 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, in 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 schedule of the activities to be undertaken as part of this Agreement, such modifications shall be incorporated only by 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 methods, 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 with any terms of this Agreement, include (but are not limited to) the following:

- a. Failure to attend mandatory technical assistance and/or training, or comply with any of the rules, regulations, or provisions referred to herein,

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- 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 issues listed above to the satisfaction of PRDOH.

#### 2. Termination for Convenience of the PRDOH

The PRDOH may terminate this Agreement any time by a 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, and 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 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

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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

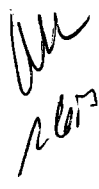
In the event the Subrecipient is subjected to a criminal or civil action, suit, proceeding, inquiry or court of applicable jurisdiction, or any governmental agency, or the Subrecipient shall be subject to an order, judgment, or opinion, issued by any federal or local authority, a court of applicable jurisdiction, or any governmental agency, in connection with the execution, delivery, and performance by the Subrecipient of this Agreement or the Subrecipient of this Agreement has been noncompliant, 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. 4 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 Subrecipient by the PRDOH. Subrecipient shall provide to the PRDOH the assistance reasonably requested to facilitate the orderly transfer of responsibility for 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 F**, set forth certain requirements imposed by HUD with respect to the PRDOH's Federal award or CDBG-DR Grant. Furthermore, the **Exhibit G** ("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 the **Exhibit F**, as well as those set forth in the aforementioned **Exhibit G** attached to this Agreement.

#### **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 Government of Puerto Rico, the Puerto Rico Department of Housing and the U.S. Department of Housing and Urban Development shall be named as additional insured 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.

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

In addition to what is established in this Agreement, as amended, the Subrecipient shall comply with all CDBG-DR program specific and general policies and procedures, including, but not limited to, the Subrecipient Management Policy, OS&H Guideline, MWBE Policy, Procurement Manual and Contractual Requirements, URA & ADP Guidelines, Cross Cutting Guidelines, AFWAM Policy, Section 3 Policy, Personally Identifiable Information, Confidentiality, and Nondisclosure Policy and Conflict of Interest and Standards of Conduct Policy, as found in the CDBG-DR Website (<https://cdbgd-dr.pr.gov/en/resources/policies/>), which are herein included and made integral part of this Agreement, as they may be updated from time to time, and reporting requirements as established by the PRDOH.

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#### **XIII. 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 Subrecipient shall be liable to the other party for nonperformance during the conditions created by such event.

The Subrecipient shall notify, as soon as possible, the PRDOH of the occurrence of the *Force Majeure* event and describe in reasonable detail, the nature of the *Force Majeure* event.

**XIV. 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.

**XV. ASSIGNMENT OF RIGHTS**

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

**XVI. 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.

**XVII. 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.

**XVIII. 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 a 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 **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; 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 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 **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; 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 **at least fifteen (15) days** prior to the effective date of such event. The notice shall include, but not 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 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.

#### **XIX. 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.

#### **XX. BANKRUPTCY**

In the event that Subrecipient files for bankruptcy protection, the Government of Puerto Rico and PRDOH may deem this Agreement null and void and terminate this Agreement without notice.

#### **XXI. 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.

#### **XXII. COMPLIANCE WITH 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 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.

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### **XXIII. 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 H ("Subrogation and Assignment Provisions")**.

### **XXIV. 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 hereto. 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.

### **XXV. 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.

### **XXVI. 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.

### **XXVII. 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.

### **XXVIII. 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.

### **XXIX. 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.

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**XXX. 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.

**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 DEPARTMENT OF AGRICULTURE, SUBRECIPIENT**

By:   
Name: Ramón González Beiró  
Title: Secretary



## EXHIBIT A

### SCOPE OF WORK

#### RE-GROW PUERTO RICO - URBAN RURAL AGRICULTURE PROGRAM

#### PUERTO RICO DEPARTMENT OF AGRICULTURE (PRDA)

##### 1. Program Overview/Background

The Scope of Work detailed below is for the Re-grow Puerto Rico - Urban Rural Agriculture Program (**Re-Grow Program** or **Program**). The goal of the Program is to increase food security on the Island and enhance and expand local agricultural production. This Program will serve to build capacity throughout the agricultural sector as a response to the devastation hurricanes Irma and María inflicted on Puerto Rico's agriculture economy and will reduce vulnerability to future events and simultaneously revitalize an important sector of Puerto Rico's economy.

##### 2. National Objective

All Program activities must meet one (1) of the three (3) National Objectives defined in the authorizing statute of the CDBG Program at 104(b)(3) of the Housing and Community Development Act of 1974 (**HCDA**), as amended, 42 U.S.C. § 5305. The Puerto Rico Department of Housing (**PRDOH**) anticipates that each Program's eligible activities will meet one of the below listed national objectives. PRDOH will work with entities who are funded through this Program to determine the national objective for each project according to 24 C.F.R. § 570.483 and listed here below:

- Benefit to low- and moderate-income persons (**LMI**) (24 C.F.R. § 570.483(b))
  - Job Creation/Retention
  - Area Benefit
  - Limited Clientele
- Urgent Need (**UN**) activities (24 C.F.R. § 570.483(d))
- Aid in prevention or elimination of Slums or Blight (**SB**) (24 C.F.R. § 570.483(c))

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PRDOH has set a goal to expend seventy percent (70%) of Re-Grow Program funds on projects that result in a benefit to LMI individuals or that demonstrably serve LMI areas.

### 3. Program Description

The total allocation for the Re-Grow Program is ninety-two million five hundred thousand dollars (\$92,500,000), subject to change with additional CDBG-DR Action Plan amendments.

The Re-Grow Program will provide Grants to existing, restarting, or start-up small farms and agricultural businesses. These grants are intended to strengthen the agricultural sector of the Puerto Rican economy. Eligible Applicants can apply for up to one hundred fifty thousand dollars (\$150,000) in direct grant assistance for eligible program costs as outlined in the Program Guidelines. The amount of the grant award will be determined through eligibility review, underwriting, and a duplication of benefits calculation performed based on information provided on the application for assistance.

In addition to providing grants, the Program will provide a wide range of technical assistance activities across the agriculture sector, giving farms a farmers access to essential services and resources. The technical assistance is intended to build capacity in organizations and agencies that bolster the agricultural sector of the economy.

### 4. Tasks

The Puerto Rico Department of Agriculture (**PRDA** or the **Subrecipient**) will serve as the overall Re-Grow Program Manager under this Subrecipient Agreement (**SRA**) with PRDOH. In this role, PRDA will manage all major aspects of the Program. In addition to the tasks included herein, PRDA shall perform any other task necessary for the proper performance of the services under the SRA as subsequently assigned by PRDOH.

These Tasks can be assigned and performed independently from each other. The Subrecipient shall perform these tasks in the order, matter and form established by PRDOH as authorized by PRDOH. The Subrecipient must demonstrate and provide evidence of staff capacity to execute a given task before being assigned said task by PRDOH. These staff members cannot be executing any roles or responsibilities for other CDGD-DR programs.

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Task Number	Task
4.1	Office Configuration and Logistics
4.2	Applicant Case Management and Applicant Communications
4.3	Application Intake
4.4	Eligibility Review
4.5	Environmental Review
4.6	Underwriting and Financial Review
4.7	Award Coordination
4.8	Agreement Management
4.9	Application Closeout
4.10	Compliance with Cross-Cutting Requirements
4.11	Project Management
4.12	Document Control and Management
4.13	Systems Development and Maintenance
4.14	Accounting and Reporting
4.15	Reconsideration and Complaints Resolution
4.16	Technical Assistance to Applicants and Program Participants

**4.1. Office Configuration and Logistics**

- 4.1.1. Set-up offices and secure necessary equipment for these offices to function. Office spaces must be suitable for the services to be provided, and provide required visitor amenities such as on-site parking, rest rooms, and comply with ADA accessibility requirements.
- 4.1.2. Secure or provide workspace items and materials such as furnishings and equipment for the offices (including such items as computers, printers, office materials, etc.).
- 4.1.3. Secure equipment and technologies required to support remote or virtual Program operations (including items such as laptop computers and MiFi devices).

**4.2. Applicant Case Management and Applicant Communications**

- 4.2.1. Collaborate with PRDOH and maintain telephone systems or protocol to receive calls from the CDBG-DR Central Call Center with potential Applicants. Calls referred from the call center may require PRDA to guide Applicants through the application process; collect eligibility

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- requirements, duplication of benefits, and other documents; and to make sure that complaints are properly addressed, among other items.
- 4.2.2. Provide responses to inquiries, comments, or complaints made by Re-Grow Applicants or in relation to the Re-Grow Program via phone, email, online web submission, social media post, or via other mediums.
  - 4.2.3. Track all Applicant communication in the Program system of record.
  - 4.2.4. Coordinate outreach efforts, including call-out campaigns and letter campaigns as requested by the PRDOH.
  - 4.2.5. Provide written correspondence to all Applicants to relay the status of their file at critical stages. Correspondence may be sent via electronic or postal mail, depending on the nature of the notification or the communication preferences of the Applicant.
  - 4.2.6. Provide Applicant technical assistance services to Applicants as required. This includes providing technical assistance to facilitate successful timely completion of eligibility review, underwriting, award coordination, disbursement of grant funds, and other Program milestones.
  - 4.2.7. Adhere to reasonable customer service standards established by PRDOH. This may include tasks such as sending mass communication to Applicants whose applications may be on hold for any number of reasons.
  - 4.2.8. Address, refer, or inform to PRDOH any communications, including inquiries or requests for information, as established in PRDOH policies.
  - 4.2.9. Document outreach efforts and outcomes. Collaborate with PRDOH to establish key performance indicators and goals for outreach.
  - 4.2.10. Follow PRDOH-established policies and procedures for conducting due-diligence in attempts to reach non-responsive and/or non-cooperative Applicants.
  - 4.2.11. Any other task necessary to ensure proper relations of PRDA with its assigned Applicants.

### **4.3. Application Intake**

- 4.3.1. Accept all Applicants, including those referred by the CDBG-DR Call Center or Municipalities Offices and related to the Re-Grow Program. Intake can be performed at on-site or off-site locations for special events or for Applicants with special needs. Intake will also be done using web-based application or over the phone.
- 4.3.2. Educate and guide the Applicant through the application information and document requirements and timing.
- 4.3.3. Assist the Applicant in the evaluation of his/her options.

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- 4.3.4. Collect required documentation as outlined in Program Guidelines. Collection of documents includes making contact with Applicants to assist and inform of outstanding items.
- 4.3.5. Collaborate with Applicants and collect all relevant information required to make a Benefit Determination and Verification, including Duplication of Benefits (**DOB**).
- 4.3.6. Request any additional information that may be required from the Applicants, including multiple contact attempts as needed.
- 4.3.7. Verify that information submitted by Applicants is recorded in the system of record; contact the Applicant to resolve any missing or incomplete items.
- 4.3.8. Document communications with Applicants regarding the status of their applications and subsequent related processes. All communication with Applicants shall be recorded in the system of record.
- 4.3.9. Any other task necessary to complete the intake process of Applicants.

#### **4.4. Eligibility Review**

- 4.4.1. Ensure that all supporting documentation and information is included in the application file and notify applicants if their application is missing documentation. (This task may be delegated to PRDOH contracted Case Management entities.)
- 4.4.2. Collect documentation for eligibility and underwriting requirements, as established in the Program Guidelines. (This task may be delegated to PRDOH contracted Case Management entities.)
- 4.4.3. Perform a review of all documents required from Applicants and third parties and ensure that the provided documents are sufficient according to Program policies and procedures.
- 4.4.4. Work with Applicant, municipalities, taxing authorities, insurance companies, third-party inspectors, lenders, other vendors, and by using automated software such as underwriting software, as needed, to collect information to perform a complete eligibility verification of the applications.
- 4.4.5. Work in coordination with PRDOH to maintain records and communications for detection and prevention of fraud, waste, and abuse (**FWA**) of federal funds. FWA items must be addressed in accordance with established PRDOH policies.
- 4.4.6. Review documents and information provided by the Applicant to determine Program eligibility or ineligibility, in accordance with Re-Grow Program policies and procedures, as may be amended from time to time.

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- 4.4.7. Send eligibility, ineligibility, missing documents letters, and any other required Program notifications. Notifications may be sent via email or postal mail, in accordance with any applicable regulations and Applicant communication preferences.
- 4.4.8. Advise Applicants who are deemed ineligible and inform them of the applicable appeals process.
- 4.4.9. Provide eligibility decision justification to appeals team, when necessary.
- 4.4.10. Review all open application, eligibility determination, and/or Applicant issues.
- 4.4.11. Document communications with Applicants regarding the status of their applications and subsequent related processes.
- 4.4.12. Any other task necessary to complete timely eligibility review of applications.

#### **4.5. Environmental Review**

- 4.5.1. Obtain all information required to determine the level of environmental review to be conducted. Review and submit to PRDOH all required forms for environmental reviews and provide all required documentation to support the environmental findings for exempt activities, activities requiring a Categorical Exclusion (**CE**) not Subject to 24 C.F.R. § 58.5, a Categorical Exclusion Subject to § 58.5, or Environmental Assessments.
- 4.5.2. Compile and submit to PRDOH all required forms for environmental reviews and provide all required documentation to support the environmental findings for exempt activities, activities requiring a CE not Subject to 24 C.F.R. § 58.5, a CE Subject to 24 C.F.R. § 58.5, and Environmental Assessments.
- 4.5.3. Consult and coordinate with necessary local, Government, or federal agencies to facilitate required environmental clearance, when applicable.
- 4.5.4. Coordinate for the preparation of responses to comments received from public or private entities during comment phases of the environmental review, when applicable.
- 4.5.5. Coordinate with Applicants and PRDOH to ensure the appropriate level of environmental review is performed and no un-authorized work is conducted prior to issuance of the Authorization to Utilize Grant Funds (**AUGF**), when applicable.
- 4.5.6. Submit of a copy of the environmental review in the PRDOH system of record.

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- 4.5.7. Perform all necessary site visits to the project location during the development of the environmental review and include findings from the site visit as part of the environmental review record.
- 4.5.8. Prepare and submit publications for all public notices including, but not limited to, Finding of No Significant Impact (**FONSI**), Request for Release of Funds (**RROF**), and early and final notices for compliance with E.O. 11990 and E.O. 11988, as required.
- 4.5.9. Provide documentation of clearance for parties known to be interested as required by 24 C.F.R. § 58.43.
- 4.5.10. Complete environmental re-evaluations per 24 C.F.R. § 58.47, as required.
- 4.5.11. Any other task necessary to complete the environmental review process.

#### **4.6. Underwriting and Financial Review**

- 4.6.1. Gather documents and data – Assist Applicants in providing, and obtaining all documentation required to perform underwriting for Re-Grow grants, inclusive of, but not limited to, information regarding previous benefits received from public and private sources, financial statements, credit reports, external funding commitments, and tax returns. Assistance may include, but is not limited to, providing technical assistance or guidance to Applicants, or contacting third party entities on the Applicant's behalf to obtain information.
- 4.6.2. Perform grant underwriting based on PRDOH established underwriting criteria, and in conformance with the requirements of 24 C.F.R. part § 570, Appendix A for economic development activities, inclusive of:
  - 4.6.2.1 Reasonableness of project costs
  - 4.6.2.2 Verifying that all project funding sources are accurate and committed
  - 4.6.2.3 That to the extent practicable, CDBG-DR funds are not substituted for non-Federal financial support
  - 4.6.2.4 That the project is financially feasible
  - 4.6.2.5 That to the extent practicable, the return on the owner's equity investment will not be unreasonably high
  - 4.6.2.6 That to the extent practicable, CDBG funds are disbursed on a pro rata basis with other finances provided to the project
- 4.6.3 Determine Applicant award amounts based on Re-Grow policies and procedures, to and with consideration for preventing duplication of benefits.
- 4.6.4 Use third-party datasets, as provided by PRDOH, to research previous benefits received by Program Applicants and account for previous

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benefits received that are duplicative and non-duplicative of funding provided by the Re-Grow Program.

- 4.6.5 Send award notification, underwriting requests for information, underwriting fail notifications and any other required Program notifications. Notifications may be sent via email or postal mail, in accordance with any applicable regulations and Applicant communication preferences.
- 4.6.6 Any other function necessary to support and complete underwriting review of applications.

#### 4.7. Award Coordination

- 4.7.1 Inform the Applicant about the award in writing and provide him with guidance as to the next steps to be taken by the Program.
- 4.7.2 Schedule and conduct award coordination meeting to ensure that the Applicant is informed about the process, the eligible items for purchase with award funding and the conditions of accepting a Re-Grow award prior to signature of the grant agreement. This information may be shared in-person, via telephone, or using virtual meeting platforms.
- 4.7.3 Coordinate signature of grant agreement and collect any other documents or information required prior to disbursement of award, which may include bank account information, quotes, or estimates for planned expenditures, etc.
- 4.7.4 Obtain and upload to the PRDOH system of record all required documents, signed and/or notarized when necessary.
- 4.7.5 Submit timely requests for disbursement of Applicant awards from PRDOH, using templates provided by PRDOH.
- 4.7.6 Disburse grant funding in any other agreed upon mechanism to Applicants within **seven (7) business days** of receipt of funding from PRDOH.
- 4.7.7 Any other task required to support timely award and disbursement of awarded grant funding.

#### 4.8. Agreement Management

- 4.8.1 Work with awarded Applicants to gather documents and data demonstrating expenditure of awarded funding in accordance with the terms of the agreement.
- 4.8.2 Work with award Applicants to gather documents and data to support achievement of a HUD National Objective, including but not limited to information on number of LMI jobs created or retained, LMI service area,

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documented evidence of meeting an urgent need, or elimination of slum and blight.

- 4.8.3 Monitor awarded Applicant for continued compliance with ongoing terms or responsibilities through the expiration date of the Applicants' grant agreement.
- 4.8.4 In the event of an Applicant default on terms of the grant agreement, coordinate corrective actions, including recapture of Program funding, as may be required.
- 4.8.5 Designate subrecipients via a non-biased selection method (application or other selection method) to provide necessary programmatic services.
- 4.8.6 Assess Capacity of subrecipients including but not limited to: grant management history, staffing, program activity experience, financial and tracking systems etc.
- 4.8.7 Hold selected subrecipients to all applicable administrative, financial and cross cutting federal rules and requirements through monitoring and oversight activities.
- 4.8.8 Execute agreements with subrecipients including but not limited to: statement of work/scope of services, period of performance, records to be maintained, reports to be submitted, administrative/financial/cross-cutting requirements, provision on suspension/termination, and reversion of assets or enforcement etc.
- 4.8.9 Perform subrecipient oversight and monitoring including but not limited to: staff oversight responsibilities, policies procedures and tools, nonperformance issue resolution etc.
- 4.8.10 Provide selected subrecipients with training and/or technical assistance including but not limited to: knowledge of program requirements and cross-cutting federal requirements, size and complexity of the program, financial management indicators, management factors, citizen complaints.
- 4.8.11 PRDOH may provide additional resources or contracted professional services to assist the Subrecipient with the execution of any of the tasks, goals, or activities related to the Program. Such contracted services may entail tasks related to case management; collection of documentation; application intake; application submission; eligibility review; guidance related to SBF Program and CDBG-DR Program requirements; duplication of benefit analysis; coordination of complaint resolution procedures,

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underwriting, award and closeout process requirements, among other tasks. This list of tasks is not intended to be exhaustive.

4.8.12 Subrecipient may carry out its obligations under the Agreement, via self-performed services, or via contracted professional services, either procured by the Subrecipient or by the PRDOH. The Subrecipient shall describe the tasks, goals, or activities expected to be carried out by the contractors on its behalf. In the event of underperformance or noncompliance attributed to the contractors, the Subrecipient shall resume the performance of its tasks, goals, activities, and obligations. If underperformance or noncompliance is attributed to PRDOH's procured professional services, the Subrecipient shall notify the PRDOH of such event. Corrective action or even termination of the contracted professional services may proceed. Procurement of professional service contractors and performance goals required from these contractors must be submitted to PRDOH and must be compliant with the rest of this Agreement.

4.8.13 PRDOH and the Subrecipient will share responsibility for the management of the resources and contracted professional services procured by the PRDOH to assist the Subrecipient with the execution of any of the tasks, goals, or activities related to the Program.

4.8.14 Subrecipient is responsible for attaining the final goals of the entire Re-Grow Program. The Subrecipient is responsible for maintaining these program goals and for covering any shortfalls from the performance of all resources and contractors.

4.8.15 The PRDOH and the Subrecipient will share responsibility for the management of the resources and contracted professional services procured by the PRDOH to assist the Subrecipient with the execution of any of the tasks, goals, or activities related to the Program.

#### **4.9. Application Closeout**

4.9.1 Ensure that all Program funding has been expended as stipulated in terms of grant agreement and suppliers have completed all tasks required by the award to the Applicant.

4.9.2 Establish schedule for reviewing performance, milestones and performance indicators, track financial progress, and track programmatic performance through reporting tools.

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- 4.9.3 Ensure that all payments for tasks performed as related to the Applicants and their awards have been performed by the PRDA and all applicable PRDOH quality control reviews have been completed.
- 4.9.4 Ensure that all supporting documentation, information, and log of Applicant communications is included in the application file.
- 4.9.5 Ensure that all environmental activities were performed, and all environmental permits are closed out.
- 4.9.6 Ensure that the Applicant was able to obtain flood insurance, if applicable, after Program funded activities are completed.
- 4.9.7 Ensure compliance with 2 C.F.R. part 200 Subpart F, 24 C.F.R. § 570.509, Closeout Notices, and PRDOH CDBG-DR Closeout Process, as may be applicable to the application.
- 4.9.8 Any other task necessary to ensure proper closeout of the Re-Grow Application.

#### **4.10. Compliance with Cross-Cutting Requirements**

- 4.10.1 Uniform Relocation Act – Ensure all Program activities comply with the URA, as outlined in its implementing regulation at 49 C.F.R. Part 24, and in accordance with the PRDOH URA and Residential Anti-Displacement Policy Guide.
- 4.10.2 Ensure Re-Grow Program Activities are carried out in a manner that is compliant with applicable cross-cutting requirements as outlined in the PRDOH cross-cutting policy guide, as may be amended from time to time.

#### **4.11. Project Management**

- 4.11.1 Establish, communicate, prioritize, and enforce production and performance goals in alignment with Program priorities and objectives as outline in **Exhibit B**. Lead coordination and control over execution of all Program activities.
- 4.11.2 Monitor and control team performance (including all staff and vendors under the PRDA's direct and indirect supervision) in accordance with established performance goals, regulatory compliance, and quality standards and recommend corrective action and/or performance plan for underperforming team members, subcontractors, vendors, or other staff.
- 4.11.3 Act as point of contact between the PRDOH or its representative, Applicants, and elected officials for all Re-Grow issues. Lead, coordinate,

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and facilitate all necessary high profile, Program-wide public presentations and meetings, Applicant meetings and government or non-government stakeholders' meetings.

- 4.11.4 Create, maintain, and control project plan which includes clear critical path, task dependencies, identified slack, resource allocation (including human and other resources), and activity status.
- 4.11.5 Deliver staff listed in **Exhibit C** promptly to support Program demands, which may increase and decrease or change throughout the Program life cycle. Ensure sufficient staff at all times to support timely and efficient Program operations.
- 4.11.6 Establish, communicate, and enforce standard, efficient, and streamlined processes and strategies to support delivery of Program goals, risk management, quality assurance, stakeholder management, and change management; engage in total quality management practices to regularly evaluate effectiveness of established processes and implement change when needed. Processes may be subject to PRDOH review and approval.
- 4.11.7 Lead and review all program monitoring activities to prepare and present reports, data, documents, or other information as required by the PRDOH, HUD, the US Office of Inspector General (**OIG**), or other oversight entities.
- 4.11.8 Engrain transparent, regular reporting to ensure stakeholders of all levels and importance remain informed and empowered to make decisions and report on issues such as, but not limited to: risk, Program progress, milestones achieved, performance issues, Program successes, compliance concerns, and Program demographics.
- 4.11.9 Maintain a complete understanding of all applicable Program policies, requirements, procedures, guidelines; and shall possess knowledge of regulatory and statutory compliance requirements for CDBG-DR and similar programs/projects. Ensure all Program participants, including Applicants, vendors, and stakeholders are aware of all policy changes.
- 4.11.10 Identify and promote any other function in support of the successful achievement of Program's objectives.

#### 4.12. Document Control and Management

- 4.12.1 Store, archive, and retrieve physical documents and electronic images of all paper documents, Applicant-related emails, correspondence, training material, policies and procedures, and other documents or materials as may be required.

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- 4.12.2 Establish and maintain protocols for physical file management, as applicable, to include, among other things, access to a file, tracking of location and possession of a file, and return of a file.
- 4.12.3 Ensure all project information and documentation is available at all times in the system of record.
- 4.12.4 Any systems, tools, or technology provided must meet Personal Identifiable Information (**PII**) requirements as outlined in the Privacy Act of 1974, 5 U.S.C. § 552a (**Privacy Act**), 24 C.F.R. Part 5, and PRDOH policy for protection of PII.
- 4.12.5 Provide sufficient, appropriate document control and management to meet the financial and documentation requirements for CDBG-DR grants. At a minimum, the following records are required:
  - 4.12.5.1 Records providing full description of each activity;
  - 4.12.5.2 Records verifying that activity meets national and grant objectives;
  - 4.12.5.3 Records related to demonstrating eligibility of activities;
  - 4.12.5.4 Records required to document activity related to real property;
  - 4.12.5.5 Records documenting compliance with cross-cutting requirements, as applicable;
  - 4.12.5.6 Financial records and reports required by the Program; and
  - 4.12.5.7 Records supporting any specific requirements of the Re-Grow Programs or the CDBG-DR allocations.
- 4.12.6 Any other task necessary for the proper document control management.

#### **4.13. Systems Development and Maintenance**

- 4.13.1 Provide Applicant status and documentation tracking capabilities within grant management system.
- 4.13.2 Ensure digital application captures sufficient information to satisfy all requirements outlined in Program Guidelines.
- 4.13.3 Provide information storage and tracking capabilities for agreed applicable HUD requirements.
- 4.13.4 Ensure all Program Applicant correspondences are automated through the system for efficient status communications with Applicants through all stages of application received through closeout.
- 4.13.5 Provide functionality for storing information and statuses of all Program Applicants and their progress through the Program.
- 4.13.6 Ensure sufficient system security protocols remain in place and maintained for all Program information, including necessary SSL

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certificates and encryption methods for all data transmitted within the system.

- 4.13.7 Develop data mapping capabilities that enable PRDOH access and retrieve all vital Program information needed to monitor grants and Program progress. Support PRDOH in retrieval and understanding of all programmatic data. Vital Program information reports will be generated on a weekly basis.
- 4.13.8 Establish a data back-up and redundancy plan for all data transmitted through the system.
- 4.13.9 Train all systems users sufficiently to utilize Program systems for efficient implementation and documentation tracking within systems.
- 4.13.10 Collaborate with PRDOH for periodic systems assessments and improvements as needed.
- 4.13.11 Ensure reporting capabilities for performance metrics to measure Program progress are in place.

#### 4.14. Accounting and Reporting

- 4.14.1 Provide status reports on a regular basis to keep the PRDOH informed of progress.
- 4.14.2 As requested, meet with the PRDOH to discuss the status of the project, Applicant concerns, and any other issues that may have arisen during the administration of the assigned Re-Grow Program.
- 4.14.3 Provide the PRDOH with project progress reports on demand, as well as access to the project management system for PRDOH to monitor the project.
- 4.14.4 Report on information that includes project activity deemed critical by the PRDOH.
- 4.14.5 Compile and review information necessary to prepare reports required under HUD regulations.
- 4.14.6 Account for and reconcile, (a) all federal funds requested and drawn from HUD and awarded to grant recipients, (b) all funds returned by Applicants, (c) all funds deposited by Applicants to reduce duplicative benefits potential award gap, and (d) all other funds returned by Applicants.
- 4.14.7 Reconcile with the PRDOH, on an established periodic basis, a complete inventory of assets with an acquisition price of five hundred dollars (\$500) or more and a useful life of **one (1) year** or longer, furnished by the PRDOH or funded by the CDBG-DR grant, including items such as: equipment,

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furniture, computers, phones, laptops, network printers, network equipment, etc., if applicable.

- 4.14.8 Review and submit recommendations for approval of CDBG-DR funding requests if needed.
- 4.14.9 Review requests for payment from Applicants for CDBG-DR awards. This will include review of all reimbursement of eligible costs as well as cost feasibility.
- 4.14.10 Any other task necessary to ensure proper accounting and reporting as related to the Program.

#### **4.15. Program-Based Reconsideration Requests and Complaints Resolution**

- 4.15.1 Coordinate resolution of complaints or Program-based reconsideration requests as related to Re-Grow Program, in accordance with PRDOH complaints management policies, where applicable. Program-based reconsiderations requests must be received in writing to be considered.
- 4.15.2 Perform interviews, surveys, or investigation needed to determine validity and resolution or determination of submitted Program-based reconsideration requests or complaints, in accordance with applicable PRDOH policies.
- 4.15.3 Provide prompt report to PRDOH of complaints received and identified resolution or mitigating action, in accordance with applicable PRDOH policies. Collaborate with PRDOH Legal Division as needed to resolve complaints.
- 4.15.4 Prepare documentation requested by PRDOH as it may apply. Comply with any requests from the PRDOH as related to reconsiderations, administrative review requests, or complaints.
- 4.15.5 Inform Applicants in writing of determination made regarding Program-based reconsideration requests. Respond in writing to all complaints received in writing.
- 4.15.6 Maintain record of all Program-based reconsideration requests and complaints and provide report on the same as requested by PRDOH.
- 4.15.7 Any other tasks necessary to support the prompt and adequate resolution of complaints and adjudication of Program-based reconsideration requests and administrative review requests, in accordance with applicable PRDOH policies.

#### **4.16. Technical Assistance to Applicants and Program Participants**

- 4.16.1 Provide subject matter technical assistance (agricultural related matters) to Program Applicants, including those referred by the CDBG-DR Call

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Center, the program administrating subrecipient intake Specialists or Municipalities Offices and related to the Re-Grow Program.

- 4.16.2 Provide subject matter technical assistance (agricultural related matters) to facilitate successful timely completion of eligibility review, underwriting, award coordination, and other Program milestones.
- 4.16.3 Assist as needed in educating and guiding the Applicants through the application process.
- 4.16.4 Assist the Applicants in the evaluation of their options.
- 4.16.5 Provide Agronomist support as requested to assist in the analyses of viability of applicant agricultural operations.
- 4.16.6 Conduct agronomist site visits and reports to Applicant's projects to support the program and/or PRDOH underwriting procedures and analyses.
- 4.16.7 Provide access and support to the program and/or PRDOH on awarded incentives and benefits information or database to conduct Duplication of Benefits analysis.
- 4.16.8 Provide and/or develop farmer support Technical Assistance services and/ or programing in collaboration with the program and/or PRDOH to program participants.
- 4.16.9 Provide or develop programming related to agricultural skill building activities and/or workshops and educational offerings in collaboration with the program and/or PRDOH to the broader agricultural
- 4.16.10 Provide agricultural skill building educational activities as needed through existing or expanded programmatic offerings. Expand on existing resources and/or programming that can benefit program participants and build capacity in the agricultural sector while coordinating all technical assistance efforts with the program and/or PRDOH to avoid duplicative assistance and offerings.
- 4.16.11 Create and collaborate with the program and/or PRDOH to offer farmer support services that build capacity across the industry. Provide programmatic offerings as needed that support identified farmer needs and service gaps currently existing in the agricultural economic sector.
- 4.16.12 Provision of agricultural skill building educational activities through existing or expanded programmatic offerings.
- 4.16.13 Provide programmatic offerings that support identified farmer needs and service gaps currently existing in the agricultural economic sector.
- 4.16.14 Create or collaborate to offer farmer support services that build capacity across the industry.

 5. Time Performance

The Program shall be completed in a **twenty-four (24) month** period, as per the Term stated in the Agreement.

**6. Budget**

The PRDA's budget for the delivery of Program activities is nine million dollars (\$9,000,000).

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## EXHIBIT B

### TIMELINES AND PERFORMANCE GOALS

### RE-GROW PUERTO RICO - URBAN RURAL AGRICULTURE PROGRAM

#### PUERTO RICO DEPARTMENT OF AGRICULTURE

##### 1. PROGRAM OBJECTIVE:

The Re-Grow PR Urban Rural Agriculture Program (**Re-Grow Program** or **Program**) serves to build capacity throughout the agricultural sector as a response to the devastation that Hurricanes Irma and María inflicted on Puerto Rico's agriculture economy and will reduce vulnerability to future events by revitalizing an important sector of Puerto Rico's economy. The goal of the Program is to increase food security on the Island and enhance and expand local agricultural production.

The Program focuses on the disbursement of grants to small and medium size agricultural businesses and non-governmental organizations engaged in sustainable agricultural activities that contribute to strengthening the agricultural economy since the Hurricanes. The Program also focuses on the successful implementation of sector wide agricultural Technical Assistance (TA) to Program's participants.

Timelines and Performance Goals for the Re-Grow Program are outlined below, and the Puerto Rico Department of Agriculture (**PRDA**) required Program Management services tasks outlined in **Exhibit A** (Scope of Work).

The tasks and timelines and performance goals contained herein with a description of start and end period shall be completed in accordance with identified performance and timing of goals described for each application, which requires completion of the task.

Applicant cooperation is needed for several application-specific tasks. If the task cannot be completed due to non-responsiveness, non-cooperation, withdrawal, or other Applicant-initiated or Applicant-created barriers, the barrier shall be adequately documented in the Program system of record to demonstrate why completion of the task was not possible or not possible within established timeframes.

In accordance with Program Guidelines and this contract, PRDOH will perform monitoring and oversight functions of PRDA's performance in carrying out the tasks contained in this **Exhibit B**, as necessary.

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## 2. TERMS:

- **Key Objective** – The major objectives the Program wants to achieve
- **Key Activity** – The activities necessary to carry out the Objective.
- **Indicator** – The quantitative method used to demonstrate that the Key Activities have been performed.
- **Source of Verification** – The documentation used to verify that the Indicators have been met, and thus the activities are complete.
- **Target** – The goal for each of the Indicators.
- **Timeline**- The expected completion date or timeframe. The Subrecipient shall perform these tasks in the order, matter and form established by PRDOH as authorized by PRDOH.

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### 3. TIMELINES & PERFORMANCE GOALS

Objective 1

KEY Objective #1	KEY ACTIVITY	INDICATOR	SOURCE OF VERIFICATION	TARGET	TIMELINE
To Provide REGROW Grants to Eligible Applicants through the program.	1.1 Grant Disbursement	# of grants disbursed	- Signed Grant Agreements -Grant Disbursements	- 300 grants disbursed per quarter, number of eligible applications permitting.	- Q4 2021- Q4 2022
	1.2 Eligibility Review	% of applications submitted to underwriting review.	- Applications reviewed within the system	- 774 applications submitted to underwriting review per quarter, number of available applications permitting.	- Q4 2021- Q4 2022
	1.3 Expenditure Review & Program Closeout	% of awards monitored  # of annual report expenditures documented	-Monthly reports -Reporting dashboards. -Subrecipient IT systems. -Number of applications processed -Number of grant agreements signed. -Number of funds disbursed	- 100% awards are monitored  - 3 reports of program closeout per quarter.	Until the end of agreement.
	1.4 Provision of agricultural Technical Assistance to beneficiaries	- % of beneficiaries assisted through TA sessions requested of Subrecipient	Final Technical Assistance materials produced  Participant's list	90% of Technical Assistance Sessions requested are supported  100% of materials and records submitted	- Q4 2021- Q4 2022

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	1.5 Provision of technical support to PRDOH & subrecipient as needed	% of PRDOH Technical Assistance Requests are supported	Email log of technical support requested by PRDOH	95% of PRDOH Technical Assistance Requests are supported  All requests answered within 5 business days.	- Q4 2021- Q4 2022
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KEY ACTIVITY 1.1: GRANT DISBURSEMENT

The Re-Grow Program will award grants up to one hundred fifty thousand dollars (\$150,000) to eligible businesses and has been allocated ninety-two million five hundred thousand dollars (\$92,500,000). In order to disburse a significant amount of the funds allocated to the program, a high rate of disbursement must be maintained. To maintain this desired rate, the Re-Grow Program will provide support and resources where contractors will provide the Subrecipient with a case pipeline to work with. Applications received by the Program must be assessed diligently and within a reasonable amount of time. At the same time the Program must also attend all applications with equal importance and give good customer service to all applicants. The Subrecipient is tasked with maintaining said rate and accomplishing the goal of disbursing grant awards.

- Goal of disbursing **300 grants** per quarter, number of eligible applications permitting. A disbursed grant is defined as an applicant who has received their approved grant award and the funds are in their possession, ready for use. This goal reflects PRDOH's objectives for the Re-Grow Program. The Subrecipient will have a grace period to allow for the completion of its onboarding and training process. The Subrecipient will start meeting said goals beginning in January 2022 and will first be evaluated on January 31<sup>st</sup>, 2022.
- Program Goals are based on the current needs of the Re-Grow Program. PRDOH reserves the right to change these goals as the need arises. PRDOH will notify the Subrecipient, at the program level, in writing **30 days** prior to the new goals taking effect. The effects of these changes on the rest of this Agreement will be discussed during this **30-day period**.

KEY ACTIVITY 1.2: ELIGIBILITY REVIEW

Underwriting and financial review is the process by which the Re-Grow Program determines that the eligible entity and project comply with Program Underwriting Criteria. It is during the underwriting and financial review task that duplication of benefits review is completed, and duplicative and non-duplicative assistance previously received by the Applicant is quantified. The underwriting and financial review task begins when an Applicant is notified in writing that they are eligible for the Re-Grow Program and ends when the underwriting review is complete.

To maintain the aforementioned high rate of disbursement the program needs to maintain a corresponding high rate of applications completing all other parts of the Re-Grow Program process. The Underwriting process is of particular importance and therefore must be tracked.

- A total of **774 cases** shall be **submitted for underwriting review each quarter**, number of available applications permitting.
- Program Goals are based on the current needs of the Re-Grow Program. PRDOH reserves the right to change these goals as the need arises. PRDOH will notify the Subrecipient, at the program level, in writing **30 days** prior to the new goals taking effect. The effects of these changes on the rest of this agreement will be discussed during this **30-day period**.

#### KEY ACTIVITY 1.3: EXPENDITURE REVIEW & PROGRAM CLOSEOUT

The Subrecipient must ensure that awarded Applicants comply with the specific terms and conditions of the grant agreement for the Re-Grow Program grant award. The agreement management task begins at the point when an Applicant has an executed grant agreement and ends when the agreement is closed, and all terms and conditions contained therein are met.

The application closeout encompasses the final quality control review and collection of any outstanding documents and/or information required to ensure application file is complete prior to marking the case as closed. The application closeout task begins after all funds have been expended, expenditures have been documented as compliant and a HUD national objective has been recorded. The application closeout process ends when the application file is marked closed, and the Applicant is notified in writing that their Re-Grow Program application has been closed.

- All awards (**100%**) must be monitored.
- Subrecipient must submit **3 reports** of program closeout per quarter.



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- Perform initial review of expenditure of grant funds within **ten (10) business days** of the date stipulated in the agreement by which the Applicant must demonstrate compliant expenditure.<sup>1</sup>
- Monitor compliance with achieving the HUD National Objective on an annual basis, beginning at **one (1) year** from the collection of proof of meeting National Objective.
- Notify PRDOH within **five (5) business days** of determining that an Applicant must repay all or a portion of the Re-Grow Program grant.
- Complete closeout of applications within **twenty (20) business days** of documented compliant expenditure and achievement of a HUD National Objective.

KEY ACTIVITY 1.4: PROVISION OF AGRICULTURAL TECHNICAL ASSISTANCE TO BENEFICIARIES

The Subrecipient must verify that awarded Applicants possesses experience, competency, knowledge, and ability to successfully run the agricultural undertaking presented or proposed by the applicant. The Subrecipient must develop training curriculums and materials to for frequently needed TA. Applicants to the Re-Grow program can present Business Plans for proposed agricultural activities. PRDA, as an expert in these activities, must revise these plans and decide if these activities are feasible, and if any deficiencies in applicant knowledge and/or skills can be remedied by TA provided by the Subrecipient.

All curriculum materials developed by the Subrecipient must be submitted to PRDOH for review and approval. The Subrecipient must maintain a log all TA provided including applicant assistance to sessions provided, and a summary of any assistance provided not contained in a curriculum or provided on an Ad Hoc or case-by-case basis. PRDOH and/or the Program Subrecipient will refer these cases to PRDA.

- **90%** of Technical Sessions requested during the quarter must be supported.
- **100%** of all materials and records submitted to PRDOH per quarter.

KEY ACTIVITY 1.5: PROVISION OF TECHNICAL SUPPORT TO PRDOH & SUBRECIPIENT AS NEEDED

The Subrecipient, as the entity with expertise in agriculture, must ensure that PRDOH and all Program Subrecipients are able to fully and properly evaluate, analyze, and underwrite all applications presented to the Program. This being the case

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<sup>1</sup>Initial review of expenditure shall be considered complete when: (1) Expenditures are deemed compliant and properly documented in Program system of record; (2) Expenditures are deemed non-compliant, and recapture of funds has been initiated; or (3) the Applicant is notified in writing that documents and/or information required to document expenditure are missing and must be submitted.



PRDOH and Program Subrecipients may require TA to properly evaluate Program applications. When PRDOH or a Subrecipient requires this TA they will request assistance from PRDOH to lend their expertise for the evaluation of said applications.

The Re-Grow Program requires that a high rate of production be maintained. For this reason, the Subrecipient must respond to all request for TA withing a reasonable time period.

- **95%** of PRDOH or Subrecipient Technical Assistance Requests for the quarter are supported
- **100%** of requests are answered within **5 business days**.

**END OF DOCUMENT**



## EXHIBIT C

### KEY PERSONNEL

#### RE-GROW PUERTO RICO - URBAN RURAL AGRICULTURE PROGRAM

#### PUERTO RICO DEPARTMENT OF AGRICULTURE (PRDA)

Below is the Staffing Plan for the CDBG-DR **Re-Grow Puerto Rico - Urban-Rural Agricultural Program (Re-Grow Program or Program)** which reflects a combination of existing employees and new hired employees dedicated to the Program.

##### I. Key Personnel/Estimated Costs

Roles *	Qt y.	Hours per Month	Hourly Rate (Including benefits)	Estimated Cost per Month****
Supervision and Compliance	1	162.00	\$51.19	\$8,293
Administrative Support - Compliance	1	162.00	\$18.04	\$2,923
Administrative Support - Compliance	1	162.00	\$18.68	\$3,027
Administrative Support - Compliance	1	162.00	\$39.37	\$6,378
Program Manager	1	162.00	\$45.28	\$7,336
Administrative Support - Finance	1	162.00	\$37.29	\$6,041
Administrative Support - Finance	1	162.00	\$34.34	\$5,564
Administrative Support - Finance	1	162.00	\$10.32	\$1,672
Administrative Support - Compliance	1	162.00	\$30.50	\$4,941
Administrative Support - Compliance	1	162.00	\$15.20	\$2,463
Administrative Support - Compliance	1	162.00	\$18.62	\$3,017
Administrative Support - Information Systems	1	162.00	\$32.47	\$5,261
Administrative Support - Compliance	1	162.00	\$44.29	\$7,175
Administrative Support - Human Resources	1	162.00	\$13.05	\$2,115
Administrative Support - Human Resources	1	162.00	\$13.05	\$2,115
Administrative Support - Compliance	1	162.00	\$26.02	\$4,216
Administrative Support - Compliance	1	162.00	\$21.28	\$3,448
Administrative Support - Human Resources	1	162.00	\$15.54	\$2,518
Administrative Support - Communications	1	162.00	\$32.25	\$5,225
Program Officer	1	162.00	\$37.07	\$6,006
Program Officer	1	162.00	\$37.07	\$6,006
Program Officer	1	162.00	\$37.07	\$6,006

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Program Officer	1	162.00	\$37.07	\$6,006
Program Officer	1	162.00	\$37.07	\$6,006
Program Officer	1	162.00	\$37.07	\$6,006
Program Officer	1	162.00	\$37.07	\$6,006
Program Officer	1	162.00	\$37.07	\$6,006
Program Officer	1	162.00	\$26.02	\$4,216
Administrative Support - Legal & Compliance	1	162.00	\$39.71	\$6,434
Program Officer	1	162.00	\$11.59	\$1,878
Program Officer	1	162.00	\$21.12	\$3,422
Program Officer	1	162.00	\$10.50	\$1,701
Program Officer	1	162.00	\$13.96	\$2,262
Program Officer	1	162.00	\$13.57	\$2,199
Program Officer	1	162.00	\$12.73	\$2,063
Program Officer	1	162.00	\$15.01	\$2,432
Program Officer	1	162.00	\$20.54	\$3,328
Program Officer	1	162.00	\$22.79	\$3,692
Program Officer	1	162.00	\$17.80	\$2,884
Supervision and Compliance	1	162.00	\$50.24	\$8,139
Supervision and Compliance	1	162.00	\$35.59	\$5,766
Administrative Support - Legal & Compliance	1	162.00	\$38.20	\$6,189
Administrative Support - Finance	1	162.00	\$35.63	\$5,773
Administrative Support - Finance	1	162.00	\$16.71	\$2,708
Administrative Support - Finance	1	162.00	\$29.23	\$4,736
Administrative Support - Finance	1	162.00	\$18.43	\$2,986
Administrative Support - Finance	1	162.00	\$26.41	\$4,279
Administrative Support - Communications	1	162.00	\$29.90	\$4,844
Administrative Support - Communications	1	162.00	\$18.12	\$2,936
Administrative Support - Communications	1	162.00	\$28.38	\$4,598
Program Officer	1	162.00	\$45.66	\$7,397
Program Officer	1	162.00	\$26.71	\$4,328
Program Officer	1	162.00	\$22.13	\$3,586
Program Officer	1	162.00	\$21.92	\$3,552
<b>Grand Total</b>	<b>54</b>	<b>8,748.00</b>		<b>\$240,104</b>

*\*Note: As the Subrecipient builds and strengthens its internal capacity, PRDOH may authorize the Subrecipient to exercise tasks as defined in the Exhibit A to support the Program's goals without the need of executing an amendment to the Agreement and/or its Exhibits.*

*\*\* There are roles that appear more than once because of different hourly wages for different levels of experience or expertise within those same positions at PRDA. Also, personnel assigned will be allowed to undertake more than one role, as long as segregation of duties is maintained. PRDA may assign and invoice these Roles to personnel from entities that are components of the PRDA, as established in PRDA's enabling statute Reorganization Plan No. 4 of July 26, 2010.*

*\*\*\* Hours are rounded to the nearest quarter hour and are based on a 7.5-hour day. See Exhibit D (Budget) for further detail on Staffing.*

*\*\*\*\* Salaries as well as Estimated Cost per Month are estimated sums, should not be interpreted as a maximum cap.*

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**II. Roles Description:**

<b>Role</b>	<b>Description (or Task) *****</b>
<b>Program Manager</b>	Provides executive leadership and oversight of externally funded projects ensuring they meet programmatic, as well as compliance requirements. Manage, coordinate, and monitor all CDBG-DR Program activities for Re-Grow Program.
<b>Program Officer</b>	<p>A Program Officer, may perform the following duties:</p> <p>Intake/Eligibility - Responsible for reviewing case files and determining if there are any missing documents. Ensure case files are complete and fully documented. Evaluating case documentation and making an eligibility determination.</p> <p>Underwriting – Responsible for Underwriting Review of case files. Analyzed case documentation ensuring compliance with all applicable laws and regulations, including, but not limited to DOB, LMI, &amp; cost reasonableness, validates supporting documentation for need and justification for requested benefits, analyzes applicant compliance with all program criteria, and calculates final Award amount.</p> <p>Closing - Supervisor of Grant and Loan Agreement and Settlement Documents, Manage Settlement - Pre, During &amp; Post, Coordinate Funding with PRDOH; Client Servicing, Expenditure and Receipt Review &amp; Compliance.</p>
<b>Supervision and Compliance</b>	Executive management and oversight.
<b>Administrative Support</b>	Performs administrative tasks, including but not limited to oversight, reporting, staffing, payroll, funding, invoicing, finance, procurement, communications, marketing, legal, compliance, human resources, and support to all areas. Responsible for the adherence to the program's policies and procedures.

\*\*\*\*\* All role descriptions or tasks are detailed according to the current needs of the subrecipient and are subject to modification with prior written approval from PRDOH, be it temporary or permanently, based on the needs of the program.

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**END OF DOCUMENT**



## EXHIBIT D – SECTION 1

### BUDGET

#### RE-GROW PUERTO RICO - URBAN RURAL AGRICULTURE PROGRAM

##### DESCRIPTION OF SERVICES

Puerto Rico Department of Agriculture ("PRDA," for its English acronym) staff will complete daily timesheets and work logs for work related to the Management, Application Intake, Underwriting, and Reporting costs in accordance with the Scope of Work (Exhibit A) for the Re-Grow Puerto Rico - Urban-Rural Agricultural Program (Re-Grow Program).

[This Exhibit covers the Nine Million Dollars (\$9,000,000), in funds for the Re-Grow Program that will be administered by the PRDA. The budget for the staffing, services, systems, equipment, supplies, materials, and related expenses for **Re-Grow Program is \$9,000,000** over a **twenty-four (24)-month** production and expenditure period.

Please see **Exhibit D-2** for detailed budget for **the twenty-four (24)-month** Grant period.

This budget does not include any additional funds that can be used for Administration and/or Activity Delivery Costs as derived from new Program Income.

##### 1. PRDA

PRDA employees will carry out the work described in the modified Exhibit A - Scope of Work for the initial funding of the Re-Grow Program, the Recovery Grants. Some PRDA administrative staff will be part time staff who will only spend part of their work week supporting Re-Grow Program work. Some staff will be hired on to support the Re-Grow Program work in a full-time capacity.

PRDA staff shall submit invoices for payment based on the time and materials method.

Staff will complete daily timesheets and work logs for work related to Activity Delivery, Planning, and/or Administration costs. For administrative costs, staff shall list the applicant case number, and track time and materials accordingly.

The staffing herein included could be employees from the Department of Agriculture or any other component within the Department of Agriculture as defined in a Memorandum of Understanding or Subrecipient Agreement.

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## 2. BUDGET OVERVIEW AND DETAIL:

### EXHIBIT D - SECTION 2 - BUDGET

<b>Grant:</b>		<b>CDBG-DR</b>	
<b>Contractor:</b>		<b>Departamento de Agricultura de Puerto Rico</b>	
<b>Program:</b>		<b>Re-grow PR Urban-Rural Agriculture Program</b>	
<b>DRGR Activity Code:</b>		<b>R02E23RUR-DOA-LM / R02E23RUR-DOA-UN</b>	
<b>Cost Type</b>	<b>Chart of Accounts Code</b>	<b>Activity Description</b>	<b>CONTRACT Budget</b>
<b>ADMINISTRATION</b>			\$ -
Costs			
<b>TOTAL COSTS</b>			\$ -
<b>PLANNING</b>			\$ -
Costs			
<b>TOTAL COSTS</b>			\$ -
<b>PROJECT</b>			\$ 9,000,000
<b>Project</b>			
Re-grow PR Grant Funding		Program grants to boost agricultural development.	\$3,037,504
<b>TOTAL COSTS</b>			\$3,037,504
<b>PROJECT ACTIVITY DELIVERY COSTS</b>			
STAFFING		Staffing resources for the execution and implementation of the Program.	\$5,762,496
OTHER OPERATING		Subrecipient indirect costs associated with the delivery and implementation of the CDBG-DR program activity.	\$200,000
<b>TOTAL COSTS</b>			\$ 5,962,496
			<b>9,000,000</b>

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## Budget Detail

### Re-grow PR Urban-Rural Agriculture Program

**Subrecipient Name: Departamento de Agricultura de Puerto Rico**

#### STAFFING

Position	Qty. of Resources [A]	Estimated Hours per month per Resource [B]	Hourly Rate [C]	Estimated Monthly Cost [D=AxBxC]
Supervision and Compliance	1	162	\$51.19	\$8,293.00
Administrative Support - Compliance	1	162	\$18.04	\$2,923.00
Administrative Support - Compliance	1	162	\$18.68	\$3,027.00
Administrative Support - Compliance	1	162	\$39.37	\$6,378.00
Program Manager	1	162	\$45.28	\$7,336.00
Administrative Support - Finance	1	162	\$37.29	\$6,041.00
Administrative Support - Finance	1	162	\$34.34	\$5,564.00
Administrative Support - Finance	1	162	\$10.32	\$1,672.00
Administrative Support - Compliance	1	162	\$30.50	\$4,941.00
Administrative Support - Compliance	1	162	\$15.20	\$2,463.00
Administrative Support - Compliance	1	162	\$18.62	\$3,017.00
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Administrative Support - Compliance	1	162	\$44.29	\$7,175.00
Administrative Support - Human Resources	1	162	\$13.05	\$2,115.00
Administrative Support - Human Resources	1	162	\$13.05	\$2,115.00
Administrative Support - Compliance	1	162	\$26.02	\$4,216.00
Administrative Support - Compliance	1	162	\$21.28	\$3,448.00

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Subrecipient Agreement  
 Between PRDOH and the Puerto Rico Department of Agriculture  
 For the Re-Grow Puerto Rico - Urban Rural Agriculture Program under CDBG-DR  
 Exhibit D: Budget  
 Page 4 / 5

Administrative Support - Human Resources	1	162	\$15.54	\$2,518.00
Administrative Support - Communications	1	162	\$32.25	\$5,225.00
Program Officer	1	162	\$37.07	\$6,006.00
Program Officer	1	162	\$37.07	\$6,006.00
Program Officer	1	162	\$37.07	\$6,006.00
Program Officer	1	162	\$37.07	\$6,006.00
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Program Officer	1	162	\$37.07	\$6,006.00
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Program Officer	1	162	\$11.59	\$1,878.00
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Program Officer	1	162	\$10.50	\$1,701.00
Program Officer	1	162	\$13.96	\$2,262.00
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Administrative Support - Finance	1	162	\$16.71	\$2,708.00
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Administrative Support - Communications	1	162	\$28.38	\$4,598.00
Program Officer	1	162	\$45.66	\$7,397.00
Program Officer	1	162	\$26.71	\$4,328.00
Program Officer	1	162	\$22.13	\$3,586.00
Program Officer	1	162	\$21.92	\$3,552.00
<b>Estimated Maximum Monthly Cost:</b>				<b>\$240,104</b>
<b>Total Cost for 2 Years (24 Months):</b>				<b>\$5,762,496</b>

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**OTHER OPERATING**

Item Name	Item Description	Budget
Indirect Costs	Subrecipient indirect costs associated with the delivery and implementation of the CDBG-DR program activity.	200,000
<b>Total Expenses Budget:</b>		<b>200,000</b>

**Grant Funding**

Item Name	Item Description	Budget
Grant Funding	Program grants to boost agricultural development.	\$3,037,504
<b>Total Expenses Budget:</b>		<b>\$3,037,504</b>

**Budget Re-distribution**

- a) The Subrecipient may request in writing to the PRDOH a re-distribution of the Maximum Authorized Budgets shown above without exceeding the Total Authorized Budget.
- b) The PRDOH will evaluate the re-distribution request to validate purpose and balance of funds, and if determined the re-distribution is in benefit for the Program and the balance of funds is validated, the PRDOH will provide written authorization to the Subrecipient. Until the written authorization is submitted by the PRDOH, the redistribution cannot be considered as authorized.
- c) This re-distribution of funds as described here shall be considered binding and will not require an amendment to this SRA.

**END OF DOCUMENT**

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GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF HOUSING

**EXHIBIT E**

**Contract Code:** 2698  
**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 Department of Agriculture  
**Source of Funds:** 14.228 CDBG Funds  
**For:** Re-Grow Urban-Rural Agriculture Program - Department of Agriculture  
**Amount:** \$9,000,000.00

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

Grant	Area / Project	Activity Code	Category Description	Account	Amount
B-18-DP-72-0001	Economic	r02e23rur-doa-lm	E - Economic Program Subsidy	6090-01-000	\$6,300,000.00
B-18-DP-72-0001	Economic	r02e23rur-doa-un	E - Economic Program Subsidy	6090-01-000	\$2,700,000.00
					<u>\$9,000,000.00</u>

The above distribution of funds is subject to changes and will be allocated in accordance with the executed agreement within the parties

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

Cesar Candelario Signed Date - 11/05/2021  
Electronic Approval  
Budget Manager

MARIA MARIN Signed Date - 11/05/2021  
Electronic Approval  
Finance Director

*Handwritten signature and date: 11/05/21*



## EXHIBIT F

### HUD GENERAL PROVISIONS AND OTHER FEDERAL STATUTES, REGULATIONS, AND PRDOH REQUIREMENTS

## RE-GROW PUERTO RICO - URBAN RURAL AGRICULTURE PROGRAM

### PUERTO RICO DEPARTMENT OF AGRICULTURE

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-federal-labor-standards-provisions/>.

The SUBRECIPIENT shall include these terms and conditions in all subcontracts or purchase orders directly servicing the SRA.

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

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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

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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 (as defined 2 C.F.R. § 200.318(c), 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.

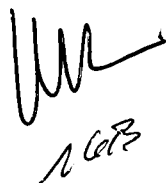
#### 10. ASSIGNABILITY

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. §



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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 (CWHSSA), 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

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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) day** 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.

  
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- 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, 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



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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 the 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.

  
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**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 of Lobbying Activities", 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.

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## 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 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

  
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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.
- 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).
- 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. 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.

### **24. 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).



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## 25. 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.

## 26. 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).

## 27. 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.

## 28. 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 to such employees for the total number of hours

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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.

**29. 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.

**30. 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.

**31. 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 an 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 (1) year** thereafter.

**32. 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.

**33. 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.

#### **34. RELIGIOUS ACTIVITY**

The SUBRECIPIENT 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. 24 C.F.R. 570.200(j); 24 C.F.R. § 5.109 (c).

#### **35. 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. 24 C.F.R. § 570.605.

#### **36. LEAD BASED PAINT**

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

#### **37. 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).

#### **38. 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 CDBG-DR 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 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 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 funds in complying with its obligations under this Agreement, regardless of whether CDBG-DR funds are

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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, Subpart 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 (<https://cdbg-dr.pr.gov/en/resources/policies/>) which are herein included and made integral part of this Agreement, as it may be updated from time to time.

### **39. 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 notices 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" (Wednesday, 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" (Thursday, 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," (Thursday, 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.

### **40. DRUG-FREE WORKPLACE**

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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. §§ 8101-8106.

#### **41. 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 non-compliance with this Agreement. This clause shall survive indefinitely the termination of this Agreement for any reason.

#### **42. 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.

#### **43. 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.

#### **44. 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.

#### **45. FINANCIAL & PROGRAM MANAGEMENT**

The SUBRECIPIENT shall expend and account for all CDBG-DR 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.

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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.

#### 46. DOCUMENTATION AND RECORDKEEPING

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 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 funds;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG-DR 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.

#### 47. 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.

#### 48. 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) year 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.

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

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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. § 200.1, 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-information-confidentiality-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 (States).

#### 50. 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 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 funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG-DR funds, further, any real property under the SUBRECIPIENT's control that was acquired or improved in whole or in part with CDBG-DR funds (including CDBG-DR 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).

#### 51. 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

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constitute a violation of this Agreement and may result in the withholding of future payments and/or termination.

## 52. SINGLE AUDIT

The SUBRECIPIENT must be audited as required by 2 C.F.R. Part 200, Subpart 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)).

## 53. 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.

## 54. 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 funds to ensure future compliance or provide training and technical assistance as needed to correct noncompliance.

## 55. PROCUREMENT AND CONTRACTOR OVERSIGHT

The SUBRECIPIENT shall ensure that every process of procurement of goods and services comply with federal procurement rules and regulations found in 2 C.F.R. § 200.318 through § 200.327, procurement requirements that include, but are not limited to: (a) providing full and open competition; (b) following required steps to ensure the use of small and minority businesses, women's business enterprises, and labor surplus area firms when possible; (c) performing a cost or price analysis; (d) evaluating and documenting contractor's integrity, compliance with public policy, record of past

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performance, and financial and technical resources; (e) ensuring that the contractor has not been suspended or debarred; (f) prohibiting the use of statutorily or administratively imposed state, local, or tribal geographic preferences in evaluating bids or proposal; (g) excluding contractors that may have an unfair competitive advantage, and; (h) maintaining records to detail the history of procurement considerations. PRDOH must obtain and maintain records to document how the procurement performed by the SUBRECIPIENT complied with the aforementioned federal procurement rules and regulations, as amended from time to time.

In regard to the provisions of the Procurement Manual for CDBG-DR Programs, as found in the CDBG-DR Website (<https://cdbg-dr.pr.gov/en/download/procurement-manual-cdbg-dr-program/>) which is herein incorporated by reference and made integral part of this Agreement, as it may be updated from time to time, the SUBRECIPIENT shall comply with the provisions related to: minority, women, small, and Section 3 business participation; low and very low-income persons or firms participation.

The SUBRECIPIENT shall include all applicable PRDOH's conditions (as revised from time to time by the PRDOH in accordance with applicable law, rule or regulation) in any contract entered into under this Agreement. SUBRECIPIENT shall also require all contractors to flow down the PRDOH's Conditions, as well as termination for convenience of the PRDOH, to all subcontractors as well as the requirement to flow down such terms to all lower-tiered subcontractors. These Conditions include required terms for project contracts, HUD General Provisions, Participation by Minority Group Members and Women Requirements and Procedures for Contracts with Housing Trust Fund Corporation, Standard Clauses for Contracts with the PRDOH, and required diversity forms.

The SUBRECIPIENT must comply with CDBG-DR regulations regarding debarred or suspended entities at 24 C.F.R. § 570.609 or 24 C.F.R. § 570.489(l) as appropriate. CDBG-DR funds may not be provided to excluded or disqualified persons.

The SUBRECIPIENT shall maintain oversight of all activities under this Agreement and shall ensure that for any procured contract or Agreement, as applicable, its contractors perform according to the terms and conditions of the procured contracts or Agreements, and the terms and conditions of this Agreement.

#### **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 funds. Thus, the SUBRECIPIENT shall comply with regulations of 24 C.F.R. Part

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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 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 as found in the CDBG-DR website: <https://cdbg-dr.pr.gov/en/download/fair-housing-and-equal-opportunity-fheo-policy-for-cdbg-dr-programs/>.

#### **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.

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 2 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 2 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 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)

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of the Small Business Act, 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 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.

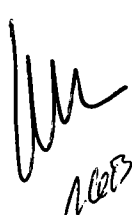
**5) Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement**

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, 40 U.S.C. § 3141 *et seq.*, and 29 C.F.R. Part 1, 3, 5, 6, and 7, provided, that this requirement shall apply to the rehabilitation of residential property only if such property contains not less than eight (8) units.

The SUBRECIPIENT agrees to comply with 18 U.S.C. § 874 and implement 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.



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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 paragraph 55 (Procurement and Contractor Oversight) of this Exhibit.
- d. Notification: The SUBRECIPIENT shall notify and provide a copy of any and all contracts related to this Agreement and CDBG-DR funds to the Contract Administration Area of the PRDOH CDBG-DR Legal Division within **three (3) days** of its execution. Additionally, the SUBRECIPIENT shall provide a copy of any and all subcontracts executed by its Contractors to the Contract Administration Area of the PRDOH CDBG-DR 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.

  
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- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-DR 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 assisted activity, or with respect to the proceeds from the CDBG-DR 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 (her) 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 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.

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As a result thereof, under the terms of the before mentioned 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. 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) 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 Anti-Displacement 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 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 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 funds are not used to fund the purchase, if the contract to acquire property is executed with the intention of seeking CDBG-DR 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.

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## EXHIBIT G

### SPECIAL CONDITIONS

#### NON-FEDERAL MATCH PROGRAM

#### RE-GROW PUERTO RICO – URBAN RURAL AGRICULTURE PROGRAM

#### DEPARTMENT OF AGRICULTURE

**1. Policies and Procedures:**

Within **one hundred and eighty (180) days** after this Agreement is executed, the Subrecipient shall develop, update and implement all policies and procedures in compliance with PRDOH CDBG-DR policies and, state and federal regulations, including but not limited to:

- a. Citizen Complaints procedures in accordance with 24 C.F.R. § 570.431(b)(5) of Citizen Participation.
- b. Financial management (2 C.F.R. Part 200), compliance requirements and internal controls (2 C.F.R. § 200.61 and 2 C.F.R. § 200.303) policies and procedures in compliance with state and federal requirements in applicable regulation.
- c. Procurement policies and procedures in accordance with regulations under 2 C.F.R. § 200.318 through 2 C.F.R. § 200.327.
- d. Monitoring related policies and procedures in compliance with 2 C.F.R. § 200.329 Monitoring and Reporting Program Performance.
- e. Record retention policies and procedures in compliance with record retention and access policies in 2 C.F.R. § 200.334 through § 200.338, and local regulation.
- f. Policies to regulate access and use of systems and protecting Personally Identifiable Information (PII) according to the CDBG-DR PII Policy.
- g. Environmental review as per 24 C.F.R. Part 58.
- h. Grant administration as per 24 C.F.R. §§ 570.501-.502.
- i. Record Retention (2 C.F.R. §§ 200.334-200.338).

**2. Organizational Chart:** Within **sixty (60) days** after this Agreement is executed the Subrecipient shall submit to the PRDOH CDBG-DR Program an updated organizational chart for offices and divisions in the municipality participating in the implementation and management of the CDBG-DR awarded funds, that clearly demonstrate an appropriate segregation of duties in compliance with the Standards for Internal Control in the Federal Government established by the **GAO**, and in compliance with 2 C.F.R. § 200.303. Furthermore, the organizational chart shall also include the position, title and employee's name, clearly establishing the segregation of duties, including the finance division.

**3. Staffing and Training Plan:** Within **sixty (60) days** after this Agreement is executed, the Subrecipient shall develop a staffing and training plan that identifies specific personnel responsible for implementation and compliance of key requirements, including citizen complaints, financial management, internal controls, procurement, monitoring and CDBG-DR specific requirements (e.g., national objective).

**4. Financial Workflow:** Within **sixty (60) days** after this Agreement is executed, the Subrecipient shall provide an internal financial workflow including staff roles and responsibilities.

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**5. Capacity Building, Training and Technical Assistance:** Within **one hundred and eighty (180) days** after this Agreement is executed, the Subrecipient shall participate in capacity building activities directed to the development and implementation of effective internal controls of federal awards to ensure that the municipality is capable of managing federal awards in compliance with federal statutes and regulation, with special emphasis on those established in 2 C.F.R. Part 200 and 24 C.F.R. § 570.501. The Subrecipient shall participate in the following training and capacity building seminars as provided by PRDOH:

- a. Internal controls development and implementation.
- b. Monitoring procedures to ensure the effectiveness of internal controls.
- c. Financial Management.
- d. Grant administration requirements.
- e. Procurement requirements.
- f. CDBG-DR Program invoicing requirements, format and methodology.
- g. Environmental review requirements.
- h. All applicable systems to manage CDBG-DR program data.
- i. Citizen complaints management and reporting.
- j. Protection of Personally Identifiable Information.
- k. Record Retention.
- l. Section 3, Davis-Bacon Act, Minority and Women Business Enterprise

In addition to the above, the Subrecipient shall participate in capacity building activities provided by PRDOH which include but are not limited to, topics related to Fair Housing Act, among others.

**END OF DOCUMENT**

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## EXHIBIT H

### SUBROGATION AND ASSIGNMENT PROVISIONS

#### RE-GROW PUERTO RICO – URBAN RURAL AGRICULTURE PROGRAM

##### DEPARTMENT OF AGRICULTURE

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 H**.

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 H** to the Subrecipient Agreement.

2. Subrogation and Assignment Relating to Funds Received from the Puerto Rico Department of Housing Re-Grow Puerto Rico – Urban Rural Agriculture Program.

a) These provisions are incorporated into the Subrecipient Agreement in consideration of the commitment by PRDOH to evaluate Subrecipient's application for the award of disaster assistance funds (the "**Application**") or the Subrecipient's receipt of CDBG-DR disaster recovery funds (the "**Grant Proceeds**") under the Re-Grow 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 prior to 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**," and any Proceeds that are determined to be a DOB shall be referred to herein as "**DOB Proceeds**."

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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 [EcoRecCDBG@vivienda.pr.gov](mailto:EcoRecCDBG@vivienda.pr.gov) (or [Jmoriz@vivienda.pr.gov](mailto:Jmoriz@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 suit to be brought in Subrecipient's name(s) and providing any additional documentation with respect to 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 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 Programs that are determined to be DOB Proceeds and/or any rights thereunder. 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 this Subrogation Agreement.

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.

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- (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.
  - (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 makes the determination that Subrecipient does not qualify to participate in the Program or 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 pursuant to this Subrogation Agreement.

**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 this provision 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) This Subrogation and the rights and obligations of the parties shall be governed and construed in accordance with 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 shall be brought within the Government of Puerto Rico.
- f) The captions of the various sections of this Subrogation 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.
- g) Subrecipient acknowledges that making a false, fictitious, or fraudulent statement or representation in this agreement is punishable under Federal and State law and shall constitute a separate criminal offense each time a public benefit is fraudulently received.
- h) 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

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