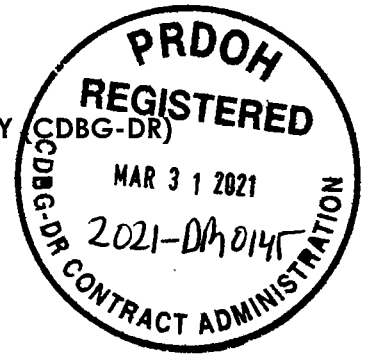




GOVERNMENT OF PUERTO RICO  
Department of Housing

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY

SUBRECIPIENT AGREEMENT  
BETWEEN THE  
PUERTO RICO DEPARTMENT OF HOUSING  
AND THE  
MUNICIPALITY OF YABUCOA



This **SUBRECIPIENT AGREEMENT** (hereinafter, the "Agreement") is entered into this 30 day of March, 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 **MUNICIPALITY OF YABUCOA** (the "Subrecipient"), a public agency, with principal offices at Calle Cristóbal Colón Final Esq. Reverón Yabucoa, Puerto Rico, represented herein by Mayor, Rafael Surillo Ruiz, of legal age, single, and resident of Yabucoa, 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 CDBG-DR. 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**, 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.

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

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

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

**WHEREAS**, according to the approved current Action Plan, Puerto Rico intends to undertake a **Workforce Training Program** (hereinafter, "**the Program**"). The focus of the Program is to prepare Puerto Rican residents with the skills required to gain employment in industries that will drive the Island's economy over the next decade. In addition to training programs that meet the current construction and contractor needs to rebuild the Island in the continued aftermath of the Hurricanes, this Program will engage entities that train residents in industries that are expected to grow in the coming years; namely, tourism and hospitality, computer programming and technology, shipbuilding, manufacturing, and healthcare. The approved current Action Plan allocated a total budget of ninety million and zero cents (\$90,000,000.00) to this program.

**WHEREAS**, on March 30, 2020, the PRDOH published a Notice of Funding Availability CDBG-DR-NOFA-2020-02 (NOFA), for applicants best suited to act as Subrecipients of the Program and carry out activities thereunder. After an evaluation and recommendation for selection under the NOFA, the Subrecipient was awarded in accordance with the NOFA to perform the services as detailed herein.

**WHEREAS**, the PRDOH designated one million nine hundred seventy-nine thousand seven hundred and seven dollars and zero cents (\$1,972,507.00) of the mentioned funds to the Subrecipient who will serve as administrator and servicer for the services included in the Scope of Work (SOW) under 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 Action Plan, to issue and award the subaward, enter and perform under this Agreement; and

**WHEREAS**, the Subrecipient, in accordance with its enabling statute, Act No. 107-2020, as amended, known as Puerto Rico Municipal Code has the legal power and authority to enter into this Agreement and has agreed to undertake the corresponding administrative responsibilities under the Program and has duly adopted the Resolution dated October 18, 2019 and with Identification No. 15, Series 2019-2020,, authorizing the Subrecipient to enter into this Agreement with the PRDOH, and by signing this Agreement, the

Subrecipient assures PRDOH that Subrecipient shall comply with all the requirements described herein.

### GENERAL AWARD INFORMATION

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

|  |   |
|--|---|
| Subrecipient Contact Information:                    | Rafael Surillo Ruiz<br>Mayor<br>PO Box 97<br>Yabucoa, Puerto Rico 00767<br>rafael.surillo@gmail.com<br>Tel (787)-312-7143   |
| 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 Unique Identifier:                      | DUNS number: 091171892  |
| Subaward Period of Performance:                      | Start Date: Effective Date, as defined in Section V of this Agreement.<br>End Date: <b>three (3) years</b> from Start Date  |
| Funds Certification:                                 | Dated: March 24, 2021<br>Authorized Amount: \$1,972,507.00<br>Funds Allocation: CDBG-DR "R01E17WTP-EDC-LM"<br>CDBG-DR "R01E17WTP-EDC-UN"<br>Account Number: 6090-01-000<br>See <b>Exhibit E</b> for Funds Certification |

**NOW, THEREFORE**, in consideration of the need for recovery from Hurricanes Irma and Maria 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          |

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** (hereinafter, the "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 is responsible for the management, monitoring, and reporting of the services included in the **Exhibit A** for the Program.
2. All services shall be made in accordance with PRDOH guidelines, HUD guidelines and regulations, and other applicable state and federal laws and regulations.
3. Any contracts or procurement will be subject to the previous written approval of PRDOH to become effective and will incorporate any clauses or dispositions required by PRDOH, including, but not limited to, the Contract termination for convenience of the PRDOH.
4. The Subrecipient will develop plans in accordance with the Exhibit A. 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 activities undertaken outside of the parameters of the Scope of Work of this Agreement.

#### C. National Objectives

All activities funded with CDBG-DR funds must meet one of the 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.

The Subrecipient certifies that the activities carried out under this Agreement shall meet one of the following national objective(s) and satisfy the following criteria:


- Benefit to low- and moderate-income persons (**LMI**) (24 C.F.R. § 570.483(b))
  - Area Benefit
  - Limited Clientele
  - Job Creation/Retention
- Urgent Need (**UN**) activities (24 C.F.R. § 570.483(d))

The Subrecipient shall ensure that the services meet the applicable CDBG-DR National Objective(s) and that any contractors 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.

**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 Subrecipient shall make all reasonable effort 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<sup>1</sup>**

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

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<sup>1</sup> Pre-award costs refer to the payment of any activity performed prior to the execution of this agreement. See 2. C.F.R. § 200.458.

#### 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** associated with the activities included in the Scope of Work (**Exhibit A**).

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, as specified in policies and procedures reviewed and approved by PRDOH, 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. § 200.338.

##### B. Reporting

The Subrecipient shall submit regular monthly progress reports to the PRDOH, on the form and with the content to be specified and required by the PRDOH. The PRDOH shall later 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 **three (3) years** from the date of its execution, ending in 30/Nov/20/2024

The End of Term shall be the later of: (i) Nov 20, 2024; (ii) the date as of which the Parties agree in writing that all Close-Out Requirements<sup>2</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.

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<sup>2</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.

A. Contract Extensions:

PRDOH may, at its sole discretion, extend the Agreement's term for up to an additional one (1) terms of **one (1) year**, upon mutual written agreement of the parties. The term of this Agreement shall not exceed a period of **four (4) years**, including options for renewal or extension. Likewise, the term of this Agreement cannot exceed the lifetime of the initial Grant Agreement, unless the term of the initial Grant Agreement is extended by HUD.

## VI. BUDGET

A. Budget

The Subrecipient shall complete all activities in the Scope of Work of this Agreement (**Exhibit A**) in accordance with the Budget (**Exhibit D**) attached herein and made integral part of this Agreement (the "Budget") 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 prior to becoming effective.

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 approved by PRDOH in accordance with written policies and procedures, which shall be included in the Budget (**Exhibit D**).

C. Program Income

PRDOH reserves the right to authorize the Subrecipient to retain Program Income<sup>3</sup> to be used in eligible program activities as described in this Agreement. The Subrecipient shall

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<sup>3</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

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.

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-year period** or such longer period of time as PRDOH deems appropriate.

Equipment acquired by the Subrecipient through the use of CDBG-DR funds for activities under this Agreement, that are no longer needed after completion of the contract, 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].

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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.



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).

## **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 Budget (**Exhibit D**). 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 at the currently anticipated levels and/or if the actual costs for the approved activities are less than those set forth in the Budget (**Exhibit D**).

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 Reimbursements**

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

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


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

**"Under penalty of absolute nullity, I certify that no public servant of the Subrecipient or of the Government is a party to or has an interest in the profits or benefits that are the product of the contract subject of this invoice, and to be a party to or have an interest in the profits or benefits of resulting from the contract, under this invoice a prior dispensation has been issued. The sole**

**consideration to furnish the contracted goods or services subject of the contract is the payment agreed upon with the authorized representative of the parties. The amount that appears in the invoice is fair and correct. The work has been performed, the products have been delivered and the services rendered, and no payment has been received for them."**

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:

|                  |   |
|------------------|---|
| CDBG-DR Grantee: | Hon. William O. Rodríguez Rodríguez, Esq.<br>Secretary<br>Puerto Rico Department of Housing<br>606 Barbosa Avenue<br>Juan C. Cordero Building<br>Río Piedras, Puerto Rico 00918 |
| Subrecipient:    | Rafael Surillo Ruiz<br>Mayor<br>Municipio de Yabucoa<br>PO Box 97<br>Yabucoa, Puerto Rico 00767<br>rafael.surillo@gmail.com   |

#### **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.


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

The Subrecipient shall have up to **thirty (30) days** to resolve 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



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 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, breach, inaccuracy of any representation, warranties, covenants, or the certifications provided herein, whether the noncompliance, breach or inaccuracy takes place before or after the execution of this Agreement, the PRDOH shall have the right to the immediate termination of this Agreement notwithstanding, any provisions to the contrary herein. This section will apply in the event of any judgment that may obligate the PRDOH to terminate the Agreement pursuant to Act No. 2 of January 2, 2018, as amended, 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, withdraw 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 Contract 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 have 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", 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. The Subrecipient agrees to carry out its obligations under this Agreement in compliance with all the requirements described **Exhibit F** to this Agreement to the extent that such requirements are applicable to programs such as the program contemplated in this Agreement.

This Agreement also includes terms and conditions of the PRDOH's Federal Award or CDBG-DR Grant that are imposed on the Subrecipient, and the Subrecipient agrees to carry out its obligations in compliance with all the obligations described in this Agreement.

#### A. 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 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. § 35, 24 C.F.R. part 58, 24 C.F.R. part 135; 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. Also, Subrecipient shall comply, without limitation, those set forth in **Exhibit F**.

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

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

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

#### B. Duplication of Benefits

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

#### C. Drug-Free Workplace

The Subrecipient must comply with drug-free workplace requirements in Subpart B of part 2429, which adopts the government wide implementation (2 C.F.R. part 182) of sections 5152-5158 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. §§ 701 - 707).

#### D. 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.

E. Hold Harmless

The Subrecipient shall and hereby agrees to hold harmless, defend (with counsel acceptable to the PRDOH) and indemnify the PRDOH 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.

F. 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.

G. 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.

H. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

The Subrecipient shall comply with the applicable provisions in 2 C.F.R. part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. part 200. These provisions include:

I. 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. part 200 subpart D §§ 302 - 303 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

The Subrecipient shall administer its program in conformance with Cost Principles as outlined in 2 C.F.R. part 200 subpart E, as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

J. Documentation and Record Keeping

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

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-DR 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.

K. Access to Records

The Subrecipient shall furnish and cause each of its own subcontractors to furnish all information and reports required hereunder and shall permit access to its books, records and accounts by the PRDOH, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

L. 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. § 200.333 and 24 C.F.R. § 570.490(d).)

Records shall be made available to PRDOH upon request.

M. Client Data and Other Sensitive Information

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


The Subrecipient must comply with 2 C.F.R. § 200.303 and shall take reasonable measures to safeguard protected personally identifiable information, as defined in 2 C.F.R. § 200.82, and other information HUD or the PRDOH designates as sensitive or the Subrecipient considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.



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

N. Close-Out

The Subrecipient 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)(a) of the HUD Notice 83 Fed. Reg. 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).

O. Audits and Inspections

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

P. Single Audit

The Subrecipient must be audited as required by 2 C.F.R. part 200, subpart F when it is expected that the Subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 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)).


Q. 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.

R. 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.

S. Procurement and Contractor Oversight



The Subrecipient shall not enter into any contract for goods or services with any entity without the written consent of the PRDOH prior to the execution of such contract. Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property, equipment, or services in accordance with the requirements of the PRDOH's procurement policies and procedures, and 2 C.F.R. §§ 200.318 – 200.326, as applicable, including but not limited to the need to appropriately assess the lease versus purchase alternatives. PRDOH's procurement policies and procedures as found in the CDBG-DR Website ([www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov)) is herein included and made integral part of this Agreement, as it may be updated from time to time.

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, its contractors perform according to the terms and conditions of the procured contracts or Agreements, and the terms and conditions of this Agreement.

T. 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 (Title I) (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 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.<sup>4</sup>

U. 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 - 4157) 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 definition of "building" as defined in 41 C.F.R. § 101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. §§ 4151 - 4157) and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 C.F.R. part 40 for residential structures, and appendix A to 41 C.F.R. part 101-19, subpart 101-19.6, for general type buildings).

The Americans with Disabilities Act (42 U.S.C. § 12131; 47 U.S.C. §§ 155, 201, 218 and 225) (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.

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<sup>4</sup> Follow the link for document access at the CDBG-DR Website: <https://cdbg-dr.pr.gov/en/download/fair-housing-and-equal-opportunity-fheo-policy-for-cdbg-dr-programs/>.

V. 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 (P. L. 88-352), as amended 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 has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under 24 C.F.R. part 1. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of 24 C.F.R. part 1, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

2. Assurances and Real Property Covenants:

As a condition to the approval of this Agreement and the extension of any Federal financial assistance, the Subrecipient assures that the program or activities described in this Agreement shall be conducted and the housing, accommodations, facilities, services, financial aid, or other benefits to be provided shall be operated and administered in compliance with all requirements imposed by or pursuant to this 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 24 C.F.R. § 200.321(b)(1) through (5) to assure that minority businesses, women's business enterprises, and labor surplus area

firms are used when possible when the Subrecipient procures property or services under this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. § 632), 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.

#### W. Labor Standards

The Subrecipient shall comply with the in labor standards in Section 110 of the Housing and Community Development Act of 1974, as amended, and ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this Agreement shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis Bacon Act, as amended (40 U.S.C. § 3141, et seq.), and 29 C.F.R. 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 8 units.


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

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

X. Section 3 of the Housing and Urban Development Act of 1968

The Subrecipient shall comply with the provisions of Section 3 of the HUD Act of 1968, as amended, 12 U.S.C. § 1701u, and thereby implementing its regulations set forth in 24 C.F.R. § 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided under this Agreement and binding upon Grantee, Subrecipient, and any of Subrecipient's subrecipient, contractors, and subcontractors. Failure to fulfill these requirements shall subject Grantee, Subrecipient, and any of Subrecipient's subrecipient, contractors, and subcontractors, as well as their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. Subrecipient certifies and agrees that no contractual or other impediment exists that would prevent compliance with these requirements.

Subrecipient further agrees to comply with the Section 3 requirements stated below and to include verbatim this language in all subsequent subrecipient Agreements, contracts, and subcontracts executed under this Agreement:



"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 135, 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 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining Agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor'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 contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the

contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 C.F.R. part 135.

F. Noncompliance with HUD's regulations in 24 C.F.R. part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.

G. 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 (25 U.S.C. § 450e) 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)."



Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-DR funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-DR funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area of the neighborhood in which the project is located, and to low- and very low- income participants in other HUD programs.


The Subrecipient agrees to submit, and shall cause and review its subcontractors submission of recordkeeping efforts and, quarterly reports to the PRDOH detailing the number of new employees hired, the number of new Section 3 employees hired, the number of construction subcontracts, the number of subcontracts provided to Section 3 businesses, the number of non-construction contracts, the number of non-construction contracts to Section 3 Businesses and any affirmative efforts made to direct hiring efforts to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing during the previous quarter.

Subrecipient certifies and agrees that no contractual or other legal impediment exists that would prevent compliance with these requirements.

Y. Conduct

1. Contracts

- a. Approvals: The Subrecipient shall not enter into any contracts with any agency or individual in the performance of this Agreement without the written consent of the PRDOH prior to the execution of such Agreement.

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- b. Monitoring: 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.
  - c. 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.
  - d. Selection Process: The Subrecipient shall undertake to ensure that all contracts awarded for the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements, as included in the CDBG-DR Procurement Manual and Contractual Requirements, 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. Executed copies of all contracts shall be forwarded to the PRDOH along with documentation concerning the selection process.
  - e. 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. Hatch Act


The Subrecipient shall comply with the Hatch Act, 5 U.S.C. §§ 1501 – 1508, 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 Chapter 15 of Title V of the U.S.C.

## 3. 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 server of the Subrecipient has pecuniary interest in this contract. (2) No public server of the Subrecipient has solicited or accepted, directly or indirectly, for him (her), for any member of his family unit or for any other person, gifts, allowances, favors, services, donations loans or any other thing of monetary value. (3) No public server of the Subrecipient 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 server of the Subrecipient 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 obligations and performance of said public employment, to influence or favor any organization. (5) No public server of the Subrecipient 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 contract.

#### Z. Citizen Grievances

Subrecipient must have their own citizen grievance procedure. However, due to CDBG-DR compliance there is a **fifteen (15) day** period for PRDOH to respond to any grievances received by the Program. 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.

#### AA. 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.

#### BB. Disaster Relief Account

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

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

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

In addition to what is established in this Agreement, the Subrecipient shall comply with all CDBG-DR Program specific and general policies and procedures, 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 ([www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov)), 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.



#### **XII. FORCE MAJEURE**

In the event of a fire, flood, earthquake, natural disaster, hurricane, riot, act of governmental authority in its sovereign capacity, 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.

#### **XIII. 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.

#### **XIV. ASSIGNMENT OF RIGHTS**

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

#### **XV. 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.


#### **XVI. 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.

## **XVII. 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 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 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.

**XVIII. 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.

**XIX. 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.

**XX. 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.

**XXI. 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.

**XXII. 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.

**XXIII. 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.


**XXIV. 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.

**XXV. FEDERAL FUNDING**

The fulfillment of this Agreement is based on those 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.

**XXVI. 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.

**XXVII. 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.

**XXVIII. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of whom 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.

**XXIX. 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; records retention methods and time requirements; inspection, monitoring and audit; confidentiality; public records; indemnification and liability; independent Subrecipient relationship; compliance with laws; notices; choice of law and venue; severability; dispute resolution; consolidations, merger, 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.

**[This space will intentionally remain blank.**

**Signatures on the following page.]**

**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: Hon. William O. Rodríguez, Esq.  
Title: Secretary

**SUBRECIPIENT**

By:   
Name: Rafael Surillo Ruiz  
Title: Mayor  
DUNS Number: 091171892



# EXHIBIT A

## SCOPE OF WORK

### WORKFORCE TRAINING PROGRAM

### MUNICIPALITY OF YABUCOA

#### 1. Program Overview/Background

The Workforce Training Program (**WFT** or **Program**) has the goal of training a labor force to meet the needs of the reconstruction and to build the skill capacity necessary to push Puerto Rico into the economy of the future. WFT will boost economic development and create jobs by investing Community Development Block Grant-Disaster Recovery (**CDBG-DR**) funds into resources that enable skills development through education, technical assistance, and mentorship.

#### 2. National Objective

- Benefit to low- and moderate-income persons (**LMI**) (24 C.F.R. § 570.483(b))
  - Area Benefit
  - Limited Clientele
  - Job Creation/Retention
- Urgent Need (**UN**) activities (24 C.F.R. § 570.483(d))

#### 3. Program Description

The goal of the WFT Program is to prepare Puerto Rican residents with the skills required to gain employment in industries that will drive the Island's economy over the next decade. The main goal of this Program is to support entities that seek to expand existing or launch new workforce training and/or apprenticeship programs.

The goals of the WFT Program will be supported by the Subrecipient through the following two (2) program components. Each component has associated activities contained within and described in more detail in the Program Outreach Plan and Program Work Plan. Components are as follows:

1. **Stakeholder Engagement:** The Subrecipient will facilitate inclusion of Low- and Moderate-Income (LMI) individuals and communities in the WFT Program. The Subrecipient will develop an Outreach Plan and will conduct outreach to educate, promote engagement, and increase participation in the Subrecipient's WFT Program.
2. **Technical Assistance:** The Subrecipient will assist PRDOH in the development of a Program Work Plan, to be included in the SRA Package. They will provide technical assistance and/or trainings to Beneficiaries (Program Participants) as outlined in their Program Work Plan.



#### 4. Tasks

In addition to the tasks included herein and described below, and the outcomes and activities described in the Program Outreach Plan and Program Work Plan, the Subrecipient, with prior consent and written authorization of PRDOH, shall perform any other task necessary for the proper performance of the services under the SRA.

The tasks and activities under this Program will be managed by the **Municipality of Yabucoa** as subrecipient of PRDOH. Consistent with the requirements of this Agreement, the **Municipality of Yabucoa** shall be reimbursed for any Eligible Costs incurred in carrying out program activities within eligible budget amounts.

##### 4.1 Office Logistics

- 4.1.1 Secure office space and necessary equipment for these offices to function, as necessary. Office spaces must be suitable for the services to be provided, provide amenities required by local ordinance for public facilities, and comply with ADA accessibility requirements.
- 4.1.2 Provide and secure equipment and technologies required to carry out the training program and, as needed, support remote or virtual program operations.

##### 4.2 Project/Agreement Management

###### TIMELINE and SCHEDULE

- 4.2.1 Create, maintain, and control Program Work Plan which includes Program Service Area, Workforce Training Courses, Program Needs Assessment, Program Metrics and Standards, and Program Compliance.
- 4.2.2 Work closely with PRDOH to ensure timely delivery of Program activities, in accordance with the agreed upon Program



Outreach Plan, Program Work Plan, and Exhibit B Timelines and Performance goals.

#### STAFFING

- 4.2.3** Deliver Key Personnel and Staff listed in Exhibit C and Exhibit D promptly to support program demands.
- 4.2.4** Ensure adequate staffing levels to support Program activities funded in whole or in part by CDBG-DR.
- 4.2.5** Provide a dedicated Program Management team, to efficiently and effectively carry out Program activities.

#### BUDGET MANAGEMENT and INVOICING


- 4.2.6** Manage agreed upon program budget included herein. Any variances or expected variances which would cause significant impacts on the program must be reported to PRDOH along with recommended corrective action.
- 4.2.7** Prepare and submit request for funds to PRDOH with all required supporting documentation on a monthly basis.

#### PERFORMANCE

- 4.2.8** Monitor and control team performance (including all staff and vendors under the Subrecipient's direct and indirect supervision) in accordance with established performance goals, regulatory compliance, and quality standards.
- 4.2.9** Recommend corrective action and/or performance plan for underperforming team members, subcontractors, vendors, or other staff.
- 4.2.10** Monitor and update all Program Beneficiary demographic, participation, and performance information using the approved system of record provided by the PRDOH Information Technology team.


#### MONITORING and COMPLIANCE

- 4.2.11** Implement the Program in a compliant manner, per the CDBG-DR regulations, policies, procedures, and all applicable state, local and federal regulations.

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- 4.2.12** Maintain a complete understanding of all applicable Program policies, requirements, procedures, guidelines; possess knowledge of regulatory and statutory compliance requirements for CDBG-DR and similar programs/projects. Ensure all program participants, including subrecipients, vendors, and beneficiaries are aware of all policy changes.
  - 4.2.13** 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.
  - 4.2.14** Regularly communicate potential risks, issues, and statuses with PRDOH, in the manner they arise.
  - 4.2.15** As requested, meet with PRDOH to discuss the status of the program, and any other issues that may have arisen during the administration of the assigned Program.

#### 4.3 Document Control and Management

- 4.3.1** In accordance with HUD regulations, follow the records retention requirements as cited in 24 C.F.R. § 84.53, which includes: financial records, supporting documents, statistical records and all other pertinent records.
- 4.3.2** Following PRDOH CDBG-DR Recordkeeping Policy, the Subrecipient shall retain all official records on programs and individual activities for **five (5) years**, starting from the closeout of the grant between PRDOH and HUD.
- 4.3.3** Maintain a clearly defined process for acquiring, organizing, storing, retrieving and reporting on financial records and project and activity records.
- 4.3.4** 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.
- 4.3.5** 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.
- 4.3.6** Ensure all project information and documentation is available at all times in the system of record.
- 4.3.7** Must provide all relevant documents in both English and Spanish language.

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- 4.3.8** 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 CFR Part 5, and PRDOH policy for protection of PII.
- 4.3.9** 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:
- 4.3.9.1 Records providing full description of each activity;
  - 4.3.9.2 Records verifying that activity meets national and grant objectives;
  - 4.3.9.3 Records related to demonstrating eligibility of activities;
  - 4.3.9.4 Records required to document activity related to real property;
  - 4.3.9.5 Records documenting compliance with Davis-Bacon Act, Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Minority Business Enterprise, Women Business Enterprise, Section 3 of the Housing and Urban Development Act of 1968, fair housing and equal opportunity requirement, as applicable;
  - 4.3.9.6 Financial records and reports required by the Program; and
  - 4.3.9.7 Records supporting any specific requirements of the Program or the CDBG-DR allocations.
- 4.3.10** Any other task necessary for the proper document control management.

#### 4.4 Program Development

- 4.4.1** Develop and implement policies, strategies, guides and/or templates required for the implementation and administration of the Tasks and Activities contained within this SRA (i.e. Outreach Plan, Standard Operating Procedures (SOPs), Forms, Contracts, Correspondence, Applications, etc.), as applicable and as requested by PRDOH.
- 4.4.2** Conduct proper procurement as needed for successful implementation and administration of the Tasks and Activities contained within this SRA. All procurement must be done in accordance with the latest version of the PRDOH Procurement Manual for CDBG-DR Programs.
-

- 4.4.3** Publish programmatic information as determined by PRDOH and required by program needs (e.g. training material, outreach material, etc.).
- 4.4.4** Provide PRDOH with required documentation and information as specified in Federal Register Vol. 83, No. 28 (83 FR 5844) for posting on PRDOH Disaster Recovery Website ([www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov)). Provision of non-essential information (when requested) such as bulletins, newsletters, or marketing materials for publication on PRDOH Disaster Recovery Website.

#### 4.5 Accounting and Reporting

- 4.5.1** Subrecipient shall adhere to PRDOH's financial management policies and procedures as outlined in its manual, the Program Guidelines, or policies and procedures for this Program, including but not limited to:
  - 4.5.1.1 Account and reporting of uses of CDBG-DR funds, including but not limited to information on National Objectives met, beneficiary demographics, and project completion status.
  - 4.5.1.2 Submit regular Monthly Progress Reports and ad-hoc reports, as necessary, to PRDOH, in the form and with the content specified and required by PRDOH, in the frequency or form determined by PRDOH at the moment of request.
  - 4.5.1.3 Provide PRDOH with project progress reports on demand, as well as access to the project management system for PRDOH to monitor the project.
  - 4.5.1.4 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 any other funds as applicable.
  - 4.5.1.5 Reconcile with the PRDOH, on an established periodic basis, a complete inventory of all items furnished by the PRDOH or funded by the CDBG-DR grant, including items such as: equipment, furniture, computers, phones, laptops, network printers, network equipment, software licenses, etc., if applicable.

#### 4.6 Program Closeout

- 4.6.1** 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.
- 4.6.2** Ensure that all applicable PRDOH quality control reviews have been completed.
- 4.6.3** Ensure that all supporting documentation, information, and log of applicant communications is included in the application file.
- 4.6.4** Ensure compliance with 2 CFR 200 Subpart F, 24 CFR 570.509, CPD Closeout Notices, and PRDOH CDBG-DR Closeout Process, as may be applicable to the application.



### 5. Time Performance

The implementation schedule, as stated in the Application, will be implemented on a **three (3) years** timeframe with an option to extend Agreements based on organizational programmatic implementation performance. This term can be modified with written authorization from PRDOH. This term will begin on the date that the Subrecipient and the PRDOH sign the complete Subrecipient Agreement Package. Program reporting will begin one month from the signature date.

### 6. Budget

Per the Action Plan approved, the Program has a designated total budget of ninety million dollars and zero cents (\$90,000,000.00) to be funded by CDBG-DR. PRDOH designated one million nine hundred seventy-two thousand five hundred seven dollars and zero cents (\$1,972,507.00) of the mentioned funds to **Municipality of Yabucoa** who will serve as administrator and servicer for the services included in this Agreement.

For details refer to Exhibit D Section 1 and Exhibit D Section 2, of the SRA Package.



## EXHIBIT B

# TIMELINES AND PERFORMANCE GOALS

## WORKFORCE TRAINING PROGRAM

### MUNICIPALITY OF YABUCOA

#### 1. PROGRAM OBJECTIVE:

The Workforce Training Program (**WFT** or **Program**) has the goal of training a labor force to meet the needs of the reconstruction and to build the skill capacity necessary to push Puerto Rico into the economy of the future. WFT will boost economic development and create jobs by investing Community Development Block Grant- Disaster Recovery (**CDBG-DR**) funds into resources that enable skills development through education, technical assistance, and mentorship.

#### 2. TERMS:

- **Key Deliverable** – The major objectives the Program wants to achieve
- **Key Activity** – The activities necessary to carry out the Key Deliverables.
- **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.

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3. PERFORMANCE INDICATORS & GOALS

| Key Deliverable #1  | Key Activity                                  | Indicator   | Source of Verification   | Target   | Timeline   |
|---|---|---|--|--|--|
| Provide workforce training to un- and under-employed Puerto Rican citizens to improve their work opportunities. | 1.1 Outreach efforts to socialize the program | # of outreach activities conducted in the defined outreach and marketing period | -Copy of email blast(s)<br>-Sign in sheet(s) and meeting minutes.<br>-Approved outreach materials and media. | 4 outreach activities conducted in the defined outreach and marketing period for Handyman course (1 activity per course, 4 activities per year)                    | Activity happens on Year #1: Starting on month 2, 4, 6, 8, 10, 12<br><br>Year#2: Starting on month 13, 15, 17, 19, 21, 23<br><br>Year# 3: Starting on month 25, 27, 29, 31, 33, 35 |
|   |   |   |  | 4 outreach activities conducted in the defined outreach and marketing period for the Tourism and Hospitality course (1 activity per course, 4 activities per year) | Activity happens on Year #1: Starting on month 2, 4, 6, 8, 10, 12<br><br>Year#2: Starting on month 13, 15, 17, 19, 21, 23<br><br>Year# 3: Starting on month 25, 27, 29, 31, 33, 35 |
|   |   |   |  |  | Activity happens on  |



| Key Deliverable #1 | Key Activity | Indicator                                       | Source of Verification | Target   | Timeline  |
|--------------------|--------------|---|------------------------|--|---|
|                    |              | # of individuals reached by outreach activities |                        | 4 outreach activity conducted in the defined outreach and marketing period for the Welding course (1 activity per course, 4 activities per year) | Year #1: Starting on month 2, 4, 6, 8, 10, 12<br>Year#2: Starting on month 13, 15, 17, 19, 21, 23<br>Year# 3: Starting on month 25, 27, 29, 31, 33, 35                                |
|                    |              | # of outreach materials produced                |                        | 300 individuals reached by outreach activities (per year)  | Activity happens on<br>Year #1: Starting on month 2, 4, 6, 8, 10, 12<br><br>Year#2: Starting on month 13, 15, 17, 19, 21, 23<br><br>Year# 3: Starting on month 25, 27, 29, 31, 33, 35 |
|                    |              |   |                        | 4 of outreach materials produced for the Handyman course (1 material produced per course; 4 materials produced per year)                         | Activity happens on<br>Year #1: Starting on month 2, 4, 6, 8, 10, 12<br><br>Year#2: Starting on month 13, 15, 17, 19, 21, 23<br><br>Year# 3: Starting on month 25, 27, 29, 31, 33,    |



| Key Deliverable #1 | Key Activity   | Indicator  | Source of Verification   | Target   | Timeline   |
|--------------------|--|--|--|--|--|
|                    |  |  |  | 4 outreach materials produced for the Tourism and Hospitality course (1 material produced per course; 4 materials produced per year) | 35<br><br>Activity happens on Year #1: Starting on month 2, 4, 6, 8, 10, 12<br><br>Year#2: Starting on month 13, 15, 17, 19, 21, 23<br><br>Year# 3: Starting on month 25, 27, 29, 31, 33, 35 |
|                    |  |  |  | 4 outreach materials produced for the Welding course (1 material produced per course; 4 materials produced per year)                 | Activity happens on Year #1: Starting on month 2, 4, 6, 8, 10, 12<br><br>Year#2: Starting on month 13, 15, 17, 19, 21, 23<br><br>Year# 3: Starting on month 25, 27, 29, 31, 33, 35           |
|                    | 1.2 Engage potential students to sign up for the program | # of applications received during the application period | Subrecipient Monthly Report - include applications received, enrollment certificate, admission letters as agreed with the Program. | 220 applications received (per year)   | Activity happens on Year #1: Starting on month 3, 4, 5, 8, 9, 10<br><br>Year#2: Starting on month 15, 16, 17, 20, 21, 22   |

| Key Deliverable #1 | Key Activity                                    | Indicator   | Source of Verification   | Target  | Timeline   |
|--------------------|---|---|--|---|--|
|                    |   | # students begin the program  |  | 165 students that begin the program (per year)  | <p>Year# 3: Starting on month 27, 28, 29, 32, 33, 34</p> <p>Activity happens on Year #1: Starting on month 5, 10</p> <p>Year#2: Starting on month 17, 22</p> <p>Year# 3: Starting on month 29, 34</p>  |
|                    | 1.3 Completion of Workforce Training program(s) | <p>% of students enrolled who complete the program</p> <p># of students who find work within 6 months of completing the program</p> | <p>Aggregated reporting of student progress and completion.</p> <p>Program reporting of job placement.</p> | <p>85% (140) Individuals complete the program (per year)</p> <p>110 students finding work upon completion</p> | <p>Activity happens on Year #1: Starting on month 9,12</p> <p>Year#2: Starting on month 14,17, 19, 21, 22</p> <p>Year# 3: Starting on month 25, 26, 28, 29, 31, 33, 34</p> <p>Comply within 6 months upon Program completion and reported 30 days upon that term</p> |



### 3.1.1 KEY ACTIVITY: OUTREACH EFFORTS TO SOCIALIZE THE PROGRAM

This activity should capture all outreach efforts to socialize the program and should include all pertinent information to inform the public about the program, what is being offered, what the requirements are, and how to apply. This task is expected to be recurring throughout the life of the SRA, based on the program's training schedule or calendar. The outreach efforts to socialize the program are initiated when marketing or outreach materials, events, or activities are produced and disseminated to the public. The task is considered complete when the marketing and outreach materials, events, or activities have been adequately responded to.

- Report the number of outreach activities in the defined outreach and marketing period.
- Report the number of individuals that are anticipated to be reached and that are actually reached.
- Report the number of materials produced<sup>1</sup> and provide final copies of any materials created.

Progress made towards these activities should be included in the monthly reporting to PRDOH that is required of the subrecipient.

### 3.1.2 KEY ACTIVITY: ENGAGE STUDENTS AND POTENTIAL STUDENTS TO SIGN UP FOR THE PROGRAM

This activity should capture any engagement with students and potential students who sign up for the program and should include all pertinent information from program applicants. This task is expected to be recurring throughout the life of the SRA based on the program's training schedule or calendar. The task is considered complete when all applications that have been received and all accepted applicants begin their participation in the program.

- Report the number of applications received during the application period.
- Report the number students that begin the program.

Progress made towards these activities should be included in the monthly reporting to PRDOH that is required of the program participant.

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<sup>1</sup> Outreach materials must be approved or follow guidelines provided by the Program (and PRDOH Communications team) prior to publication.



### 3.1.3 KEY ACTIVITY: COMPLETION OF WORKFORCE TRAINING PROGRAM

This activity should capture information as it relates to the completion of the Workforce Training Program by accepted students. This task is expected to be recurring throughout the life of the SRA based on the program's training schedule or calendar. The task is considered complete when the percentage of students who complete the program and the number of students who find work within a specified time are reported to PRDOH.

- Report the percentage of students enrolled who complete the program.
- Report the number of students who find work within 6 months of completing the program.<sup>2</sup>

Progress made towards these activities should be included in the monthly reporting to PRDOH that is required of the subrecipient.

| Key Deliverable #1                                       | Performance Month |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |
|--|-------------------|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|
| Key Activity   | 1                 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 1.1 Outreach efforts to socialize the program            |                   | X |   | X |   | X |   | X |   | X  |    | X  | X  |    | X  |    | X  |    |
| 1.2 Engage potential students to sign up for the program |                   |   | X | X | X |   |   | X | X | X  |    |    |    |    | X  | X  | X  |    |
| 1.3 Completion of Workforce Training program(s)          |                   |   |   |   |   |   |   |   | X |    |    | X  |    | X  |    |    | X  |    |

| Key Deliverable #1                                       | Performance Month |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
|--|-------------------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Key Activity   | 19                | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 |
| 1.1 Outreach efforts to socialize the program            | X                 |    | X  |    | X  |    | X  |    | X  |    | X  |    | X  |    | X  |    | X  |    |
| 1.2 Engage potential students to sign up for the program |                   | X  | X  | X  |    |    |    |    | X  | X  | X  |    |    | X  | X  | X  |    |    |
| 1.3 Completion of Workforce Training program(s)          | X                 |    | X  | X  |    |    | X  | X  |    | X  |    |    | X  |    | X  | X  |    |    |

<sup>2</sup> Subrecipients use individual outreach to workforce training participants and self-reporting from workforce training participants to capture this information.





EXHIBIT C

KEY PERSONNEL

WORKFORCE TRAINING PROGRAM

MUNICIPALITY OF YABUCOA

Below is the Staffing Plan for the CDBG-DR **Workforce Training** Program which reflects a combination existing employees or new hired employees dedicated for the CDBG-DR **Workforce Training** Program.

I.

| Roles  | FE Count |
|--|----------|
| Executive Director                                     | 1        |
| Academic Director                                      | 1        |
| Director of Occupational Development and Job Placement | 1        |
| Director of Admissions and Marketing                   | 1        |
| Job Placement Coordinator                              | 1        |
| Admissions Coordinator                                 | 2        |
| Administrative Assistant                               | 2        |
| Advisory Officer                                       | 1        |
| Register Officer                                       | 1        |
| Finance Officer  | 1        |
| Physical Plant Officer                                 | 2        |

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II. Roles Description:

| Role   | Description   |
|--|---|
| Executive Director                                     | The Executive Director, as part of his duties, communicates the approaches, aspirations and needs of the educational community. He directs, coordinates and supervises all the activities of the educational center towards the achievement of its educational project. He guarantees the fulfillment of the laws and other dispositions in force. Encourages collaboration with the communities, promoting the signing of educational and pedagogical commitments and coexistence with institutions and organizations that facilitate the relationship of the center with the environment, and fosters a climate that favors the study.                        |
| Academic Director                                      | The Academic Director will oversee planning, coordination, supervision and evaluation of the academic area, supporting the education process through the operational elements of the policies educational, and ensuring that the institution's policy, work plan and goals are met. Designs and monitors the planning and execution of strategies included in the projects.   |
| Director of Occupational Development and Job Placement | The Director of Occupational Development and Job Placement is responsible for the job placement standards required by agencies. In addition, should check for job offers that circulate daily in the country's media, offering the program's alumni services to employers who use the media as a source of recruitment. Visit prospective employers to offer placement services, evaluates and selects candidates to be referred to job interviews, interviews candidates preliminarily for evaluation of resume, presentation and attitude towards the job interview. Finally, it organizes the activity of the Advisory Board and Occupational Fair annually. |
| Director of Admissions and Marketing                   | The Director of Admissions and Marketing has the responsibility to put itself in contact, participate, engage and guide prospects in all matters related to the services offered by the institution and its curriculum.   |
| Job Placement Coordinator                              | The Job Placement Coordinator will assist the Development Office Occupational/Placements serving participants in the areas of service to graduate and active students. The essential duties and responsibilities are to evaluate and select candidates for referral to job interviews, keep track of graduates who have been employed, call practice centers for the location of students, call employers to explore job offers for our graduating students.  |

| Role                     | Description   |
|--------------------------|---|
| Admissions Coordinator   | The Director of Admissions has the responsibility for the general direction and management of recruitment, tuition, admission and orientation programs for the institution. Develops and implements all admission objectives and strategies in close collaboration with the institution's leaders along with a marketing campaign that conveys the mission of the institution to future students. |
| Administrative Assistant | The Administrative Assistant main functions are to assist, coordinate and execute tasks management, delivery of work reports and presentation of goal fulfillment. Coordinate that the inputs are made, make salary payments, in addition, it takes care of administrative processes such as letter writing, handling of correspondence, agenda and organization of files.                        |
| Advisory Officer         | The Academic Advisor is of vital importance for the orientation and guidance of the participants of the training program.   |
| Register Officer         | The Register Officer whose functions are to assist in the evaluation of the academic work of students by collecting and disseminating controlled information on the performance of students on the campus.  |
| Finance Officer          | The Finance Officer manages the liquidity of the companies, sets up a cost control system to comply with retention regulations for the government of Puerto Rico.   |
| Physical Plant Officer   | The Physical Plant Officer executes the physical plant and offices maintenance and repair activities. Coordinates and performs the different tasks to guarantee the proper operation and preservation of the building and all the other assets.   |

III. Notes:

This positions will be performed through professional services contracts. The services will be invoiced by the professionals to the Municipality for the worked fulfilled during the period.





# EXHIBIT D – SECTION 1

## BUDGET

### WORKFORCE TRAINING PROGRAM

#### MUNICIPALITY OF YABUCOA

#### DESCRIPTION SERVICES

The **Municipality of Yabucoa CDBG-DR Project** administered by **Municipality of Yabucoa** will target low- and moderate-income individuals and communities. This training project will benefit all Puerto Rican citizens over 18 years of age who meet eligibility criteria as Section 3 Program participants, impacting the municipalities of Yabucoa, Humacao, Maunabo and Patillas. The focus of this training is to satisfy the need for training in skills and abilities in order to place their participants in a job in Puerto Rico in view of the growing demand for jobs in the Construction, Maintenance and Repair sector, General (Handyman), Tourism and Hospitality for the next **five (5) years**. In the same way, this project will become a resilient movement that will lift our communities and directly impact the municipalities as an extension of human resources to advance current and future recovery efforts.

The Municipality of Yabucoa is a governmental entity which offer educational, recreational, social and cultural activities to our citizens. In the educational area through the Work Force Training (**WFT**) Program we will be offering training through a variety of courses to the participants of the municipalities of Yabucoa, Humacao, Maunabo and Patillas. Specifically, we will be providing workforce training to under-employed Puerto Rican citizens to improve their work opportunities.

#### PROFESSIONAL SERVICES

| Services Name        | Services Description                                 | Budget       |
|----------------------|--|--------------|
| Educational Services | Two (2) Instructors to provide Welding courses.      | \$144,000.00 |
| Educational Services | Two (2) Instructors to provide Construction courses. | \$144,000.00 |
| Educational Services | Instructor to provide Electricity courses.           | \$72,000.00  |
| Educational Services | Instructor to provide Refrigeration and A/C courses. | \$72,000.00  |
| Educational Services | Instructor to provide Gardening courses.             | \$43,200.00  |
| Educational Services | Instructor to provide Customer Services courses.     | \$72,000.00  |
| Educational Services | Instructor to provide Tourism & Hospitality courses. | \$72,000.00  |
| Educational Services | Instructor to provide Sign Languages courses.        | \$54,000.00  |

PROFESSIONAL SERVICES

| Services Name                               | Services Description                  | Budget         |
|---|---------------------------------------|----------------|
| Educational Services                        | One Executive Director                | \$259,200.00   |
| Educational Services                        | One Academic Director                 | \$108,000.00   |
| Educational Services                        | One Occupational Development Director | \$86,400.00    |
| Educational Services                        | One Marketing and Admissions Director | \$86,400.00    |
| Educational Services                        | One Job Search Coordinator            | \$48,960.00    |
| Educational Services                        | Two Admissions Coordinator            | \$138,240.00   |
| Educational Services                        | Two Administrative Assistant          | \$103,680.00   |
| Educational Services                        | One Counselor Official                | \$61,596.00    |
| Educational Services                        | One Registrant Official               | \$51,840.00    |
| Educational Services                        | One Finance Official                  | \$61,596.00    |
| Educational Services                        | Two Handyman                          | \$92,160.00    |
| Total Budget for Services to be Contracted: |                                       | \$1,771,272.00 |

OTHER OPERATING

| Item Name              | Item Description                                      | Budget      |
|------------------------|---|-------------|
| Materials              | Didactic material for the program.                    | \$300.00    |
| Program Outreach       | Activity done to attract program participants.        | \$16,800.00 |
| Covid Equipment        | Equipment for the safety of the program participants. | \$2,500.00  |
| Total Expenses Budget: |   | \$19,600.00 |

EQUIPMENT

| Item Name  | Item Description                       | Budget      |
|--|--|-------------|
| Millermatic 211  | 10 Machines                            | \$17,955.00 |
| Bobcat 250   | 2 Project Modle Machines               | \$16,900.00 |
| Miller Millermatic 252   | 5 Migmag Welding Machines              | \$21,000.00 |
| Miller Synchrowave 210   | 8 Gmaw Welding Machines                | \$35,680.00 |
| Cst-280 Racks  | 8 Smaw Welding Machines                | \$33,900.00 |
| Plasma Shaping   | 3 Plasma Cutting Machines              | \$8,900.00  |
| Acetylene Gas Equipment  | 10 Equipment                           | \$5,500.00  |
| Acetylene Regulator Equipment                                  | 10 Equipment                           | \$2,200.00  |
| Argon Regulator Gas Equipment                                  | 10 Equipment                           | \$2,700.00  |
| Welding Mask   | 10 Welding Masks                       | \$2,000.00  |
| Bandsaw  | 5 Metal Saws                           | \$2,200.00  |
| Kit De Albañilería Y Manpostería (Masonry And Manpostería Kit) | 10 Kit                                 | \$2,500.00  |
| Kit De Electricidad (Electricity)                              | 10 Kit                                 | \$1,350.00  |
| Kit De Plomería (Plumbing)                                     | 10 Kit                                 | \$1,450.00  |
| Kit De Carpintería (Carpentry)                                 | 10 Kit                                 | \$1,150.00  |
| Gardening Equipment  | 5 Trimer, Blower, Tijeras, Faceshield, | \$4,000.00  |
| Electric Saws  | 5 Electric Saws                        | \$2,300.00  |
| Hand Saws  | 5 Hand Saws                            | \$600.00    |
| Cauldrons  | 5 Battery Cauldrons                    | \$600.00    |
| Drills   | 5 Battery Drills                       | \$1,250.00  |

EQUIPMENT

| Item Name              | Item Description           | Budget       |
|------------------------|----------------------------|--------------|
| Shopsow                | 5 Saws                     | \$2,250.00   |
| Saber-Type Saw         | 5 Hand-Saber Saws          | \$2,150.00   |
| Monitors               | 6 52-Inch Monitors         | \$4,700.00   |
| Projectors             | 8 Projectors               | \$4,900.00   |
| Security Equipment     | Jackets, Glovers And Masks | \$3,500.00   |
| Total Expenses Budget: |                            | \$181,635.00 |

| PROJECT ACTIVITY DELIVERY COSTS |  |                |
|---------------------------------|--|----------------|
| Professional Services           | Will be utilized in the successful completion of Key Deliverables and the execution of required tasks. | \$1,771,272.00 |
| Other Operating                 | Cost associated to program outreach, materials, etc.   | \$19,600.00    |
| Equipment                       | Equipment for the courses of the program.  | \$181,635.00   |
| TOTAL COSTS                     |  | \$1,972,507.00 |
| GRAND TOTAL                     |  | \$1,972,507.00 |



March 24, 2021

Maytte Texidor López, Esq.  
Legal Director CDBG-DR  
Puerto Rico Department of Housing

  
Katherine Meléndez Mateo  
Finance and Administration Area CDBG-DR  
Puerto Rico Department of Housing

  
Ada Castillo Ortiz  
Acting Budget Manager CDBG-DR  
Puerto Rico Department of Housing

**CERTIFICATION OF FUNDS FOR THE CONTRACTING OF MUNICIPIO DE YABUCOA FOR THE WORKFORCE TRAINING PROGRAM RELATED TO THE CDBG-DR FUNDS**

As requested by the Program Division Director of CDBG-DR, we certify the availability of funds for **\$1,972,507.00** corresponding to "the contracting of Municipio de Yabucoa for the Workforce Training Program (WFT)". These funds are part of the **CDBG-DR Grant "B-17-DM-72-0001"**.

The breakdown of the certified funds is as follows:

| Project  | Activity Num.    | Account No. | Description   | Amount Certified |
|----------|------------------|-------------|---------------|------------------|
| Economic | R01E17WTP-EDC-LM | 6090-01-000 | Program Funds | \$1,183,504.00   |
|          | R01E17WTP-EDC-UN |             |               | 789,003.00       |
| Total    |                  |             |               | \$1,972,507.00   |

The General Ledger account is provisional and will be revised when the agreement is executed with the final budget distribution.

If you have any questions or comments, please call me at (787)274-2527.

KMM/CCC/ERP

