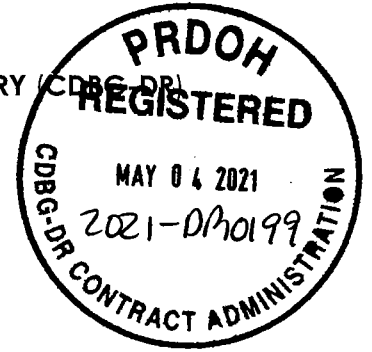




GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

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

**SUBRECIPIENT AGREEMENT
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND THE
PONCE NEIGHBORHOOD HOUSING SERVICES, INC.**



This **SUBRECIPIENT AGREEMENT** (hereinafter, the "Agreement") is entered into this 4 day of May, 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 **Ponce Neighborhood Housing Services, Inc.** (the "Subrecipient"), with principal offices at Ponce, Puerto Rico, represented herein by its Executive Director, Elizabeth Colón-Rivera, of legal age, single and resident of Ponce, 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, many impacted communities in Puerto Rico suffered damages from Hurricanes Irma and María, highly vulnerable populations are no exception. Social interest housing and construction, rehabilitation solutions, and expanding existing housing are in need. The Subrecipient Agreement between the Parties will create these housing solutions, to address the unmet need for these vulnerable populations.

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

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

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

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

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

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

WHEREAS, according to the approved current Puerto Rico Disaster Recovery Action Plan (**Action Plan**), Puerto Rico intends to undertake the **Social Interest Housing (SIH) Program** (hereinafter, "**the Program**"). The focus of the Program is to increase, create or expand existing housing solutions across Puerto Rico through providing grant funds to Non-profit, Non-Governmental Organizations (**NGO**) that demonstrate eligible activities for approved program projects serving highly vulnerable populations. The approved current Action Plan allocated a total budget of **thirty-two million five hundred thousand dollars (\$32,500,000.00)** to this Program.

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

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

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 has duly adopted a Certificate of Resolution dated July 9, 2019, authorizing Ponce Neighborhood Housing Services, Inc. (via its authorized representative, Elizabeth Colón Rivera) to enter into this Agreement with the PRDOH, and by signing this Agreement, the Subrecipient assures PRDOH that the Subrecipient shall comply with all the requirements described herein.

GENERAL AWARD INFORMATION

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

CDBG-DR Grantee Federal Award Identification Number:	PRDOH DUNS #: 125967484
CDBG-DR Grantee Federal Award Date:	September 20, 2018
Federal Award project description:	See Exhibit A for <u>Scope of Work</u>
Subrecipient Contact Information:	Elizabeth Colón-Rivera Executive Director Ponce Neighborhood Housing Services, Inc. Calle Méndez Vigo 57 Ponce, PR 00730
Subrecipient Unique Identifier:	DUNS number: 031444321
Subaward Period of Performance:	Start Date: Effective Date, as defined in Section V of this Agreement. End Date: Two (2) years from Start Date
Funds Certification:	Dated: April 23, 2021 Authorized Amount: \$2,500,000.00 Funds Allocation: CDBG-DR "R02H11SIH-DOH-LM" Account Number: 6090-01-000 See Exhibit E for <u>Funds Certification</u>

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

TERMS AND CONDITIONS

II. ATTACHMENTS

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

- Exhibit A Scope of Work
- Exhibit B Timelines and Performance Goals
- Exhibit C Key Personnel
- Exhibit D Budget
- Exhibit E Funds Certification
- Exhibit F HUD General Provisions
- Exhibit G Special Conditions
- Exhibit H Subrogation and Assignment Provisions
- Exhibit I Insurance Requirements

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 shall assist the PRDOH in procurement, 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. 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.

1. 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 carrying out activities 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 the following national objective(s) and satisfy the following criteria:

- Low- and Moderate-Income (**LMI**) Objective:
 - To provide homeownership assistance for LMI households (below 80% Area Median Family Income (AMFI) according to HUD Modified Income Limits for Puerto Rico under the CDBG-DR Program.
- Urgent Need (**UN**) Objective:

- To meet the urgent need of improving the opportunities for homeownership for UN households (below 120% AMFI) according to HUD Modified Income Limits for Puerto Rico under the CDBG-DR Program, in order to reduce outmigration and maintain the sustainability and economic viability of communities across the Island.
- Slum and Blight (**SB**) Objective:
 - To aid in the prevention or elimination of slums or blight by incentivizing homeownership in designated redevelopment zones and urban centers.

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

D. Levels of Accomplishment – Performance Goals and Timelines

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

E. Nonperformance Standard

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

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 in regard to the goals and performance standards as stated in the **Exhibit B** ("Timelines and Performance Goals").

G. Pre-Award Costs

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

IV. PERFORMANCE, MONITORING AND REPORTING

A. Monitoring

The PRDOH shall monitor the performance of the Subrecipient as necessary to ensure that the funds allocated to the Subrecipient are used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of this Agreement, including the timeframes and performance goals set forth in **Exhibit B** 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, defined as a performance that falls short of the standard expected of the Subrecipient, as specified in the Agreement's exhibits, shall constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within **fifteen (15) days** after being notified by PRDOH, PRDOH may impose additional conditions on the Subrecipient and suspend or terminate this Agreement, disallow all or part of the cost of the activity or action not in compliance or initiate other remedies for noncompliance, as appropriate and permitted under 2 C.F.R. § 200.338.

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 **two (2) years** from the date of its execution, ending in May 4, 2023.

The End of Term shall be the later of: (i) May 4, 2023. (ii) the date as of which the Parties agree in writing that all Close-Out Requirements¹ 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

¹ "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.

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

A. Contract Extensions:

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

VI. BUDGET

A. Budget

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

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 Income² to be used in eligible program activities as described in this Agreement. The Subrecipient shall

² 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

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 (5) year period** or such longer period of time as PRDOH deems appropriate.

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

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

VII. PAYMENT

A. Amount

This Agreement is based on the reimbursement of funds to the Subrecipient expended on approved CDBG-DR items. Funding is contingent on a CDBG-DR award to PRDOH or a Grant Agreement between the Government of Puerto Rico or the PRDOH, and HUD, and PRDOH's receipt of CDBG-DR funds. It is expressly agreed and understood that the total funding amount to be paid by the PRDOH to the Subrecipient under this Agreement shall not exceed the amount specified in the 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, "**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 request for reimbursement shall be approved for payment. An authorized representative of the PRDOH shall review each Request for Reimbursement and, if adequate, shall approve and process its payment. Payments to the Subrecipient shall be made by check or electronic funds transfer (EFT). PRDOH reserves the right to conduct any audit it deems necessary. In order for the Subrecipient to receive payment for any work performed hereunder, the following certification must be included in each Request for Reimbursement submitted to the PRDOH:

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

The PRDOH shall pay to the Subrecipient CDBG-DR funds available under this Agreement (See **Exhibit E**, “Funds Certification”) based upon information submitted by the Subrecipient for allowable costs permitted under this Agreement and consistent with the approved Budget. With the exception of advances, 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 advance fund and 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. Secretary Puerto Rico Department of Housing 606 Barbosa Avenue Juan C. Cordero Building Río Piedras, Puerto Rico 00918
Subrecipient:	Elizabeth Colón-Rivera Executive Director Ponce Neighborhood Housing Services, Inc. Calle Méndez Vigo 57 Ponce, Puerto Rico 00730

Email: elicolonrivera.poncenhs@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. Unless specified, such amendments are not intended to affect, nor will they

constitute an extinctive novation of the obligations of the Parties under the Agreement and amendment.

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

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

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

B. Suspension or Termination

1. Termination for Cause

The PRDOH may terminate this Agreement, in whole or in part, upon **thirty (30) days'** notice, whenever it determines that the Subrecipient has failed to comply with any term, condition, requirement, or provision of this Agreement. Failure to comply 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, and HUD guidelines, PRDOH's Program Guidelines, as applicable, 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 (5) days'** written notice of such suspension. Upon receipt of said notice the Subrecipient shall immediately discontinue all Services affected.

6. Immediate Termination

In the event the Subrecipient is subjected to a criminal or civil action, suit, proceeding, inquiry or court of applicable jurisdiction, or any governmental agency, or the Subrecipient shall be subject to an order, judgment, or opinion, issued by any federal or local authority, a court of applicable jurisdiction, or any governmental agency, in connection with the execution, delivery, and performance by the Subrecipient of this Agreement or the Subrecipient of this Agreement has been noncompliant, 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 in the **Exhibit F** attached 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.

The "Special Conditions", which are attached herein, and made an integral part of this Agreement as **Exhibit G**, is reserved for particular circumstances, conditions, or specific requirements as they arise from the demands of the Program.

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, procedures and guidelines as established in Program Guidelines and their amendments, if any, as found in the CDBG-DR Website (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.

A. Required Coverage

The Subrecipient shall keep in force and effect for the period beginning from the execution of the Agreement and ending at the completion of all services to be provided hereunder, insurance policies in compliance with the PRDOH's requirements as set forth in OSPA-78-5, attached hereto and made an integral part hereof as **Exhibit I**.

Upon the execution of this Agreement, the Subrecipient shall furnish PRDOH with original and two (2) certified copies of the insurance policies described in **Exhibit I** and any other evidence PRDOH may request as to the policies' full force and effect.

Any deductible amount, under any of the policies, will be assumed in whole by the Subrecipient for any and all losses, claims, expenses, suits, damages, costs, demands or liabilities, joint and several of whatever kind and nature arising from the Agreement resulting from this solicitation by and between the Subrecipient and PRDOH.

The PRDOH shall not be held responsible under any circumstances for payments of any nature regarding deductibles of any Commercial Liability Policies for the aforementioned Agreement.

B. Endorsements

Each insurance policy maintained by the Subrecipient must be endorsed as follows:

1. PRDOH, Government of Puerto Rico, HUD and its officers, agents and employees are named as additional insured (except Worker's Compensation) but only with respect to liability arising out of tasks performed for such insured by or on behalf of the named insured.
2. To provide waiver of subrogation coverage for all insurance policies provided or herein in favor of PRDOH and its respective officers, agents, and employees.
3. The insurer shall be required to give PRDOH written notice at least **thirty (30) days** in advance of any cancellation in any such policies.

The Subrecipient shall furnish to PRDOH, prior to commencement of the work, certificates of insurance from insurers with a rating by the A.M. Best Co. of B+ and five (5) or over on all policies, reflecting policies in force, and shall also provide certificates evidencing all renewals of such policies. Insurers shall retain an A.M. Best Co. rating of B+ and five (5) or over on all policies throughout the term of this Agreement and all

policy periods required herein. The insurance company must be authorized to do business in Puerto Rico and be in good standing.

C. Related Requirements

The Subrecipient shall furnish original Certificates of Insurance evidencing the required coverage to be in force on the Effective Date of Agreement. In the case of Payment and Performance Bond, Certificate of Authority, Power of Attorney and Power of Attorney License issued by the Commissioner of Insurance shall be furnished. THE REQUIRED DOCUMENTATION MUST BE RECEIVED PRIOR TO THE SUBRECIPIENT COMMENCING WORK. NO SUBRECIPIENT OR ITS AUTHORIZED REPRESENTATIVES ARE TO BEGIN THEIR RESPONSIBILITIES UNDER THE AGREEMENT PRIOR TO FULL COMPLIANCE WITH THIS REQUIREMENT AND NOTIFICATION FROM PRDOH TO PROCEED.

PRDOH will execute this Agreement conditioned to the submission of the aforementioned document within thirty **(30) days** of the signing of this Agreement. **Failure to comply with the submission of the aforementioned insurance may result in the withholding of reimbursements or the termination of this Agreement.**

Renewal Certificates of Insurance or such similar evidence is to be received by the Contract Administration of the Legal Division and/or the Finance area of the CDBG-DR program prior to expiration of insurance coverage. At PRDOH's option, non-compliance will result in one or more of the following actions: (1) The PRDOH will purchase insurance on behalf of the Subrecipient and will charge back all cost to the Subrecipient; (2) all payments due the Subrecipient will be held until the Subrecipient has complied with the Agreement; and/or (3) The Subrecipient will be assessed **Five Thousand Dollars (\$5,000.00) for every day of non-compliance.**

The receipt of any certificate does not constitute agreement by PRDOH that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with the requirements of the Agreement. The insurance policies shall provide for **thirty (30) days** written notice to be given to PRDOH in the event coverage is substantially changed, cancelled or non-renewed.

The Subrecipient shall require all subcontractors or consultants to carry the insurance required herein or the Subrecipient, may provide the coverage for any or all of its subcontractors and if so, the evidence of insurance submitted shall so stipulate and adhere to the same requirements and conditions as outlined above.

The Subrecipient expressly understands and agrees that whenever the Subrecipient is covered by other primary, excess, or excess contingent insurance that, any insurance or self-insurance program maintained by PRDOH shall apply in excess of and will not contribute with insurance provided by the Subrecipient under this Agreement.

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. Additionally, the Subrecipient must comply with the *PRDOH CDBG-DR Personal Identifiable Information Policy*, as found in the CDBG-DR Website (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.

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

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

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

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 ensure that every process of procurement of goods and services comply with federal procurement rules and regulations found in 2 CFR §200.318 through §200.327, procurement requirements that include, but are not limited to: (a) providing full and open competition; (b) following required steps to ensure the use of small and minority businesses, women's business enterprises, and labor surplus area firms when possible; (c) performing a cost or price analysis; (d) evaluating and documenting contractor's integrity, compliance with public policy, record of past performance, and financial and technical resources; (e) ensuring that the contractor has not been suspended or debarred; (f) prohibiting the use of statutorily or administratively imposed state, local, or tribal geographic preferences in evaluating bids or proposal; (g) excluding contractors that may have an unfair competitive advantage, and; (h) maintaining records to detail the history of procurement considerations. PRDOH must obtain and maintain records to document how the procurement performed by the Subrecipient complied with the aforementioned federal procurement rules and regulations, as amended from time to time.

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

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

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

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

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.³

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.

V. Title VI of the Civil Rights Act of 1964 (24 C.F.R. part 1)

³ 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/>.

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. §§ 570.601-570.602. 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 2 C.F.R. part 1, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

2. Assurances and Real Property Covenants:

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

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

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

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

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

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

The Subrecipient shall take the affirmative steps listed in 2 C.F.R. § 200.321(b)(1) through (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) 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 it's implementing regulations of the U.S. Department of Labor at 29 C.F.R. part 3 and part 5. The Subrecipient shall maintain documentation that demonstrates compliance with applicable hour and wage requirements. Such documentation shall be made available to the PRDOH for review upon request.

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

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 its contractors and subcontractors to submit, 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 provided 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. Monitoring: As applicable, the Subrecipient will monitor all contracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

- b. Content: The Subrecipient shall cause all of the provisions of this contract in its entirety to be included in and made a part of any contract executed in the performance of this Agreement, as applicable.
- c. Selection Process: The Subrecipient shall ensure that all contracts awarded after the execution of this Agreement and in the performance of such, follow the procurement policies and procedures described in Section X, subsection S of this Agreement.
- d. Notification: The Subrecipient shall notify and provide a copy of any and all contracts related to this Agreement and CDBG-DR funds to the Contract Administration Area of the PRDOH CDBG-DR Legal Division within **three (3) days** of its execution. Additionally, the Subrecipient shall provide a copy of any and all subcontracts executed by its Contractors to the Contract Administration Area of the PRDOH CDBG-DR Legal Division within **three (3) days** of its execution.

2. 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 arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the Parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or Parties to sub Agreements. However, recipients may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.
- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-DR 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 **two (2) years** thereafter. For purposes of this

paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the PRDOH, the Subrecipient, or any designated public agency.

- d. Clause of Governmental Ethics Certification of Absence of Conflict of Interests - The Subrecipient certifies that: (1) No public servant of the PRDOH has pecuniary interest in this contract. (2) No public servant of the PRDOH has solicited or accepted, directly or indirectly, for him (her), for any member of his family unit or for any other person, gifts, allowances, favors, services, donations loans or any other thing of monetary value. (3) No public servant of the PRDOH related to this transaction, asked for or accepted any good of economic value, from any person or organization as payment for the duties and responsibilities of his employment. (4) No public servant of the PRDOH has solicited, directly or indirectly, for him (her), any member of his family unit, neither for any other person, business or organization, any good of economic value, including gifts, loans, promises, favors or services in exchange for his(her) obligations and performance of said public employment, to influence or favor any organization. (5) No public servant of the PRDOH has kinship relationship, within the fourth degree of consanguinity and second by affinity, with nobody in public employment that has faculty to influence and to participate in the institutional decisions of this Agreement.

Z. Citizen Grievances

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

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 Grantee 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 for CDBG-DR Programs, 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), 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, pandemic officially declared by the Government of Puerto Rico, strike, labor dispute or unrest, embargo, war, insurrection or civil unrest, any *Force Majeure* including inclement weather, herein collectively referred to as *Force Majeure* during the term of this Agreement, neither the PRDOH nor the Subrecipient shall be liable to the other party for nonperformance during the conditions created by such event.

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

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. MEMORANDUM NO. 2021-003; CIRCULAR LETTER 001-2021 OF THE OFFICE OF MANAGEMENT AND BUDGET (OFICINA DE GERENCIA Y PRESUPUESTO)

- A. Interagency Services Clause:** Both contracting parties acknowledge and agree that services retained may be provided to any entity of the Executive Branch with which the contracting entity makes an interagency agreement or by direct provision of the Office of the Chief of Staff of the Governor (*Secretaría de la Gobernación*). These services will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Agreement. For purposes of this clause, the term "Executive Branch entity" includes all agencies of the Government of Puerto Rico, as well as public instrumentalities and corporations and the Office of the Governor.
- B. Termination Clause:** The Chief of Staff (*Secretaría de la Gobernación*) of the Governor shall have the power to terminate this Agreement at any time.
- C. Contract Review Policy of the Financial Oversight and Management Board for Puerto Rico:** The parties acknowledge that the CONTRACTOR has submitted the certification entitled "Contractor Certification Requirement" required in accordance with the Contract Review Policy of the Financial Oversight and Management Board (FOMB) for Puerto Rico, effective as of November 6, 2017 as amended on October 30, 2020, signed by the Contractor's Executive Director (or another official with an equivalent position or authority to issue such certifications). A signed copy of the "Contractor's Certification Requirement" is included as an annex to this contract.

XXIII. SUBROGATION

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

XXIV. COMPTROLLER REGISTRY

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

XXV. ENTIRE AGREEMENT

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

XXVI. FEDERAL FUNDING

The fulfillment of this Agreement is based on 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.

XXVII. RECAPTURE OF FUNDS

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

XXVIII. OVERPAYMENT

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

XXIX. COUNTERPARTS


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

XXX. SURVIVAL OF TERMS AND CONDITIONS

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

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-Rodríguez, Esq.
Title: Secretary

SUBRECIPIENT

By: 
Name: Elizabeth Colón-Rivera
Title: Executive Director



EXHIBIT A

SCOPE OF WORK

SOCIAL INTEREST HOUSING PROGRAM

PONCE NEIGHBORHOOD HOUSING SERVICE, INC.

1. Program Overview/Background

This Scope of Work defines the Subrecipient tasks, that must be performed in order to support the Puerto Rico Department of Housing (PRDOH) in the implementation of the **Social Interest Housing (SIH) Program**; as part of Puerto Rico's recovery efforts, in accordance to Federal, State, and Local regulations, and in connection with appropriated disaster assistance funding under the Community Development Block Grant for Disaster Recovery (CDBG-DR) Program.

The Program's goal is to expand existing housing solutions to increase the number of vulnerable populations served, and/or bring existing housing to decent, safe, and sanitary conditions, in compliance with applicable provisions of federal, state and local laws, building codes, ordinances, rules and regulations, accessibility, health and safety standards.

The activities under this Program will be managed and implemented by the Subrecipient, and overseen by PRDOH, which may in its discretion procure Consultant[s] to implement any aspect of such eligible Program Activities. With the intent of being consistent with the requirements of this Subrecipient Agreement (SRA), the Subrecipient shall be reimbursed for any Eligible Costs incurred in carrying out Program Activities within eligible budget amounts.

The PRDOH reserves the right to modify or delete the task listed and, if appropriate, add additional tasks prior to and during the term of the agreement.

2. National Objective

Given that the Program will provide funding to a wide range of activities, PRDOH anticipates that the National Objective shown below will be applicable.

The National Objective of this Program is to benefit Low- and Moderate-Income (LMI) persons¹ (below eighty percent (80%) Area Median Family Income (AMFI) according to the HUD Modified Income Limits for CDBG-DR Puerto Rico²), through the Limited Clientele (LC) LMI sub-category. To qualify under the LC subcategory, activities funded under this Program must meet one (1) or more of the criteria listed in the SIH Program Guidelines.

3. Program Description

The Program will be overseen by the Puerto Rico Department of Housing (PRDOH) and implemented by eligible Non-Profit, Non-Governmental Organizations (NGOs) – as Subrecipients – who respond, with a viable Project proposal, to a Notice of Funding Availability (NOFA).

¹ 24 C.F.R. § 570.483 (b)

² These limits change annually.

The objectives of the Program are the following:

- Provide funding to Applicants who are committed to providing social interest housing and working with diverse populations to ensure accessibility of individuals having a wide-range of socioeconomic, physical, emotional, and other impairments.
- Provide funding to Applicants to expand existing housing to increase the number of vulnerable persons served and/or bring existing housing to decent, safe, and sanitary conditions, in compliance with applicable State and Local government construction codes, and health and safety standards in disaster impacted areas.

Program funding will be based on organizational qualifications and identification of highly vulnerable populations.

4. General Tasks

The Subrecipient must work closely with the PRDOH to accomplish the identified tasks. The Subrecipient may be required to implement these general tasks throughout the life of the Program until its closeout.

PRDOH will provide funding and technical assistance to the Subrecipient to complete the following tasks:

Task 1. Acquisition of Property (if applicable)

Activity: Acquisition of real property by PRDOH, including acquisition of property under the SIH Program, is subject to the real property acquisition requirements established in Puerto Rico Executive Order No. 4 of January 20, 2004 (OE-2004-04). Prior to completing the acquisition of real property, PRDOH must obtain the following documents:

- a) Survey Plans and/or project plans, such as construction or demolition plans, schematic drawings, engineering drawings, among others;
- b) Property registry certification of the property to be acquired, issued no more than **six (6) months** prior to the acquisition;
- c) A debt certification from the property owner issued by the Puerto Rico Department of Treasury, issued within **six (6) months** of submission to PRDOH;
- d) Letter from PRDOH authorizing the acquisition of the property.

Deliverable: The Subrecipient shall sign all the required documentation and any other requirement given by PRDOH.

Task 2. Temporary Relocation (if applicable)

Activity: Subrecipient may use CDBG-DR funds for temporary relocation payments and assistance to persons displaced by an activity that is not subject to the requirements described above. This may include payments and other assistance for temporary relocation (when persons are not permanently displaced).

Applicants to the SIH Program qualify for temporary relocation assistance, only if they must vacate the storm-impacted property during program-sponsored construction. Applicants who are not residing in the storm-impacted property for any reason other than program-sponsored construction are not eligible for temporary relocation assistance. The SIH Program may provide temporary relocation assistance only on an extremely limited basis and as a last resort for applicants to secure temporary housing during program-sponsored construction.

In order to qualify for temporary relocation assistance, the Applicant must:

Be determined to be eligible to receive assistance that requires the Applicant vacate the damaged property during construction:

- a) Have an income of less than fifty percent (50%) of HUD-approved income limits for Puerto Rico;
- b) Have no Duplication of Benefits (**DOB**) issues that could prevent the Program from providing services.
- c) Have exhausted all possible options to temporarily reside with friends, family, in self-funded housing or any other options available; and
- d) Have no other options for temporary housing.

Deliverable: The Subrecipient will provide and submit documentation to PRDOH that supports the temporary relocation qualifications.

Task 3. Document Control and Information Technology

Activity: Subrecipient shall engage in the use of the latest technologies for the document controls and information technologies as an ancillary requirement to operate and interact with the SIH Program as mentioned in the section 5.1 *Eligible Activities* of the SIH Program Guidelines. No additional compensation for the implementation, maintenance, or licenses of these technologies will be provided to the Subrecipient.

The Subrecipient is expected to use and implement commercial technologies for communication(s) purposes, that are deemed necessary to coordinate and complete the project.

Deliverable: The Subrecipient shall provide general contact information regarding the designated Point of Contact (POC) to establish initial and regular communication with PRDOH. The Subrecipient shall also be granted access to into the Grant Management System and will be responsible to submit all the required documentation throughout the Program/Project's life.

Task 4. Training

Activity: The Subrecipient will be responsible to participate in mandatory sessions of training, but not limited to the following:

Module Series Name	Module Description
CDBG-DR 101	Participants will learn the basic requirements for the CDBG-DR, eligible disaster activities, national objectives requirements and the waiver process.
Fair Housing & Equal Opportunity 101	This module introduces the federal compliance statutes and federal guidance on Fair Housing, Equal Opportunity and related requirements, their applicability, and what triggers the need to comply for difference program areas.
Davis-Bacon 101	This module introduces the federal compliance statutes and other federal

	guidance on Davis-Bacon, its applicability, and what triggers the need to comply.
Section 3 & M/WBE 101	This module introduces the federal compliance statutes and other federal guidance on Section 3 and M/WBE, its applicability, and what triggers the need to comply.
Environmental 101	This module introduces Environmental Review requirements typically associated with CDBG-DR activities, timing, and planning considerations for compliance, and tips and resources available to grantees.
Procurements 101	This module introduces Procurements terminology and processes. The module will also approach Conflict of Interest concepts relevant to Procurement Processes.
Finance 101-104	These modules introduce Finance terminology and processes. The modules will also include the development of internal controls and implementation of such, as well as monitoring procedures to ensure the effectiveness of internal protocols.
Recordkeeping 101	This module introduces the Recordkeeping requirements and processes.
Anti-fraud, Waste, Abuse, & Mismanagement 101	This module introduces Anti-Fraud, Waste, Abuse and Mismanagement requirements and processes. The session will also approach Conflict of Interest concepts.
Grant Management/Administration Principles 101-107	These modules introduce the roles and responsibilities of subrecipients, applicable systems to manage CDBG-DR program data, management

Deliverable: The Subrecipient must virtually attend and complete the courses required. Upon completion of each course, the Subrecipient will receive a certificate of completion indicating that the requirement is satisfied which will also notify PRDOH through the Grant Management System.

Task 5. Reporting

Activity: The Subrecipient will be responsible to submit progress reports to the PRDOH to inform status of tasks, work progress, construction schedule analysis, and financial status by project(s). Each report must be prepared in compliance with PRDOH's reporting requirements.

As requested, the Subrecipient shall meet with the PRDOH to discuss the status of the project(s), applicant concerns, and any other issues that may have arisen during the administration of the assigned SIH Program.

The Subrecipient will provide the PRDOH with milestone reports on established schedule, as well as required documents to the Grant Management System (System of Record) for PRDOH to monitor the project(s). This system will serve as the Subrecipient digital platform to upload all required information permitting the review and approval by designated personnel. Access will be provided by PRDOH.

The Subrecipient will compile and review the necessary information to also prepare reports required by HUD and will comply with HUD regulations.

Additionally, the Subrecipient will present to the PRDOH, on an established periodic basis, a complete inventory of assets with an acquisition price of five hundred dollars (\$500.00) or more and a useful life of one (1) year or longer, furnished by the PRDOH or funded by the CDBG-DR grant, including items such as: equipment, furniture, computers, phones, laptops, network printers, network equipment, etc., if applicable.

Finally, the Subrecipient will complete any other task necessary to ensure proper accounting and reporting as required by the Program.

Deliverable: As the task requires, the Subrecipient will provide and submit proper documentation to PRDOH through the Grant Management System. These documents include but are not limited to the "Monthly Construction Report" and the "Subrecipient Agreement Monthly Administrative Report". For ongoing tasks, the Subrecipient will submit documentation regularly, after the submission date is established between all involved participants.

Task 6. Invoicing

Activity: The Subrecipient will be responsible for submitting monthly invoices for the reimbursement of costs, regarding internal staff or contracted services. This will occur through PRDOH's Financial Management System, to ensure that submittals are completed within compliance of regulations and standards. Upon the execution of the SRA, the Subrecipient will receive training on how to properly use this Financial Management System. It should be noted, PRDOH will not reimburse the Subrecipient for work performed by employees without an authorization of a Project Application before performing work.

A Monthly Progress Report shall be submitted to PRDOH upon the fifth of each month, prior to the submission of the invoice. PRDOH will have an allotted time period (ten (10) days) of the following month, to address the Subrecipient's invoice.

The Subrecipient shall submit Requests for Reimbursements to the PRDOH while using the Request for Reimbursements Form, complete with the content that is specified and required. The Requests for Reimbursements Form must be submitted with all supporting invoices, bills, time sheets, the Monthly Report, and any other document necessary to justify the payment or any other supporting document requested by PRDOH. The Request for Reimbursement must be accompanied by supporting documentation from the Subrecipient demonstrating that all procurements for goods and services have been made, are in accordance with this Agreement.

Deliverable: Through the Financial Management System, the Subrecipient shall submit documentation to PRDOH for all eligible activities, under the Program Guidelines, and work in the form of invoices. These invoices must clearly

demonstrate (in a reasonable amount) the Project's progress including but not limited to; design development, construction, or otherwise.

5. Specific Tasks: Project development tasks

The Subrecipient will prepare and submit all necessary documentation related to proposed projects for development under this Program. Proposed projects documentation shall demonstrate compliance with all eligibility requirements established in the SIH Program Guidelines and must be submitted via the Grant Management System. Submitted documentation must comply with the CDBG-DR funds requirement which can only be used on costs that are defined within the Program Guidelines and within the SIH NOFA. In this role, the Subrecipient will manage all major aspects of the Program. The Subrecipient must work closely and regularly with the PRDOH to identify and accomplish the tasks at hand. The Subrecipient may be required to coordinate with other firm(s), contracted by the PRDOH, that will be providing services for other CDBG-DR Programs.

PRDOH will provide funding and technical assistance to the Subrecipient to complete the following tasks:

Task 7.1. Subrecipient Staff

Activity: The Subrecipient shall submit to PRDOH a revised Organizational Structure Chart presenting each position, necessary to perform all tasks of this Agreement. The Organizational Structure Chart shall identify which positions will be provided by Subrecipient's employees and which positions will be provided through subcontracted professional services. The Organizational Chart must be submitted within **ten (10) business days** after the signing of the Agreement.

For each professional service to be contracted, the Subrecipient shall submit a plan for procurement of services including the following information: service description, schedule of request announcement and estimated cost of service. All procurement shall be fulfilled in the Grant Management System for record keeping purposes.

The Subrecipient shall submit to the PRDOH the request for authorization of key personnel that will perform services for the positions established in **Exhibit C** (Key Personnel) of this Agreement. The PRDOH will provide necessary forms to Subrecipient for authorization requests of employees. The PRDOH will not reimburse the Subrecipient for work performed by employees without an authorization before performing work.

Deliverable: After the signing of the Agreement, the Subrecipient shall submit an Organizational Structure Chart to the Grant Management System, for record keeping purposes. Additionally, the Subrecipient will submit a plan for procurement for each contracted service, **Exhibit C**.

Task 7.2. Project(s) Work Plan Submission

Activity: After receiving Pre-Application approval from PRDOH, the Subrecipient will prepare and submit all required forms and documentation for the completion of the Project Application in compliance with the Program Guidelines and procedures, utilizing internal staff and/or contracted professional services. The Subrecipient shall submit a Project Workplan for each project Application. The submission of each Project Workplan documentation shall be

made via the Grant Management System. At minimum, the Workplan shall contain, but not limited to:

- Project Detail Description - Project location and Site Plan identifying the project limits, proposed buildings footprint, parking, vehicular and pedestrian access, zoning setbacks, easements, open spaces, and landscape-communal areas.
- Requirements - Meet the CDBG-DR Program Guidelines and Specify any local and federal code that is required and must comply for the project.
- Land and Topography - Provide the Land and Topography Survey Map including utilities, easements, and existing trees.
- Zoning and Code Compliance - Provide the corresponding zoning map and identify the parcels where the Project is located. The zone district of the parcels shall be also identified.
- Implementation Schedule - Specify the corresponding duration in weeks for each task (activity).
- Cost Estimate - In accordance with the Puerto Rico Disaster Recovery Action Plan, as amended, to ensure the cost reasonableness of the goods and services under the CDBG-DR program, the Subrecipient for the SIH Program may perform the following analysis to assess cost reasonableness:
 - **Comparison of Proposed Prices and Historical Contracts:** Historical data can be used to compare the cost of materials and activity of similar projects. Depending on the timing of the prices being compared, adjustments for inflation may be required to compare data in a fair manner.
 - **Comparison of Proposed Prices with Prices Obtained through Market Research:** When a good or service has an established market price, whether locally or in another jurisdiction, the verification of an equal or lower price may be used to establish cost reasonableness. Also, when the market value of a specific good or service is not found, a comparison with a substantially similar good or service may also be performed to establish cost reasonableness.

The Subrecipient may acquire professional services to prepare and submit the Application documentation for the project(s). To acquire professional services, the Subrecipient shall comply with procurement processes in compliance with the federal procurement rules and regulations found in 2 CFR § 200.318 through § 200.327.

All new construction, rehabilitation and renovation works for the SIH Program are required to follow federal, state, and local codes, rules and regulations. Works must also be performed after obtaining all required endorsement and permits. The Subrecipient shall ensure compliance with all applicable provisions of federal, state and local laws, building codes, ordinances, rules and regulations, and accessibility, health and safety standards, and any other requirement for the works to be undertaken by the SIH Program.

As part of this Task, the Subrecipient shall implement and develop Task 7.1, the Organizational Structure, and submit the Application for each approved project. The required organizational structure will be responsible to provide all professional services including but not limited to, project management services, inspection services, and design/build services. Figure 1 provides an example of an organizational structure to be implemented by the Subrecipient.

Procured Design / Build Workflow:

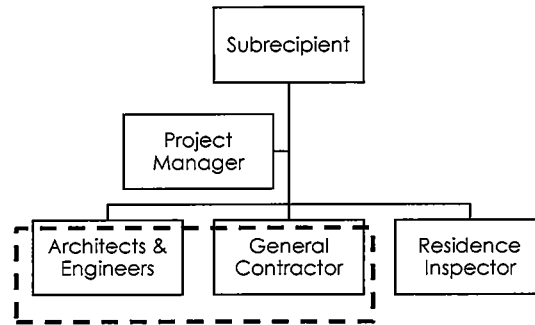


Figure 1. Subrecipient Organizational Chart for Design Build, (Architects, Engineers, & Contractors are a joint-venture and require a single contract).

The Subrecipient will fulfill the professional services in compliance with the following roles and responsibilities (see Tasks 1). One of the above workflow methods will be selected and approved by PRDOH for the given Project.

Deliverable: Through the Grant Management System, the subrecipient will submit all outstanding forms and documentation for the Project Application. The Subrecipient will also submit a Workplan for each project application.

Task 7.2.1. Project Management Services

Activity: Utilizing internal staff and/or contracted professional services, the Subrecipient shall fulfill all the required Project Management Services to incorporate the best construction management and administrative practices possible, for the SIH Program. These practices may include but are not limited to the following examples of roles and responsibilities listed below.

In order to acquire and proceed with these professional services, the Subrecipient shall abide by the applicable procurement process for CDBG-DR. The Subrecipient will submit the Project Management Services Procurement Package to PRDOH for record keeping purposes.

- a) Act as Point of Contact between the project's implementation and Executive Manager.
- b) Lead coordination and control over execution of approved project(s) activities.
- c) Assist coordination and report overall and specific project(s) activities.
- d) Monitor project status 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 and recommend corrective action and/or performance plan for underperforming team members, subcontractors, vendors, or other staff.
- e) Lead and coordinate the implementation of change management, risk management, and quality assurance.
- f) Lead and approve project(s) monitoring activities to prepare and present reports as required by the PRDOH.
- g) Lead, coordinate, and facilitate all necessary high profile, program-wide public presentations, and meetings, subrecipient meetings, and government or non-government stakeholders' meetings.
- h) Organize the selected personnel and subcontractors. Coordinate, support, and analyze performance measurement of subrecipients and

contractors, and report results in coordination with PRDOH or representative.

- i) Maintain a complete understanding of all applicable CDBG-DR Program's policies, requirements, procedures, and guidelines; and identify/promote all necessary corrective actions.
- j) Coordinate documentation submissions for approved project(s).
- k) Track and report status and performance of approved project(s).
- l) Provide, coordinate, or manage technical assistance to technical team (e.g., consultants and employees performing technical work to develop project).
- m) Review and recommend for payment, the invoices related to professional services certifications for payment and construction change orders.
 - o Provide solutions to the unforeseen conditions and reduce contract modifications.
- n) Monitor and prepare progress reports to communicate the status of work, pending matters, and the budgetary situation of the project(s).
- o) Identify, communicate, and resolve delays or situations that affect the scope, budget, or schedule of the project(s).
 - o Establish, prioritize, and enforce production and performance goals in alignment with Program priorities and objectives. Lead coordination and control over execution of all Program activities.
- p) Lead the management of project development from each Project Application through necessary planning, design, construction, and closure of the project.
- q) Monitor compliance with applicable regulations, laws, safety codes, standards, policies, management of program resources, including permit(s), environmental laws, and current procedures applicable to the development of construction project as mentioned in the SIH Program Guidelines.
- r) Deliver staff listed in **Exhibit C** promptly to support Program demands, which may increase or decrease as needed and can change throughout the Program life cycle. Always ensure enough staff to support timely and efficient Program operations.
- s) Establish, communicate, and enforce standard, efficient, and streamlined processes and strategies to support delivery of Program goals, risk management, quality assurance, and change management; engage in total quality management practices to regularly evaluate effectiveness of established processes and implement change when needed. Processes may be subject to PRDOH review and approval.

Deliverable: To acquire professional services for the construction and management of the Project, the Subrecipient will complete and submit the Project Management Services Procurement Package to PRDOH for record keeping purposes.

Task 7.2.2. Design-Build Services

Activity: Mainly, Design and Construction services will be required for projects of new construction, rehabilitation, and renovation. They may resemble single family housing units, (detached or otherwise), two-unit structures, multi-unit properties, group homes, or other properties types that abide by the standards within Special Interest Housing that benefit the targeted population being served.

Utilizing internal staff and/or contracted professional services, the Subrecipient shall perform all required Construction Services. To acquire professional services, the Subrecipient shall comply with the applicable procurement processes. The Subrecipient will submit the procurement package, Design-Build Services to PRDOH for record keeping purposes.

PRDOH reserves the right to require revision(s) and resubmission(s) of draft award documentation.

Deliverable: To acquire Design-Build services, the Subrecipient may submit the Procurement Package and corresponding documentation, and further await PRDOH revision.

Task 7.3. Project Design Development Activity: By means of internal staff and/or contracted professional services, the Subrecipient shall prepare all necessary construction documents for project development and implementation for the project approved by the PRDOH. This Task includes preparation of all required construction documentation including, but not limited to, the following examples: construction drawings and technical specifications, property acquisition drawings and documentation, technical studies, and analyses, required permits and endorsements, cost estimates, construction schedule (CPM), and all necessary construction bid documentation. During the preparation of the above-mentioned documents, the subrecipient can choose to incorporate resilient materials, concrete, as well as resilient characteristics, seismic restraints for equipment and if applicable windstorm resistant for exterior windows following up to date building codes.

During the performance of this Task, the Subrecipient shall conduct and complete the required deliveries for PRDOH. The submissions of construction documentation will be delivered in compliance with established benchmarks. They will be subject to revision and must demonstrate the progress of work in compliance with the roles and responsibilities specified in the procurement process. Delivery timelines and deadlines shall be coordinated with the PRDOH before commencing the design development of project.

After the revision of each delivery, the Subrecipient should expect comments from PRDOH that might require further revisions of the documentation. PRDOH expects to receive a Compliance Certification with each required progress delivery, to ensure that applicable codes and regulations are met and that the progress accomplished was prepared by the designated Registered Architect (RA)/Professional Engineer (PE) in charge of each project. The Subrecipient may request technical assistance from the PRDOH to prepare required documentation.

"I, [Name of the Architect or Engineer, license number #####], certify that I am the Professional who designed these plans and the complementary specifications. I also certify that I understand that such plans and specifications comply with the applicable provisions of the latest version of the Puerto Rico Building Code, Regulations of Agencies, Regulatory Boards or Public Corporations with jurisdiction.

I acknowledge that any false statement or falsification of the facts that has occurred without knowledge or through negligence, whether by me, my agents, or employees or by other persons with my knowledge, hold me liable for any judicial and disciplinary action before any competent authority.

I further certify that all forms, specifically those that are completed online, have been reviewed or prepared by me, which I understand are safe for the environment, health, and wellness in accordance with accepted standards, and that the information submitted is true. I further acknowledge that the falsification of any statement or the omission of relevant information will entail the

corresponding legal and disciplinary actions, including, but not limited to, the file without prejudice to the case."

Deliverable:

Construction Design Complete and Construction Documents that will be included in the construction bid process.

Task 7.4. Environmental Review and Clearance

Activity: As part of the implementation of the CDBG-DR SIH Program, Subrecipients will be required to fulfill and comply with CDBG-DR design requirements, as established in the Program Guidelines, which includes, but is not limited to, the implementation of a HUD-approved Green Building Standard (GBS), installation of broadband infrastructure, compliance with sensory and mobility accessibility requirements, and environmental requirements under 24 C.F.R. Part 58. For each Project, the Subrecipient will conduct Environmental Reviews (including required dissemination and publication of Notices) on an as-needed basis, in accordance with the required level of clearance. Environmental Reviews must, at a minimum comply with the requirements of the Supplemental Appropriations for Disaster Relief Requirements, 2017 (Pub. L. 115-56), the National Environmental Policy Act (NEPA) (including implementing regulations at 40 C.F.R. 1500 and 24 C.F.R. 58), the Environmental Public Policy Act of Puerto Rico, as amended (Act No. 416-2004), and the Puerto Rico Permit Process Reform, as amended (Act No. 161-2009) along with any other local environmental review requirements. The Subrecipient may acquire professional services to prepare and submit the Application documentation for the project(s). To acquire professional services, the Subrecipient shall comply with procurement processes in compliance with the federal procurement rules and regulations found in 2 CFR §200.318 through §200.327. CDBG-DR Program for the development of the Environmental Review.

Deliverables:

For each Project, the selected Firms(s) will create an Environmental Review Record (ERR) meeting the above legal requirements and documenting PRDOH's review and compliance with the related federal authorities listed in 24 C.F.R. Part 58. It is the responsibility of the Subrecipient or contracted professionals to mitigate any activities identified in the Environmental Review Report. Upon mitigating the environmental finding, if any, the Subrecipient shall be responsible to document the mitigation on the Monthly Construction Report, duly signed by the Resident Inspector to PRDOH through the Grant Management System for record. No construction can start until the Environmental Clearance is approved by PRDOH. (Please note: Environmental clearance must be obtained for the Project in order to initiate the commitment of federal or non-federal funds for construction purposes, any violation of this requirement may jeopardize federal funding for the Program and may disallow all costs that were incurred before the completion of the Environmental Review).

Task 7.5. Construction Phase

Within the Construction Phase, the Subrecipient will monitor the performance of the Contractor by using the Timelines and Performance Goals as stated in **Exhibit B**. While PRDOH may consider additional costs as they arise, the Contractor must be prepared to perform (and document) the Designated Project's requirements in compliance with the Project Application process subject to PRDOH's approval thereof. In the event PRDOH's funds do not cover one hundred percent (100%)

of the agreed upon budget, the Subrecipient must present a showing of committed supplemental funding.

The Subrecipient shall initiate the Construction Phase while keeping record and submitting the construction documentation as follows:

- a) Coordinate and facilitate pre-construction meeting(s) for the project(s);
- b) Prepare monthly inspection reports and certify the drawing request submitted by the General Contractor or Project Resident Inspector, in a timely manner.
- c) Conduct pre-intervention process and make determinations regarding monthly draw requests which are submitted by the General Contractor, including monthly site and hard construction payments and approval of construction retainage payment (as part of this review, the subrecipient shall ensure that the General Contractor has met all of the prerequisites outlined in the CDBG-DR Program Guidelines and the Executed Agreement);
- d) Ensure execution of monthly inspection(s);
- e) Disburse CDBG-DR funding for approved drawing requests;
- f) General Contractor must submit requests for Change Order(s) to the Resident Inspector, then he must evaluate and validate the Change Order(s) is a reasonable cost and then recommend proceeding to the Project Manager, the Subrecipient, and the Project Point of Contact. Finally, the Change Order shall be submitted to PRDOH via the Grant Management System.
- g) Coordinate the compliance monitoring of the Davis-Bacon Act and all applicable CDBG-DR, federal and state regulations, and rules;
- h) Monitor compliance with the Uniform Relocation Act;
- i) Work with PRDOH to ensure environmental monitoring, as necessary;
- j) Complete Punch List Inspection.

Deliverable:

For the construction phase, the Subrecipient or designees will be responsible of guaranteeing adequate construction practices have been conducted and that the practices are following industry standards. They shall ensure that all contracted construction services have been completed before proceeding with project closeout.

Under this task, projects of new construction, rehabilitation and renovation will be considered completed only when the following conditions are met:

- a) All the change order(s) requests have either been closed, eliminated, or executed
- b) All punch list have been corrected;
- c) All non-conformance reports have been signed and approved by the Subrecipient.
- d) Delivery of the Final Report and its corresponding Certification of Works has been completed.
- e) The project has passed final inspection, as evidenced by the Written Inspection Report(s) from the Residence Inspector and Project Manager.
- f) Final punch list has been executed and the Certificate of Occupancy ("Permiso de Uso") has been awarded to complete project closeout.

Task 7.6. Construction Inspection Services

Activity: Utilizing internal staff and/or contracted professional services, the Subrecipient shall provide appropriate construction inspection services for the approved project(s). To acquire these professional services, the Subrecipient shall comply with the applicable procurement processes. The Construction Inspection Services Procurement Package must be submitted to PRDOH for record keeping purposes.

At a minimum, the Subrecipient shall comply with the following roles and responsibilities for construction inspection services:

- a) Attend preconstruction meeting and participate in weekly construction meetings;
- b) Serve as the field/construction Point of Contact;
- c) Provide daily and regular correspondence with the General Contractor;
- d) Coordinate the project schedule with the General Contractor, and other required participants;
- e) Maintain necessary written communications with the Project Manager and Subrecipient;
- f) Inspect and monitor the Project's progress and construction methods to ensure that construction work meets contract requirements;
- g) Communicate and resolve field problems with the General Contractor, Project Manager, and any other affected parties;
- h) Coordinate the necessary activities to perform required materials testing;
- i) Coordinate the evaluation of testing results with Architect and/or Engineer to ensure compliance with project requirements;
- j) Assist the General Contractor with the coordination of any required utility relocation;
- k) Coordinate inspection activities with required Public or Private Utility Entity, as required by permits or endorsements;
- l) Prepare and submit necessary digital monthly reports, which at a minimum, document weather conditions, on-site construction personnel, hours worked, construction equipment used, detailed description of construction activities observed, photos, and documentation of any field decisions;
- m) Ensure compliance with all permits and endorsements of construction project;
- n) Measure and document project quantities, maintain digital records and logs of all quantities;
- o) If necessary, prepare cost estimates and to submit to Project Manager/Architect/Engineer, for review and approval;
- p) Review General Contractor quality control documentation;
- q) Coordinate survey and staking needs for the project;
- r) Conduct wage interviews with individual employees to complete report documentation to provide to the Project Manager;
- s) Prepare and finalize necessary project closeout documentation;
- t) Prepare punch list items among other necessary lists of items and deficiencies that need to be corrected;
- u) Monitor work zone traffic control;
- v) Evaluate the overall progress of construction works;

- w) Confirm that all contract requirements have been met by the contractors performing services and implementing the construction works;
- x) Monitor project safety in compliance with the Occupational Safety and Health Administration (OSHA) regulations.

If necessary, the Subrecipient shall perform the Procurement for Construction Inspection services of the Project(s) in compliance with the scope established. The Subrecipient is responsible for coordinating construction inspection services to ensure that these services are contracted prior to the start of construction. Construction inspection services shall be provided throughout the entire construction phase and will abide by federal and state laws as well as the applicable local laws and regulations.

Deliverable: Appropriate Construction Inspection Services Capacity is in place with construction activities. The Subrecipient shall submit Monthly Inspection Reports using the provided PRDOH template as a guide.

Task 7.7. Program Closeout

Activity: The Subrecipient will be responsible for the closeout process of the housing solution project. The closeout procedures and record documentation will be defined and coordinated with PRDOH, or its representatives. Following the Record Retention and Transmission of Records to the PRDOH Subrecipient. Subrecipient should:

- a) Deliver one official digital copy of closeout binder to PRDOH or its representatives;
- b) Maintain and preserve the Project's records until the time period required by the federal and state laws and regulations;
- c) Assist with any audits perform by the Owner or its representatives;
- d) Ensure that all Program funding has been expended in accordance to the Subrecipient Agreement and that suppliers/subcontractors have completed all tasks required.

Note: All records shall be retained and maintained for a period of at least **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. Furthermore, they must be made available to PRDOH upon request. Any other task necessary to ensure proper closeout of the SIH Program.

Deliverable: The Subrecipient and procured services are responsible to submit the Construction Project Closeout Report to PRDOH that shall include the following:

- a) Binder cover, dividers, and checklist;
- b) Copy of the Agreement and its amendments;
- c) Waterproofing system warranties and bonds;
- d) Transfers of all warranties and equipment;
- e) Operation and Maintenance Manuals;
- f) List of vendors, supplier or manufacturer used;
- g) Record drawings, signed and sealed;
- h) Record specification, signed and sealed;
- i) Master plumber certifications;
- j) Professional electrician certifications (interior and exterior);

- k) Submittal log and its digital copies in pdf format:
- l) Copy of closing government permits: and
- m) Any other documents required by the SIH Program.

END OF SCOPE OF WORK.



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

EXHIBIT B

TIMELINES AND PERFORMANCE GOALS

SOCIAL INTEREST HOUSING PROGRAM

PONCE NEIGHBORHOOD HOUSING SERVICES, INC.

1. PROGRAM OBJECTIVE:

The Program aims to provide funding to applicants who are committed to providing Social Interest Housing and to expand existing housing to increase the number of vulnerable persons served and/or bring existing housing to decent, safe, and sanitary conditions and meet compliance with construction codes. The Program provides funding to NGOs who aim to increase housing opportunities for vulnerable individuals while also improving existing housing conditions to meet decent, safe, resilient, and sanitary standards in disaster impacted areas.

The National Objective of this Program is to benefit Low- and Moderate-Income (LMI) persons (below eighty percent (80%) Area Median Family Income (AMFI) according to the HUD Modified Income Limits for CDBG-DR Puerto Rico), through the Limited Clientele (LC) LMI sub-category.

2. TERMS:

- **Design Build** – A method of project delivery in which architects, engineers, and contractors are a single business entity and provide their services, (from initial design concept through construction completion). The Design Build firm will enter into a single contract, offering their combined services as one business entity.
- **Key Objective** – The major objective the Program wants to achieve.
- **Key Activity** – The activities necessary to carry out the Objective.
- **Indicator** – The quantitative method used to demonstrate that the Key Activities have been performed.
- **Source of Verification** – The documentation used to verify that the Indicators have been met, and thus the activities are complete.
- **Target** – The goal for each of the Indicators.

3. TIMELINES & PERFORMANCE GOALS

KEY OBJECTIVE #1	KEY ACTIVITY	INDICATORS	SOURCE OF VERIFICATION	TARGET GOALS	TIMELINE
	1.1 Project Design Development is completed and delivered	# of Organizational Structure Charts approved	Approved Organizational Structure Charts	1 Organizational Chart submitted	Within ten (10) business days of the Subrecipient Agreement Execution
		(#) of procurement conducted	Procurement Package completed	1 procurement package completed for Inspection Services	Q2 2021
				1 procurement package completed for Design Build Services	Q2 2021
		(#) of projects that receive 30% design approval, Project Design Development & environmental review & permits are initiated	Submission of Project Design Development at 30% design threshold initiating Environmental Review & permits	1 Projects submitted for 30% of the Project Design Development and receive Environmental Review (ER); Preliminary drawings are submitted for permitting	Q1 2022
		(#) of projects that	Submission of Project	1 Projects submitted for	Q3 2022

KEY OBJECTIVE #1	KEY ACTIVITY	INDICATORS	SOURCE OF VERIFICATION	TARGET GOALS	TIMELINE
		receive 60% approval of Project Design Development (#) of projects that receive 90% approval of Project Design Development (#) of projects that submit the 100% Project Design Development to PRDOH and to Government agency permit Office	Design Development and Inspector's report at 60% threshold Submission of Project Design Development submission and Inspector's report at at 90% threshold; Construction reached 100% completion and Permitting office approve final Project Design Development	60% of the Project Design Development and complete all ER requirements and constructions has begun 1 Projects submitted for 90% of the Project Design Development. 90% of Construction has been completed and final punch list items have been amended 1 Projects received approval for 100% of the Project Design Development approved by PRDOH	*may vary according to approved project Q4 2022 Q1 2023
	1.2 Project Delivery & Closeout. Proper documentation is provided to ensure that construction	(#) projects that achieve project completion (#) Certificates of Occupancy	Closeout Binder-delivered and includes Final Completion Report Certificate of Occupancy- ("Permiso de Uso")	1 Projects complete Closeout process and submit complete required documentation as per Exhibit A 1 Certificate of Occupancy	Q1 2023 Q1 2023

KEY OBJECTIVE #1	KEY ACTIVITY	INDICATORS	SOURCE OF VERIFICATION	TARGET GOALS	TIMELINE
	was complete to standard				
	1.3 Affordability Period	(#) affordable units provided % of units that remain affordable	Annual Reports	20 units occupied 100% units remain affordable	Q2 2023 *Annually until 2031*

KEY ACTIVITY 1.1 PROJECT DESIGN DEVELOPMENT IS COMPLETED AND DELIVERED

After PRDOH has delivered the SRA Agreement, the Project Design Development must be completed to initiate the Environmental Review and Construction Phase. Amidst Construction Phase, it is critical to ensure that construction practices are met, and the project timeline is maintained. To ensure this, PRDOH will require the Subrecipient to submit Monthly Inspection Reports and SRA Monthly Administrative Reports. The Key Objective #1 outlines the requirements of this workflow specifically within a Design Build scenario; which deploys a single contract to procure both design and construction services simultaneously.

The Subrecipient must conduct procurement following the applicable federal procurement rules and regulations.

- Design-Build

After being awarded the RFP Bid, a Design Build firm will enter into a single contract, offering their combined services as one business entity. Since a Design Build firm would enter into a single contractual agreement with Ponce Neighborhood Housing Services, Inc., the "design to construction" process is streamlined, allowing for a

fast-track approach. This streamlined form of practice and communication is ideal for all project types especially ones that are using existing conditions, where oftentimes unforeseen construction circumstances may occur, (New Construction¹, Rehabilitation², and Renovation³ projects). The design process is also streamlined, usually resulting in a shortened design development phase that is combined with construction documentation. Lastly, Design Build workflows eliminate the need to procure separate construction services. Instead, design team, (which is comprised of both licensed Architects and licensed Engineers) is part of the same team of licensed professionals that conduct construction services.

- Inspection Services

Prior to the execution of an Inspection Service contract, these services shall be procured. The services will be performed in parallel with the Design Build Services timeline. After being awarded the Small Purchase, the Inspection firm will enter into a single contract with the Ponce Neighborhood Housing Services, Inc. Since a Design-Build firm will be responsible for design and building the approved CDBG-DR project, the Inspection company shall work in conjunction with the "fast-track" construction timeline. Since the design process is also streamlined, it will result in a shortened design development phase that occurs alongside the construction documentation and consequently, reporting phase. Ultimately, this will allow a third party, such as the Inspection Services, to advocate on behalf of the Subrecipient to ensure Quality Assurance/Quality Control (QA/QC) of performed construction services.

KEY ACTIVITY 1.2 PROJECT DELIVERY & CLOSEOUT

For the Project(s) to be considered "complete," milestones must be delivered to ensure the safety of the Project's user(s). The Project's completion is not marked solely upon the completion of the Project's Construction Phase but is also marked by the approval of the project closeout binder.

¹ New Construction refers to site preparation for, and construction of, entirely new structures and/or significant extensions or the way that something is put together. Homes or structures considered as new construction usually are built within the past year and a half.

² Rehabilitation refers to returning a structure exterior or interior to a useful state by means of repair, modification, or alteration and additions while preserving/retaining those portions or features which convey its historical, cultural, or architectural values

³ Renovation refers to the process of returning existing old structures, typically damaged, defective, or out of code compliance, up to a modern, improved state, meeting new code requirements regulated by federal or local law. Typically, major elements of the structure are added, relocated, or reconfigured for functional, efficiency or marketability reasons.

KEY ACTIVITY 1.3: AFFORDABILITY PERIOD

It is essential to provide continued satisfaction to the Project's user and ensure that the Project(s) has a continued ability to provide shelter and community to its targeted population. A method to consider when maintaining the Project's continued success is to evaluate the Project on an annual basis. This allows the proper parties involved to be updated regularly on any developments and ensure that the cost of living does not rise.

Annual Reports can summarize changes in a timely manner, which can help the proper parties mitigate concerns more quickly and efficiently. In the long term, Post Construction Annual Reports ensure the last quality and resilience of the community.



EXHIBIT C

KEY PERSONNEL

SOCIAL INTEREST HOUSING PROGRAM

PONCE NEIGHBORHOOD HOUSING SERVICES, INC.

Below is the Staffing Plan for the CDBG-DR SOCIAL INTEREST HOUSING (SIH) PROGRAM, which reflects a combination existing employees or new hired employees dedicated for the CDBG-DR SIH Program.

I. Personnel Breakdown

Position Titles	FTE	Unit Price	Max. Monthly Cost
Executive Director	1	\$72.79	\$2,183.70
Chief Financial Officer	1	\$59.67	\$1,790.10
Human Resources and Administrative Specialist	1	\$22.61	\$339.15
Program and Quality Control Coordinator	1	\$43.06	\$1,291.80
Finance and Accounting Specialist	1	\$22.61	\$452.20
Project Manager	1	\$23.68	\$3,078.40
Finance support and compliance Officer	1	\$18.21	\$2,367.30
Total Max. Monthly Cost	7		\$11,502.65

**Estimated hours. Actual hours subject to change based on Program volume not to exceed 173 hrs. per month.*

II. Roles Description:

Role	Description
Executive Director	Subrecipient's key member is responsible of the organization actions for the delivery of the CDBG-DR approved project. Shall act as the main Point of Contact for PRDOH or designees, unless otherwise stated. Position is expected to provide strategic planning, work with the board of directors, and steering the organization and managing its operation within budget. Should have the ability on building an effective team of leaders, manage, provide guidance and coaching to other key personnel. Must ensure adherence of the organizations' daily activities and long-term plans to established policies and legal guidelines. Shall review reports by subordinate managers to acquire understanding of the organization's financial and non-financial positions. Shall be willing to learn knowledge of regulatory and statutory compliance requirements for CDBG-DR like mandatory training and participating in the capacity building sessions, so that the subrecipient can fully comply with federal requirements and PRDOH. Must address other responsibilities that may arise during project implementation, for example, all procurement packages, etc.
Chief Financial Officer	Subrecipient's key member oversees all financial aspects of the NGO, which includes but not limited to, task(s) like annual budget approval, financial health evaluations, staff payroll and ensure the organization follows financial rules. Must possess or develop knowledge of regulatory and statutory compliance requirements for CDBG-DR, SIH Program and PRDOH. These compliance requirements are mandatory training and building sessions such as modules to develop internal controls and implementation and monitoring procedure to ensure the effectiveness of internal protocols. Additional modules introduce the roles and responsibilities of subrecipients, applicable systems to manage CDBG-DR Program data, management and reporting of citizen complaints, and Protection of Personally Identifiable Information. Other responsibilities are the development of the projects budget cost, oversee all invoices and must be willing to learn the PRDOH Financial Management System to upload all required documentation to achieve CDBG-DR funds disbursements.
Human Resources and Administrative Specialist	In charge of verify and audit CDBG-DR Program employees time sheets. Officer in charge of the Digital Time Clock System for employees. Supervise time sheet submission on time and in compliance. Prepare fringe benefit processes for CDBG-DR Program employees. In charge of monitoring the CDBG-DR Program Procurement process and of micro-purchases related CDGB-DR Program.
Program and Quality Control Coordinator	Prepare administrative monthly reports to CDBG-DR Program. In charge of gather data and information for CDBG-DR Program Performance Report. Receive and audit work hours from CDBG-DR Program employees. Receive, manage, and audit time sheets and

Role	Description
	<p>other compliance documents from the CDBG-DR Program to prepare invoices and reimbursement processes. Monitoring and submit invoices and reimbursement processes from CDBG-DR Program. Submit invoices through Vendors Café System. Verify CDBG-DR reports from different departments. Participate in weekly and monthly reports conference calls and meetings with Social Interest Housing Program, HORNE and other entities related with the program. Maintains constant communication with HORNE and the managers to keep the Program in compliance.</p>
<p>Finance and Accounting Specialist</p>	<p>Monitoring and verify that the travel expenses procedure from the CDBG-DR Program has been followed as compliance request. Check utilities and other CDBG-DR Program related bills, submitting as a tenant account, those bills to the system. Prepare banks reconciliations from the CDBG-DR Program, which the Chief Finance Officer approves. Prepare SURI tax forms, submissions of quarterly tax forms to State Agencies related CDBG-DR funds.</p>
<p>Project Manager</p>	<p>Assisting with the development of the project(s) schedule, and other activities. Recommending and advising with cost control, record keeping, auditing and procurement issues for the usage of construction development. Coordinating various components of project(s) to ensure the ethical behaviors and work ethic within the construction predevelopment and development process. Plays a crucial role performing indirect costing, including cost analysis, cost flow structuring, budgeting, forecasting, and analysis that supports the Interest Social Program. Duties included but not limited to involve a broad array of financial affairs, such as income, expenses, taxes, capital expenditures and financial statements.</p>
<p>Finance support and compliance Officer</p>	<p>In charge of collect the data and information relate to invoices. Prepare invoices and reimbursement processes. Support the reconciliation of bank accounts. Write the monthly reports of the Interest Social Program. Prepare the CDBG-DR Program Procurement process. Other duties related to the predevelopment and implementation of the Interest Social Program.</p>

III. Notes:

1. Positions Title names, in section one (I), are generic names assumed to designate the minimum roles to the Subrecipient's staff, therefore these positions may not necessarily coincide to current positions within Subrecipient's roster of employees and must be procured in order to achieve project completion.
2. Subrecipient will request authorization before any staff performs any work for the CDBG-DR Program, the request shall be completed submitting a standard

form provided by PRDOH. Failure to obtain staff authorization form PRDOH, will result in payroll payment deduction for each unauthorized staff.

3. Subrecipient may use one or more of its employees for each of the approved staff positions, therefore the maximum budget shall consider the summary of payroll cost for employees authorized for the position, which in summary is a full-time equivalent expectation.
4. Subrecipient may recruit new employees to fill-in staff positions included in section one (I) that are not occupied at the start date of this agreement.
5. Subrecipient shall require to each staff position daily time entry reports with a description of work performed during the report period.
6. Personnel Breakdown, shown in section one (I) in columns; Unit Price and Max. Monthly Cost, represent the total budget authorized for Subrecipient's personnel working as a staff position for the CDBG-DR Program.
7. The Staff Position Maximum Budget shall be considered as the total authorized budget for the term of the agreement for each Subrecipient's staff position.
8. After this agreement is executed, the Subrecipient may request in writing an amendment to modify the distribution of budgeted amounts for any of the positions.
9. The total authorized available budget for all Subrecipient's staff positions will be established in the Budget Exhibit of this agreement. The specific amount will be indicated in item described as "Subrecipient Self-Performed Services" of the Budget Exhibit.



EXHIBIT D - BUDGET

SOCIAL INTEREST HOUSING PROGRAM

PONCE NEIGHBORHOOD HOUSING SERVICES, INC.

1. Total Allocation and Authorized Budget

- a) The Puerto Rico Department of Housing (PRDOH) designated to the Ponce Neighborhood Housing Services, Inc. ("the Subrecipient") a total allocation amount of **two million five hundred thousand dollars and cero cents (\$2,500,000.00)** for the Social Interest Housing (SIH) Program.
- b) The maximum authorized budget for the Subrecipient Self-Performed Services shall be according to the total staff position maximum budget established in **Exhibit C – (Key Personnel)**.

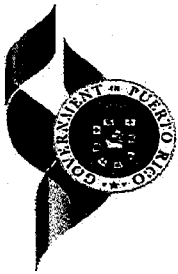
2. Distribution of Authorized Maximum Budget

- a) The maximum budget amount shall be distributed in the following four (4) items:

Item Id	Item Name:	Maximum Authorized Budget
1	Subrecipient Self-Performed Services	\$ 276,063.60
2	Professional Services (Contracted)	\$ 4,150.00
3	Construction Services (Contracted)	\$ 2,059,786.40
4	Land Acquisition	\$ 160,000.00
Total Authorized Budget:		\$2,500,000.00

3. Budget Re- Distribution

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



April 23, 2021

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

Katherine Meléndez Mateo
CDBG-DR Finance Director
Puerto Rico Department of Housing

César A. Candelario Candelario
Budget Manager CDBG-DR
Puerto Rico Department of Housing

CERTIFICATION OF FUNDS FOR THE SUB-RECIPIENT AGREEMENT WITH PONCE NEIGHBORHOOD HOUSING SERVICES, INC. FOR THE SOCIAL INTEREST HOUSING PROGRAM RELATED TO CDBG-DR

As requested by the Deputy Director - Contract Administration of CDBG-DR, we certify the availability of funds for **\$2,500,000.00** for the "Sub Recipient Agreement with Ponce Neighborhood Housing Services, Inc. for the Social Interest Housing Program". These funds are part of the **CDBG-DR Grant "B-18-DP-72-0001"**.

The breakdown of the certified funds is as follows:

Funds	Program	Activity Number	Activity Title	Account Number	Amount Certified
B-18-DP-72-0001	Housing	R02H11SIH-DOH-LM	Social Interest Housing Program	6090-01-000	\$2,500,000.00
Total					\$2,500,000.00

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

KMM/CCC/ac



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

EXHIBIT F

HUD GENERAL PROVISIONS

SOCIAL INTEREST HOUSING (SIH) PROGRAM

PONCE NEIGHBORHOOD HOUSING SERVICES, INC.

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

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

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

General Provisions:

1. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

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

2. STATUTORY AND REGULATORY COMPLIANCE

SUBRECIPIENT shall comply with all laws and regulations applicable to the Community Development Block Grant-Disaster Recovery funds appropriated by the Supplemental Appropriations for Disaster Relief Requirements, 2017 (Pub. L. 115-56),

approved September 8, 2017 (Appropriations Act), as amended, including but not limited to the applicable Office of Management and Budget Circulars, which may impact the administration of funds and/or set forth certain cost principles, including if certain expenses are allowed.

3. BREACH OF SUBRECIPIENT AGREEMENT TERMS

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

4. REPORTING REQUIREMENTS

The SUBRECIPIENT shall complete and submit all reports, in such form and according to such schedule, as may be required by the PRDOH and/or the Government of Puerto Rico. The SUBRECIPIENT shall cooperate with all the PRDOH and/or the Government of Puerto Rico efforts to comply with HUD requirements and regulations pertaining to reporting, including but not limited to 24 C.F.R. §§ 85.40-41 (or 84.50-52, if applicable) and 570.507, when applicable.

5. ACCESS TO RECORDS

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

6. MAINTENANCE/RETENTION OF RECORDS

All records (files, data, work product) connected with this SRA will be turned over to PRDOH following the Agreement termination to be maintained for the remainder of the grant and post grant closeout.

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

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

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

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

8. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

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

9. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

The SUBRECIPIENT will comply with the provisions of Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color, or national origin in any program or activity that receives Federal funds or other Federal financial assistance. Programs that receive Federal funds cannot distinguish among individuals on the basis of race, color or national origin, either directly or indirectly, in the types, quantity, quality or timeliness of program services, aids or benefits that they provide or the manner in which they provide them. This prohibition applies to intentional discrimination as well as to procedures, criteria or methods of administration that appear neutral but have a discriminatory effect on individuals because of their race, color, or national origin. Policies and practices that have such an effect must be eliminated unless a recipient can show that they were necessary to achieve a legitimate nondiscriminatory objective.

10. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

The SUBRECIPIENT shall comply with the provisions of Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall on the grounds of race, color, national origin, 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 funds made available under this title. Section 109 further provides that discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.

11. SECTION 504 OF THE REHABILITATION ACT OF 1973

The SUBRECIPIENT shall comply with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), as amended, and any applicable regulations.

The SUBRECIPIENT agrees that no qualified individual with a disability shall, solely on the basis of their disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance from HUD.

12. AGE DISCRIMINATION ACT OF 1975

The SUBRECIPIENT shall comply with the Age Discrimination Act of 1975 (42 U.S.C. § 6101 *et seq.*), as amended, and any applicable regulations. No person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to, discrimination under, any program or activity receiving Federal financial assistance.

13. DEBARMENT, SUSPENSION, AND INELIGIBILITY

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

14. CONFLICTS OF INTEREST

The SUBRECIPIENT shall notify the PRDOH as soon as possible if this SRA or any aspect related to the anticipated work under this SRA raises an actual or potential conflict of interest (as defined at 2 C.F.R. Part 215 and 24 C.F.R. § 85.36 or 84.42, if applicable). The SUBRECIPIENT shall explain the actual or potential conflict in writing in sufficient detail so that the PRDOH is able to assess such actual or potential conflict. The SUBRECIPIENT shall provide the PRDOH any additional information necessary to fully assess and address such actual or potential conflict of interest. The SUBRECIPIENT shall accept any reasonable conflict mitigation strategy employed by

the PRDOH, including but not limited to the use of an independent subcontractor(s) to perform the portion of work that gives rise to the actual or potential conflict.

15. SUBCONTRACTING

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

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

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

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

16. ASSIGNABILITY

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

17. INDEMNIFICATION

The SUBRECIPIENT shall indemnify, defend, and hold harmless the Government of Puerto Rico and PRDOH, its agents and employees, from and against any and all claims, actions, suits, charges, and judgments arising from or related to the negligence or willful misconduct of the SUBRECIPIENT in the performance of the services called for in this SRA.

18. COPELAND "ANTI-KICKBACK" ACT
(Applicable to all construction or repair contracts)

Salaries of personnel performing work under this SRA shall be paid unconditionally and not less often than once a month without payroll deduction or rebate on any account except only such payroll deductions as are mandatory by law or permitted by the applicable regulations issued by the Secretary of Labor pursuant to the Copeland "Anti-Kickback Act" of June 13, 1934 (48 Stat. 948; 62 Stat. 740; 63 Stat. 108; Title 18 U.S.C. § 874; and Title 40 U.S.C. § 276c). The SUBRECIPIENT shall comply with all applicable "Anti-Kickback" regulations and shall insert appropriate provisions in all subcontracts covering work under this Agreement to ensure compliance by subcontractors with such regulations, and shall be responsible for the submission of affidavits required of subcontractors thereunder except as the Secretary of Labor may specifically provide for variations of or exemptions from the requirements thereof.

19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT
(Applicable to construction contracts exceeding \$2,000 and contracts exceeding \$2,500 that involve the employment of mechanics or laborers.)

The SUBRECIPIENT shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-330) as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

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

20. DAVIS-BACON ACT
(Applicable to construction contracts exceeding \$2,000 when required by Federal program legislation.)

The SUBRECIPIENT shall comply with the Davis Bacon Act (40 U.S.C. §§ 276a to 276a-7) as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

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

the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act.

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

21. TERMINATION FOR CAUSE
(Applicable to contracts exceeding \$10,000)

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

22. TERMINATION FOR CONVENIENCE
(Applicable to contracts exceeding \$10,000)

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

23. SECTION 503 OF THE REHABILITATION ACT OF 1973
(Applicable to contracts exceeding \$10,000)

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

Equal Opportunity for Workers with Disabilities:

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

notice (e.g., the SUBRECIPIENT may have the notice read to a visually disabled individual, or may lower the posted notice so that it might be read by a person in a wheelchair).

- 5) The SUBRECIPIENT will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the SUBRECIPIENT is bound by the terms of Section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment individuals with physical or mental disabilities.
- 6) The SUBRECIPIENT will include the provisions of this clause in every subcontract or purchase order in excess of \$10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to Section 503 of the Act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order as the Deputy Assistant Secretary for Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

24. EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

- 1) The SUBRECIPIENT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The SUBRECIPIENT shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- 2) The SUBRECIPIENT shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by Contracting Officer setting forth the provisions of this non-discrimination clause. The SUBRECIPIENT

shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

- 3) The SUBRECIPIENT will, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- 4) The SUBRECIPIENT will send to each labor union or representative of workers with which he or she has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers representative of the SUBRECIPIENT's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 5) The SUBRECIPIENT will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
- 6) The SUBRECIPIENT will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- 7) In the event of the SUBRECIPIENT's non-compliance with the non-discrimination clause of this Agreement or with any of such rules, regulations or orders, this Agreement may be cancelled, terminated or suspended in whole or in part and the SUBRECIPIENT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.
- 8) SUBRECIPIENT shall incorporate the provisions of 1 through 7 above in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor so that such provisions shall be binding on such subcontractor. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance, provided, however, that in the event the SUBRECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such

direction by the contracting agency, the SUBRECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.

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

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

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

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

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

The SUBRECIPIENT and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 U.S.C. § 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 C.F.R. Part 15 and 32, as amended, Section 508 of the Clean Water Act (33 U.S.C. § 1368) and Executive Order 11738.

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

- 1) A stipulation by the SUBRECIPIENT or subcontractors, that any facility to be utilized in the performance of any nonexempt contract or subcontract, is not listed on the Excluded Party Listing System pursuant to 40 C.F.R. 32 or on the List of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 C.F.R. Part 15, as amended.
- 2) Agreement by the SUBRECIPIENT to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 U.S.C. § 1857 c-8) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 U.S.C. § 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
- 3) A stipulation that as a condition for the award of the Agreement, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized, or to be utilized for the Agreement, is under consideration to be listed on the Excluded Party Listing System or the EPA List of Violating Facilities.
- 4) Agreement by the SUBRECIPIENT that he or she will include, or cause to be included, the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the SUBRECIPIENT will take such action as the government may direct as a means of enforcing such provisions.

27. ANTI-LOBBYING

(Applicable to contracts exceeding \$100,000)

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

- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the SUBRECIPIENT, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

- 2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the SUBRECIPIENT shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- 3) The SUBRECIPIENT shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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

28. BONDING REQUIREMENTS

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

The SUBRECIPIENT shall comply with Puerto Rico bonding requirements, unless they have not been approved by HUD, in which case the SUBRECIPIENT shall comply with the following minimum bonding requirements:

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

29. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968
(As required by applicable thresholds)

- 1) 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.
- 2) 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.
- 3) The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which the SUBRECIPIENT has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the SUBRECIPIENT's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- 4) The SUBRECIPIENT 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 SUBRECIPIENT will not subcontract with any subcontractor where the SUBRECIPIENT has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 135.
- 5) The SUBRECIPIENT will certify that any vacant employment positions, including training positions, that are filled: (1) after the SUBRECIPIENT 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 SUBRECIPIENT's obligations under 24 C.F.R. Part 135.

- 6) 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.
- 7) 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).
- 8) For contracts exceeding \$100,000, the SUBRECIPIENT shall submit Form HUD 60002 (Section 3 Summary Report) to PRDOH on a quarterly basis, notwithstanding the annual reporting requirement set forth in that form's instructions.

30. FAIR HOUSING ACT

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

31. ENERGY POLICY AND CONSERVATION ACT

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

32. HATCH ACT

SUBRECIPIENT agrees to comply with mandatory standards and policies relating to Hatch Act, Public Law 94-163, as amended.

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

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

33. HEALTH AND SAFETY STANDARDS

All parties participating in this project agree to comply with Sections 107 and 103 of the Contract Work Hours and Safety Standards Act. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions, which are unsanitary, hazardous, or dangerous to his or her health and safety as determined under construction, safety, and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchase of supplies or materials or articles ordinarily available on the open market, or contracts for transportation.

34. PERSONNEL

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

35. WITHHOLDING OF WAGES

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

36. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES

Claims and disputes pertaining to wage rates or to classifications of professional staff or technicians performing work under this SRA shall be promptly reported in writing by the SUBRECIPIENT to the PRDOH for the latter's decision, which shall be final with respect thereto.

37. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS

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

38. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS

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

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

39. INTEREST OF CERTAIN FEDERAL OFFICERS

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

40. INTEREST OF SUBRECIPIENT

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

41. POLITICAL ACTIVITY

The SUBRECIPIENT will comply with the provisions of the Hatch Act (5 U.S.C. 1501 et seq.), which limits the political activity of employees.

42. RELIGIOUS ACTIVITY

The SUBRECIPIENT agrees to abstain from using any funds related to this Agreement for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

43. FLOOD DISASTER PROTECTION ACT OF 1973

The SUBRECIPIENT will ensure that procedures and mechanisms are put into place to monitor compliance with all flood insurance requirements as found in the Flood Disaster Protection Act of 1973, 24 C.F.R. § 570.605.

44. LEAD BASED PAINT

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

45. VALUE ENGINEERING

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

The SUBRECIPIENT must comply with the regulations regarding systematic and organized approach to analyze functions of systems, equipment, facilities, services, and materials to ensure they achieve their essential functions at the lowest cost consistent to life cycle in execution, reliability, quality, and safety, in accordance with 24 C.F.R. § 200.318.(g).

END OF DOCUMENT



EXHIBIT G

SPECIAL CONDITIONS

SOCIAL INTEREST HOUSING PROGRAM

PONCE NEIGHBORHOOD HOUSING SERVICE, INC.

1. Policies and Procedures:

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

- a. Record Retention and access to records (2 C.F.R. §§ 200.333-336), record keeping requirements (24 C.F.R. § 570.490), records to be maintained (24 C.F.R. § 570.506) and public access to Program Records (24 C.F.R. § 570.508).
 - b. Financial management (2 C.F.R. § 200.302), Internal controls (§200.303), Payments (§200.305), revision of budget and program plans (§ 200.308) and Collection of amounts due (§200.345) policies and procedures in compliance with state and federal requirements in applicable regulation.
 - c. Monitoring related policies and procedures in compliance with 2 C.F.R. § 200.328 Monitoring and Reporting Program Performance.
 - d. Policies to regulate access and use of systems and protecting Personally Identifiable Information (PII) according to the CDBG-DR PII Policy.
 - e. Citizen Complaints procedures in accordance with 24 C.F.R. § 570.431(5) of Citizen Participation, 24 C.F.R. § 91.115. and 24 C.F.R. § 570.486.
 - f. Procurement policies and procedures in accordance with the PRDOH CDBG-DR Procurement Manual and in compliance with federal regulation.
- 2. Staffing and Training Plan:** Within **sixty (60) days** after this SRA is executed, Subrecipient shall develop a staffing and training plan that identifies specific personnel responsible for implementation and compliance of key requirements, including citizen complaints, financial management, internal controls, procurement, monitoring and CDBG-DR specific requirements (e.g., national objective).
- 3. Organizational Chart:** Within **ten (10) days** after this SRA is executed, Subrecipient shall submit to the PRDOH CDBG-DR Program an updated organizational chart for offices and divisions in the municipality participating in the implementation and management of the CDBG-DR awarded funds, that clearly demonstrate an appropriate segregation of duties in compliance with the Standards for Internal Control in the Federal Government established by the GAO, and in compliance with 2 C.F.R. § 200.303. Furthermore, the organizational chart shall also include the position, title, and employee's name, clearly establishing the segregation of duties, including the finance division.
- 4. Financial Workflow:** Within **sixty (60) days** after this SRA is executed, Subrecipient shall provide an internal financial workflow including staff roles and responsibilities.

5. **Personally Identifiable Information (PII):** Subrecipient shall comply with all requirements to protect PII in compliance with all applicable regulations and the appropriate segregation of duties within their system.
6. **Capacity Building, Training and Technical Assistance:** Within **sixty (60) days** after this SRA is executed, Subrecipient shall participate in capacity building activities directed to the development and implementation of effective internal controls of federal awards to ensure that the municipality is capable of managing federal awards in compliance with federal statutes and regulation, with special emphasis on those established in 2 C.F.R. part 200 and 24 C.F.R. § 570.501. The Subrecipient shall participate in the following training and capacity building seminars as provided by PRDOH:
 - a. Financial Management.
 - b. Internal controls development and implementation.
 - c. Procurement requirements.
 - d. Monitoring procedures to ensure the effectiveness of internal controls.
 - e. Record Retention and access to records (2 C.F.R. §§ 200.333-200.336).
 - f. Citizen complaints management and reporting.
 - g. Grant administration requirements.
 - h. Protected Personally Identifiable Information (PII).

In addition to the above, the Subrecipient shall participate in capacity building activities provided by PRDOH which include but are not limited to, topics related to Fair Housing Act, Davis-Bacon Act, Section 3 of the Housing and Urban Development Act and Minority and Women Owned Enterprises, among others.

7. Capacity Development in Procurement

Subrecipient shall participate in procurement requirements capacity development activities before commencing any procurement activity.



EXHIBIT H

SUBROGATION AND ASSIGNMENT PROVISIONS

SOCIAL INTEREST HOUSING PROGRAM

PONCE NEIGHBORHOOD HOUSING SERVICE, INC.

1. General Provisions

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

2. Subrogation and Assignment Relating to Funds Received from the Puerto Rico Department of Housing Social Interest Housing Program.

- a) These provisions are incorporated into the Subrecipient Agreement in consideration of the commitment by PRDOH to evaluate Subrecipient's application for the award of disaster assistance funds (the "Application") or the Subrecipient's receipt of CDBG-DR disaster recovery funds (the "Grant Proceeds") under the Program being administered by PRDOH.
- b) Subrecipient understands and acknowledges that the Program is subject to the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. §§ 5121-5207 (the "Act") and that, under such Act, the Subrecipient may only receive assistance to the extent that the Subrecipient has a disaster recovery need that is not fully met by insurance or other forms of disaster assistance. Subrecipient further acknowledges that these provisions are intended to ensure that Subrecipient does not receive duplicate benefits available to the Subrecipient from another source, for the same purposes as the Grant Proceeds provided under the Program, and that, any assistance determined to be duplicative must be deducted from the Program's calculation of the Subrecipient's total need prior to awarding assistance.
- c) Subrecipient hereby subrogates and assigns to PRDOH any and all of Subrecipient's future rights to, and any interest Subrecipient may have in, any reimbursement and all payments received or subsequently received from any grant, loan, insurance policy or policies of any type (each individually, a "Policy" and collectively, the "Policies"), or under any subsidy, reimbursement or relief program related to or administered by the Federal Emergency Management Agency ("FEMA"), insurance payments, or any other federal, state or local government agency (each, individually, a "Disaster Program" and collectively, the "Disaster Programs") to the extent of all Grant Proceeds paid or to be paid under the Program and that are determined, in the sole discretion of PRDOH or

its designated agent, to be a duplication of benefits ("**DOB**"). Any payments referred to in this paragraph, whether they are from Policies, FEMA, or any other source, and whether or not such amounts are a DOB, shall be referred to herein as "Proceeds"; any Proceeds that are determined to be a DOB shall be referred to herein as "DOB Proceeds".

- d) Subrecipient agrees that, in the event that Subrecipient receives additional Proceeds related to disaster recovery that are not listed on the Duplication of Benefits Certification submitted in connection with the Application, Subrecipient will notify the PRDOH within **ten (10) working days** of receipt of the funds by sending a written notification to sih-cdbg@vivienda.pr.gov. PRDOH will, in turn determine, in its sole discretion, if such Proceeds constitute DOB Proceeds. If any of the Proceeds are determined to be DOB Proceeds, the Subrecipient shall pay PRDOH the DOB Proceeds, to be disbursed as provided in Section 3 of this Agreement.

3. Cooperation and Further Documentation.

- a) If PRDOH elects to pursue any of the claims Subrecipient has or may have under any Policies, Subrecipient agrees to assist and cooperate with PRDOH. Subrecipient's assistance and cooperation shall include, but shall not be limited to, allowing suit to be brought in Subrecipient's name(s) and providing any additional documentation with respect to such consent, giving depositions, providing documents, producing records and other evidence, testifying at trial, and any other form of assistance and cooperation reasonably requested by the PRDOH. Subrecipient also agrees to assist and cooperate in the attainment and collection of any DOB Proceeds that the Subrecipient would be entitled to under any applicable Disaster Assistance Program.
- b) If requested by PRDOH, Subrecipient agrees to execute such further and additional documents and instruments as may be requested to further and better subrogate and assign to PRDOH (to the extent of the Grant Proceeds paid to Subrecipient under the Program) the Policies, any amounts received under the Disaster Assistance Programs that are determined to be DOB Proceeds and/or any rights thereunder. Subrecipient further agrees to take, or cause to be taken, all actions and to do, or cause to be done, all things requested by the PRDOH to consummate and make effective the purposes of these provisions.
- c) Subrecipient expressly allows and authorizes PRDOH to request information from any company with which Subrecipient holds or held any insurance policy or policies of any type, any other company or entity -public or private- from which the Subrecipient has applied for or is receiving assistance (such as FEMA, or others), or any non-public or confidential information determined by PRDOH, in its sole discretion, to be reasonably necessary to monitor/enforce its interest in the rights subrogated and assigned to it under this Agreement, and grant consent to such company or entity to release said information to the PRDOH.

4. Agreement to Turn Over Proceeds; Future Reassignment.

- a) If Subrecipient (or, to the extent permitted by superior loan documents, any lender to which DOB Proceeds are payable) hereafter receives any DOB Proceeds, Subrecipient agrees to promptly pay such amounts to PRDOH, if Subrecipient received Grant Proceeds under the Program in an amount greater

than the amount Subrecipient would have received if such DOB Proceeds had been considered in the calculation of Subrecipient's award.

- b) In the event that Subrecipient receives or is scheduled to receive any Proceeds not listed on its Duplication of Benefits Certification ("Subsequent Proceeds"), Subrecipient shall pay such Subsequent Proceeds directly to the PRDOH, and PRDOH will determine the amount, if any, of such Subsequent Proceeds that are DOB Proceeds ("Subsequent DOB Proceeds"). Subsequent Proceeds shall be disbursed as follows:
 - (i) If Subrecipient has received full payment of the Grant Proceeds, Subrecipient shall remit any Subsequent DOB Proceeds to PRDOH. PRDOH shall return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.
 - (ii) If Subrecipient has received no payment of the Grant Proceeds, PRDOH shall reduce the payment of the Grant Proceeds to Subrecipient by the amount of the Subsequent DOB Proceeds and shall return all Subsequent Proceeds in excess of the Subsequent DOB Proceeds to Subrecipient.
 - (iii) If Subrecipient has received a portion of the Grant Proceeds, the following shall occur: (A) PRDOH shall reduce the remaining payments of the Grant Proceeds and return Subsequent DOB Proceeds in such amount to the Subrecipient; and (B) Subrecipient shall remit any remaining Subsequent DOB Proceeds to PRDOH. PRDOH shall also return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.
 - (iv) If the PRDOH makes the determination that Subrecipient does not qualify to participate in the Program or Subrecipient decides not to participate in the Program, PRDOH shall return the Subsequent Proceeds to Subrecipient, and the Agreement shall terminate.
- c) Once PRDOH has recovered an amount equal to the Grant Proceeds paid to Subrecipient, PRDOH will reassign to Subrecipient any rights given to PRDOH pursuant to these provisions.

5. Miscellaneous.

- a) Subrecipient hereby represents that all statements and representations made by Subrecipient regarding any Proceeds are true and correct, as of the date of the issuance of the Grant Proceeds.
- b) In any proceeding to enforce these provisions, PRDOH shall be entitled to recover all costs of enforcement, including PRDOH's attorney fees.
- c) The parties hereto each waive the right to have any judicial proceeding concerning any of the provisions hereof tried by a jury.
- d) Neither these provisions, nor any portion or provisions hereof may be changed, waived, or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by all parties hereto and approved by PRDOH.
- e) These provisions, and the rights and obligations of the parties shall be governed and construed in accordance with federal law and the laws of the Government of Puerto Rico without giving effect to conflict of law provisions. Any action

arising out of or related to this Subrogation and Assignment provisions shall be brought within the Government of Puerto Rico.

- f) The captions of the various sections of this Subrogation and Assignment provisions have been inserted only for the purpose of convenience; such captions are not a part of the Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any provisions of this Subrogation.
- g) Subrecipient acknowledges that making a false, fictitious, or fraudulent statement or representation in this agreement is punishable under Federal and State law and shall constitute a separate criminal offense each time a public benefit is fraudulently received.
- h) Subrecipient acknowledges that they have been informed and understand the penalties for making a materially false or misleading statement to obtain CDBG-DR funds under the Program or any other of the PRDOH's Programs.



OSPA
Social Interest Housing Program
Community Development Block Grant – Disaster Recovery
Puerto Rico Department of Housing
Contract Division

SPECIAL INSURANCE AND BONDING SPECIFICATIONS
FOR SOCIAL INTEREST HOUSING PROGRAM

CDBG-DR- NOFA-2020-03

A. The sub-recipient before commencing work or receiving a written notice to proceed with, or being allowed to start to work, must submit to the **Puerto Rico Department of Housing (*PRDOH)**, original and two (2) certified copies of the hereafter mentioned insurance policies and/or bonds, thus including all endorsements and agreements required under the special contractual conditions as per the following:

1. (X) Puerto Rico Workers Compensation Insurance Policy

In accordance with the Puerto Rico Workers Compensation Act No. 45, to facilitate its acquisition, the sub recipient shall provide a valid Certification of Insurance Policy from the State Insurance Fund Corporation addressed to the ***PRDOH**.

2. (X) Commercial General Liability (Broad Form) including the following insurance coverage

COVERAGE	LIMIT
I. Commercial General Liability:	
• Each Occurrence	\$1,000,000
• General Aggregate	\$2,000,000
• Products & Complete Operations	\$1,000,000
• Personal Injury & Advertising	\$1,000,000
• Fire Damage	\$100,000 (Any one Fire)
• Medical Expense	\$10,000 (Any one person)
II. Employer's Liability Stop Gap:	

COVERAGE	LIMIT
<ul style="list-style-type: none"> • Bodily Injury by Accident Each Employee Each Accident 	<p>\$1,000,000</p> <p>\$1,000,000</p>
<ul style="list-style-type: none"> • Bodily Injury by Disease Each Employee Each Accident 	<p>\$1,000,000</p> <p>\$1,000,000</p>

3. (X) Comprehensive Automobile Liability Form including the following insurance coverages

LIMIT
<ul style="list-style-type: none"> • Auto Liability - \$1,000,000 • Physical Damages - \$1,000,000 • Medical Payments - \$ 10,000
The Commercial Auto cover must be applied to the following symbols:
<ul style="list-style-type: none"> • Liability Coverage -1 • Physical Damages – 2 and 8 • Hired – Borrowed Auto – 8 • Non-Owned Auto Liability – 9

4. (X) Professional Liability

(X) A. Risk, interest, location and limits

(X) A.1 Description of work to be done

(X) A.2 Limit:

- (X) each occurrence \$1,000,000
- (X) Aggregate \$2,000,000
- (X) Deductible \$ 5,000

(X) A.3 Certification that the insurance contract has been given as surplus lines coverage under the Commonwealth Insurance Code, when applicable.

5. (X) Employment Practices Liability

Limit - \$1,000,000

6. **(X) Umbrella**

Limit - \$5,000,000

7. **(X) Cyber Liability**

Limit - \$1,000,000

8. The policies to be obtained must contain the following endorsements including as additional insured the ***Puerto Rico Department of Housing (*PRDOH), U.S. Department of Housing and Urban Development (HUD), and the Government of Puerto Rico.***

- (X) a. Breach of warranty**
- (X) b. Waiver and / or Release of Subrogation**
- (X) c. Additional Insured Clause**
- (X) d. Hold Harmless Agreement**
- (X) e. 60 Days Cancellation Clause**

9. The insurance carrier or carriers, which will present said certificates of insurances, must have at least a B+ Rating according to the Best Rating Guide.

B. IMPORTANT NOTICE TO INSURANCE AND SURETY COMPANIES AND THEIR REPRESENTATIVES

All insurance companies and all guarantors who issue policies or bonds under our special contractual conditions are subject to the following:

1. Be authorized to do business within the Commonwealth of Puerto Rico and have the corresponding license issued by the Commissioner of Insurance.
2. To be enjoying a good economic situation and to be classified under the Category of B+ Rating according to the Best Rating Guide.
3. Submit to the ****PRDOH*** a written certification as evidence of full payment of premiums by the Contractor. Mention each risk coverage premium separately.
4. Avoid sub-contractual obligations of premium financing or any other kind, which may be detrimental to the public interest.

5. Avoid any request for cancellation by the contractor prior to the expiration date of the policy, without the consent of the Contract Division of the ***PRDOH**: Discuss any refund of unearned premium.
6. Follow all Federal Bail and Acceptance Insurance Regulations, when applicable.
7. Indicate in the appropriate place of all insurance policies and/or bonds, the full description of the project, work or service to render.
8. Not to make any amendments to insurance policies and bonds issued under the special conditions mentioned above, unless approved by the Insurance Section of the ***PRDOH**.
9. To ensure that all insurance policies or bonds are issued to comply with all of our special insurance conditions with respect to the period of coverage, type of risk coverage, as well as all limits, as specified, and also to eliminate those exclusions in accordance with our request.
10. Clarify any questions regarding insurance requirements by any means of communication with the Insurance Section of the ***PRDOH** under the Secretary for Legal Affairs.

C. EVIDENCE OF INSURANCE COVERAGE OF EACH SUBCONTRACTOR TO BE SUBMITTED BY THE SUCCESSFUL BIDDER AS THE PRIME CONTRACTOR:

The sub-recipient, as the prime contractor, has the duty to require each of the subcontractors or sub-sub-contractors to maintain in force all insurance policies and/or bonds necessary to cover their individual participation in the risks related to the subcontracted work or service rendered.

Therefore, we emphasize that prior to commencing work or receiving written notice to proceed with such work or being authorized to commence work the successful prime contractor has the responsibility to provide the ***PRDOH** with evidence to the effect that all insurance and/or bonds required under the special conditions or required under the sub-contract to each of the sub-contractors or sub-sub-contractors are current and duly approved by the Contract Division of the ***PRDOH**.

All insurance policies shall remain in effect for the entire contractual period, so that with any order of change and/or amendment resulting in alteration of the original project completion date or total original cost. The prime contractor shall take the necessary steps to request the insurer to include such changes in all related insurance policies and/or bonds and to submit evidence by appropriate endorsements with effective dates. Cancellations without consent are not accepted.

The ***PRDOH** reserves the right to stop any work or service under contract until the breach of these requirements has been remedied, so that any delay in the performance of the contract based on any breach of the insurance coverage requirements shall be deemed the sole responsibility of the Main Contractor.

D. CONFLICT OR DIFFERENCE BETWEEN THE SPECIFICATIONS OF THE TENDERING, PROCEDURE AND SPECIAL INSURANCE CONDITIONS AND BONDS, FORM DV-OSPA-78-5

In the event of any conflict or difference in the description of coverage or in amounts or limits, etc., with respect to insurance requirements, the "Special Conditions of Insurance and Bonds" as set forth in this **Form (DV-OSPA-78-5)** shall prevail over any other insurance specifications.

E. CERTIFICATE OF CONTRACT DIVISION

We hereby certify, to our best knowledge and understanding, that we have prepared the aforementioned "Insurance and Bonds Special Conditions" after a proper evaluation of the related risks, based on the information of the nature of the project and description submitted to us, as requested by the Contracting Program through a written application.

DESCRIPTION OF THE SERVICES:

Social Interest Housing Program

April 30, 2021
Date

Candice M. Noriega Morales
Candice M. Noriega Morales
Insurance Specialist
CDBG-DR Program