



**GOVERNMENT OF PUERTO RICO**  
**Department of Housing**

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

**AGREEMENT FOR  
PROGRAM MANAGEMENT SERVICES  
BETWEEN THE  
PUERTO RICO DEPARTMENT OF HOUSING  
AND  
ALLIANCE FOR THE RECOVERY OF PUERTO RICO**



**THIS AGREEMENT FOR Program Management Services**, (hereinafter referred to as the "Agreement") is entered into in San Juan, Puerto Rico, this 12 of July, 2019, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (hereinafter, PRDOH), a public agency created under Law No. 97 of June 10, 1972, as amended, 3 LPRA § 441 et seq., known as the Department of Housing Governing Act with principal offices at 606 Barbosa Avenue, San Juan, Puerto Rico, herein represented by Hon. Fernando A. Gil-Enseñat, lawyer, of legal age, married and resident of Guaynabo, Puerto Rico, in his capacity as Secretary; and **ALLIANCE FOR THE RECOVERY OF PUERTO RICO** (hereinafter, the "CONTRACTOR"), with principal offices in Metro Office Park, Street 1, Lot 15, Suite 400, Guaynabo, PR 00968 herein represented by Daniel Craig, in his capacity as Principal in Charge, of legal age, married, and resident of Upper Marlboro, MD duly authorized by Resolution by the CONTRACTOR.

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

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

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

**WHEREAS**, pursuant to a letter dated February 23, 2018 sent by the Governor of Puerto Rico, Ricardo Rosselló Nevares, to the Honorable Benjamin Carson, Secretary of HUD, the PRDOH is the governmental agency designated by the Governor of Puerto Rico 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). 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. On September 20, 2018, the Governor of Puerto Rico and the Secretary of HUD signed the Grant Agreement.

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**WHEREAS**, the PRDOH is interested in contracting a Program Management Services firm to assist PRDOH with the oversight and management of CDBG-DR funds allocated to Puerto Rico as a result of Hurricane María. This firm will support PRDOH's objectives of ensuring compliance with all CDBG-DR, HUD and applicable federal and local requirements, rules and regulations, as well as in PRDOH's objectives of the Action Plan, as amended, and adequately coordinating and monitoring all CDBG-DR related activities.

**WHEREAS**, on October 10, 2018 the PRDOH issued a Request for Proposals CDBG-DR-RFP-2018-04 for "Program Management Services" with CDBG-DR funds (the "RFP"). This request was placed through public notice. Afterwards, PRDOH requested Quotations or Proposals from qualified Proposers therein registered. Through this procurement process, PRDOH was able to reach four (4) qualified firms listed for their capacity and experience with federal grants to deliver qualified services.

**WHEREAS**, on November 14, 2018, the CONTRACTOR submitted a proposal (hereinafter referred to as the "Proposal"), which fully complied with the requirements set forth by the PRDOH.

**WHEREAS**, pursuant to written notice from PRDOH to the CONTRACTOR dated May 31, 2019 (the "RFP Award Notice"), the Evaluation Committee recommended Alliance for the Recovery of Puerto Rico to perform the required services at a reasonable proposed cost (**Attachment A**) to assist PRDOH in the Puerto Rico's recovery efforts according to the award criteria established in the RFP.

**WHEREAS**, the PRDOH desires to enter into an agreement with Alliance for the Recovery of Puerto Rico to secure its services and accepts the CONTRACTOR'S Proposal and costs, in accordance with the RFP Award Notice, and the CONTRACTOR by its acceptance of the terms and conditions of this Agreement is ready, willing and able to provide the requested services to the PRDOH for the CDBG-DR Program Management in accordance with its Proposal, the RFP, and contemplated under this Agreement in **Attachment A, B and C**).

**WHEREAS**, the PRDOH has the legal power and authority, in accordance with its enabling statute, Act No. 97 of June 10, 1972, as amended, particularly under Article 4 (3 L.P.R.A. § 441C), the federal laws and regulations creating and allocating funds to the CDBG-DR program and the Action Plan, to issue and award the RFP, enter and perform under this Agreement.

**NOW THEREFORE**, in consideration of the mutual promises and the terms and conditions set forth herein, the PRDOH and the CONTRACTOR agree as follows:

#### **I. TYPE OF CONTRACT**

**Contract Type** This is a monthly lump sum for the General Program and Administration task and per unit cost for the other tasks as set forth in this agreement. Under this Agreement, CONTRACTOR shall submit monthly invoices to the PRDOH based on the Compensation Schedule (**Attachment D**) and as the services are rendered. Any and all changes and/or modifications to this Agreement shall be in writing and must be signed by both parties.

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

- Attachment A** Bid Board, Program Management Services, CDBG-DR-RFP-2018-04, Resolution of Award. Dated May 28, 2019
- Attachment B** Program Management Services, Under CDBG-DR, a Proposal for the Puerto Rico Department of Housing. Dated November 14, 2018 (redacted version)
- Attachment C** Scope of Work
- Attachment D** Compensation Schedule
- Attachment E** Insurance Requirements (DV-OSPA-78-5)
- Attachment F** HUD General Provisions

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

## II. TERM OF AGREEMENT

- A.** This Agreement shall be in effect and enforceable between the parties from the date of its execution. The Term of this Agreement will be for a performance period of thirty six (36) months, ending in July 11, 2022 (the "Term").
- B. Agreement Extensions:** PRDOH may, at its sole discretion, extend the Agreement's term for an additional term of twenty four (24) months, or expressed in days, seven hundred and thirty (730) days upon mutual written agreement of the parties.
- C.** The term of this Agreement shall not exceed a period of five (5) years, including options for renewal or extension.

## III. SCOPE OF SERVICES

- A.** The CONTRACTOR will provide the services and deliverables ("Deliverables") described in the scope of work included in **Attachment B** and **Attachment C** of the Agreement (jointly, the "Services"), in each case and as applicable. The parties agree that the CONTRACTOR shall furnish all permits, consents, licenses, equipment, software and supplies necessary to perform the Services, at CONTRACTOR'S sole cost.
- B.** The CONTRACTOR shall perform the Services in accordance with the applicable requirements and assumptions set forth in the Scope of Work and its proposal. The Parties may, from time to time, agree to amend the Scope of Work by mutual, written agreement of the Parties; provided that CONTRACTOR will not be obligated to perform work beyond the scope identified in any such Scope of Work, except as amended in accordance with this Agreement.
- C.** If there are any changes to the scope, schedule or other matters (including without limitation relevant project policies, procedures, processes or related matters) affecting the Services (including those resulting from Force Majeure),



the parties shall work in good faith to finalize an appropriate modification to this Agreement and/or the applicable statement of work, which shall be executed by the Parties.

- D. PRDOH may instruct CONTRACTOR in writing as to the manner in which it desires CONTRACTOR to perform or implement the Services, including, but not limited to, where necessary to ensure compliance with laws applicable to PRDOH (a "Compliance Directive"). CONTRACTOR shall use reasonable efforts to comply with such instructions, and shall be authorized to act and rely on, and shall implement, each Compliance Directive in the performance and delivery of the Services or Deliverables as agreed by the parties, including without limitation in accordance with change control procedures.

#### IV. COMPENSATION AND PAYMENT

- A. The PRDOH agrees to pay the CONTRACTOR for allowable Services rendered under this Agreement in accordance with the rates and amounts described in **Attachment D** of this Agreement.

The PRDOH will pay the CONTRACTOR, for allowable Services performed during the term of this Agreement, a maximum amount not to exceed **TWENTY TWO MILLION SIX HUNDRED AND NINETY THREE THOUSAND TWO HUNDRED SIXTY SEVEN DOLLARS AND SEVENTY EIGHT CENTS (\$22,693,267.78)**; Account Number: R01H07RRR-DOH-LM 4190-10-000

1. Such payment shall be compensation for all allowable Services required, performed and accepted under this Agreement included in **Attachment B** and **Attachment C**.
2. Any additional funds to complete the services requested by the PRDOH to the CONTRACTOR will be subject to evaluation before acceptance as well as funds availability and will require an amendment to this Agreement.
3. The CONTRACTOR shall submit an invoice to PRDOH on a monthly basis. Said invoice must be submitted including all required invoice supporting documents, including but not limited to monthly reports, and photos evidence, expense plan and/or work projections. If PRDOH determines that the submitted invoice and supporting documents are acceptable, then the invoice will be approved for payment.
4. An authorized representative of the PRDOH will review each invoice and, if adequate, will approve and process its payment. Payments to the CONTRACTOR shall be made by electronic funds transfer (EFT). PRDOH reserves the right to conduct any audits related directly to CONTRACTOR's performance under this Agreement that it deems necessary. The CONTRACTOR agrees to cooperate fully with any such audit or audits.
5. While providing the Services under this Agreement, the CONTRACTOR must adhere to applicable requirements of the CDBG-DR grant. If the CONTRACTOR performs ineligible activities under the CDBG-DR grant or program, the CONTRACTOR cannot include them in the invoice for payment to the CONTRACTOR.



6. In order for the CONTRACTOR to receive payment for any work performed hereunder, the following certification must be included in each application for payment or invoice submitted to the PRDOH for payment:

**"Under penalty of absolute nullity, I certify that no public servant of the government entity is a party to or has an interest in the profits or benefits that are the product of the contract subject of this invoice, and to be a party to or have an interest in the profits or benefits of resulting from the contract, under this invoice a prior dispensation has been issued. The sole consideration to furnish the contracted goods or services subject of the contract is the payment agreed upon with the authorized representative of the parties. The amount that appears in the invoice is fair and correct. The work has been performed, the products have been delivered and the services rendered, and no prior payment has been received for them."**

#### **V. REIMBURSABLE EXPENSES**

The PRDOH will not reimburse any costs incurred by the CONTRACTOR not included in the approved Proposal or in an executed written amendment except as provided in Article IV of this Agreement.

#### **VI. ADDITIONAL SERVICES**

Should additional services be needed by the PRDOH, such additional services shall be agreed upon by the parties in a written document signed by both parties, prior to the issuance of a notice to proceed with the performance of such additional services.

#### **VII. OWNERSHIP AND USE OF DOCUMENTS**

- A.** With the exception of the CONTRACTOR'S working papers, software and intellectual property, the CONTRACTOR acknowledges the PRDOH's ownership of all information delivered under the Agreement, including drafts, documents, reports, papers and other materials developed and prepared by the CONTRACTOR, its agents or representatives, for purposes of performing key obligations hereunder. In the event of any termination, the CONTRACTOR shall deliver such partially completed Deliverables, including drafts, reports, papers and other materials to the PRDOH, in document form or as computer program data, and the CONTRACTOR recognizes the PRDOH's right to request such documentation or computer program data. If the CONTRACTOR fails to deliver said information, the PRDOH may seek a judicial order to enforce its rights.
- B.** As between the parties, the CONTRACTOR will be the sole and exclusive owner of CONTRACTOR-provided intellectual property, including software.
- C.** Proof of expenditures incurred by the CONTRACTOR on behalf of PRDOH shall be made available to PRDOH. The CONTRACTOR agrees to maintain accurate records and files of all contract documents, correspondence, book estimates, bills and other information related to the CONTRACTOR account. These documents related to amounts billed hereunder shall be open for the PRDOH examination at all reasonable times during the term of this Agreement, and up to five (5) years after termination.



## VIII. DOCUMENTATION AND RECORDKEEPING

- A. Records to be Maintained:** The CONTRACTOR shall maintain records of the state and units of general local government, including supporting documentation, which shall be retained for the greater of five (5) years from closeout of the grant to the state, or the period required by other local applicable laws and regulations. Such records include but are not limited to: Records providing a full description of each activity undertaken; Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-DR program; Records required to determine the eligibility of activities; Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG-DR assistance; Records documenting compliance with the fair housing and equal opportunity requirements of the CDBG-DR program regulations; Financial records as required by 24 C.F.R. § 570.502, and 2 C.F.R. Part 200, including records necessary to demonstrate compliance with all applicable procurement requirements; and other records necessary to document compliance with this agreement, any other applicable Federal statutes and regulations, and the terms and conditions of PRDOH's Federal award.
- B. Access to Records:** The CONTRACTOR shall permit the PRDOH and its auditors to have access to the CONTRACTOR'S records and financial statements directly related to CONTRACTOR's performance under this contract as necessary for the PRDOH to meet its audit requirements under the Federal grant.
- C. Record Retention and Transmission of Records to the PRDOH:** Prior to close out of this Agreement, the CONTRACTOR must transmit to the PRDOH billing records sufficient for the PRDOH to demonstrate that all costs under this Agreement met the requirements of the Federal award.
- D. CONTRACTOR's Data and Privileged Information:** The CONTRACTOR is required to maintain data demonstrating client eligibility for activities provided under this agreement. Such data may include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of activities provided.

## IX. NON-DISCLOSURE AND CONFIDENTIALITY

- A. Confidential Information; Definition:** The term Confidential Information as used throughout this Section, means any information concerning PRDOH operations and that of its CONTRACTOR (e.g., the projects, computer processing systems, object and source codes and other PRDOH business and financial affairs). The term Confidential Information shall also deem to include all notes, analysis, compilation, studies and interpretation or other documents prepared by CONTRACTOR, its agents or representatives, in connection with PRDOH operations. The term Confidential Information shall not include information which (i) is previously known to or in the possession of the recipient, its affiliates, and their respective directors, officers, employees, agents, consultants, advisors and/or representatives (such persons, the "Representatives"), (ii) is available to the public prior to the time of disclosure hereunder other than as a result of breach of this Agreement, (iii) subsequent to the time of disclosure hereunder, becomes available to the public other than as a result of a breach of this Agreement by CONTRACTOR, (iv) subsequent to the time of disclosure hereunder becomes available to the recipient or its Representatives by a third party who, to the knowledge of the recipient, is under no obligation to keep the information confidential, (v) is independently developed by the recipient or its



Representatives without reference to the Confidential Information or (vi) is approved for disclosure or release by a PRDOH or other Government official.

Notwithstanding the above, the recipient may divulge Confidential Information to its Representatives to fulfill the purposes of this Agreement or provide advice or guidance to the recipient, provided that such persons shall have been advised of the confidential nature of such materials and information and the recipient shall require them to treat as confidential such information and to return all materials to CONTRACTOR.

A party will not be considered to have breached its obligations under this Article IX for disclosing Confidential Information of the other party to the extent required to satisfy any legal requirement of a competent governmental or regulatory authority, provided that promptly upon receiving any request from or on behalf of such authority and to the extent that it may legally do so, such party receiving such request: (a) timely advises the other party prior to making such disclosure in order that the other party may object to such disclosure, take legal action to ensure confidential treatment of the Confidential Information, or (subject to applicable law) take such other action as it considers appropriate to protect the Confidential Information; and (b) takes reasonable action to limit disclosure of Confidential Information to that which is required to satisfy such legal requirement.

- B. Non-Disclosure:** CONTRACTOR agrees to take all reasonable steps or measures to keep confidential all Confidential Information and will not, at any time, present or future, without PRDOH express written authorization, signed by the Secretary of the PRDOH, use or sell, market or disclose any Confidential Information to any third party, CONTRACTOR, corporation, or association for any purpose whatsoever. CONTRACTOR further agrees that, except as they relate to the normal course of the service, the CONTRACTOR will not make copies of the Confidential Information except upon PRDOH express written authorization, signed by an authorized representative of PRDOH, and will not remove any copy or sample of Confidential Information without prior written authorization from PRDOH. CONTRACTOR retains the right to control its work papers subject to these confidentiality provisions.
- C. Return Documents:** Upon receipt of written request from the PRDOH, CONTRACTOR will return to PRDOH all copies or samples of Confidential Information which, at the time of the notice are in CONTRACTOR'S or its agent's possession. CONTRACTOR reserves the right to retain a set of its work papers.
- D. Equitable Relief:** The CONTRACTOR acknowledges and agrees that a breach of the provision of subparagraph B and C of this Section may cause PRDOH to suffer irreparable damage that could not be remedied or compensated adequately only by mere monetary retribution. The CONTRACTOR further agrees that money damages may not be a sufficient remedy for any breach of this Section. Accordingly, the CONTRACTOR agrees that PRDOH shall have the right to seek injunctive relief and the specific performance of the provisions of this Section to enjoin a breach or attempted breach of the provision hereof, such right being in addition to any and all other rights and remedies that are available to PRDOH by law, equity or otherwise.
- E.** The provision of this Article IX shall survive for a period of two (2) years from the termination of this Agreement.



## X. TERMINATION

- A. Termination for Cause or Default:** The PRDOH may terminate this Agreement, in whole or in part, because of CONTRACTOR'S failure to fulfill any of its material obligations. The PRDOH shall be permitted to terminate this Agreement by delivering to the CONTRACTOR a thirty (30) day advance notice of termination specifying the extent to which the performance of the service under this Agreement is terminated, the reason therefor and the effective date of termination. CONTRACTOR shall, upon written notice, be provided a ten (10) day opportunity to cure the alleged defect that resulted in the perceived default. If the defect is not cured within that period of time, CONTRACTOR shall discontinue all such services, as of the termination effective date, being terminated and deliver to the PRDOH all information, notes, drafts, documents, analysis, reports, compilations, studies and other materials accumulated or generated in performing the services contemplated in this Agreement, whether completed or in process. Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the PRDOH for damage sustained to PRDOH CDBG-DR Program by virtue of any breach of the Agreement by the CONTRACTOR. The PRDOH may withhold any payments to the CONTRACTOR, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the PRDOH by the CONTRACTOR. PRDOH shall make payment, in accordance with the terms of this Agreement, of any amounts due to CONTRACTOR for allowable services rendered prior to the termination notice.
- B. Termination for Convenience:** The PRDOH may terminate this Agreement, in whole or in part, whenever the PRDOH determines that such termination is necessary or convenient to the Agency. The PRDOH will terminate this Agreement by delivering to the CONTRACTOR a thirty (30) day advance written 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 CONTRACTOR shall discontinue all services, as of the termination effective date, affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. In the event of a termination by Notice, the PRDOH shall be liable only for payment of Services rendered and completed or in-progress deliverables up to and including the effective date of termination. CONTRACTOR shall not be responsible for further performance obligations after the effective date of such termination. PRDOH shall make payment, in accordance with the terms of this Agreement, of any amounts due to CONTRACTOR for allowable services rendered prior to the termination notice.
- C. Termination by Unilateral Abandonment:** The PRDOH will consider this Agreement immediately terminated, in the event that the CONTRACTOR unilaterally and without prior notice, chooses to abandon (in any obvious shape, form or fashion) cease and desist in the specific performance of its general and particular duties and responsibilities as agreed in this Agreement. Upon the knowledge of such event, the PRDOH will not be held liable for payments for future Services. The PRDOH will not be compelled to continue the performance of the Agreement, should the CONTRACTOR breach the Agreement by unilateral abandonment. For the purposes of this Section, Abandonment shall mean that CONTRACTOR voluntarily and intentionally disavows its contractual duties in a manner that is overt and without question a relinquishment of said contractual duties.
- D. 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 CONTRACTOR 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 CONTRACTOR shall immediately discontinue all services affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. 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.

- E. 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 CONTRACTOR five (5) days' written notice of such suspension. Upon receipt of said notice the CONTRACTOR shall immediately suspend all Services affected.
- F. Immediate Termination:** In the event the CONTRACTOR is subjected to a criminal or civil action, suit, proceeding, inquiry or court of applicable jurisdiction, or any governmental agency, or the CONTRACTOR 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 CONTRACTOR of this Agreement or the CONTRACTOR 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 Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico.
- G. Period of Transition:** Upon termination of this Agreement, and for ninety (90) consecutive calendar days thereafter (the Transition Period), CONTRACTOR agrees to make himself available to assist the PRDOH with the transition of services assigned to CONTRACTOR by the PRDOH. CONTRACTOR 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. The parties agree to execute a Transition Services Agreement for the Transition Period and CONTRACTOR will be paid at a reasonable, agreed upon hourly rate for any work performed for the PRDOH during the Transition Period.

In the event that the funds are suspended, withdrawn, canceled, or are otherwise unavailable, this Agreement will be immediately terminated.

## **XI. PENALTIES AND LIQUIDATED DAMAGES**

### **A. Penalties**

1. In the event the CONTRACTOR is determined to have engaged in any proscribed conduct or otherwise is in default as to any applicable term, condition, or requirement of this Agreement, at any time following the Effective Date of the Agreement, the CONTRACTOR agrees that, PRDOH may impose sanctions against the CONTRACTOR for any default in accordance with **Attachment C** and this Section. Refer to Procurement Manual and Contract Requirements, Art. XII, Section 2(a.), and all required provisions set forth at 2 C.F.R. § 200.326 and 24 C.F.R. § 570.489(g).

2. If the CONTRACTOR fails to comply with federal statutes, regulations or the terms and conditions of the Agreement, PRDOH may take one or more of the following actions:

- i. Temporarily withhold cash payments pending correction of the deficiency by the CONTRACTOR.
- ii. Disallow all or part of the cost of the activity or action not in compliance.
- iii. Initiate suspension or debarment proceedings as authorized under 2 C.F.R. Part 180.
- iv. Withhold further Federal awards for the project or program.
- v. Take other remedies that may be legally available.

**B. Liquidated Damages:** The CONTRACTOR shall be subject to the liquidated damages below:

a. **Damage Assessments:** CONTRACTOR shall pay to PRDOH, as liquidated damages, \$300 for each calendar day that any Damage Assessment deliverable required is late until deemed in compliance subject to a maximum of \$1,500 established in the Agreement between PRDOH and CONTRACTOR. Said sum, in view of the difficulty of accurately ascertaining the loss which PRDOH will suffer by reason of such delay. Liquidated damages received hereunder are not intended to be nor shall they be treated as either a partial or full waiver or discharge of the PRDOH'S right to indemnification, or CONTRACTOR'S obligation to indemnify the PRDOH pursuant to this Agreement, or to any other remedy provided for in this Agreement or by LAW. Liquidated damages may be assessed at the sole discretion of PRDOH. For the purpose of calculating such liquidated damages, a grace period of ten (10) days shall be observed, and the contract schedule shall be extended by any additional time or delays outside the control of CONTRACTOR caused by an act of commission or omission of the PRDOH, HUD, or any of their representatives. The PRDOH may deduct and retain out of the monies which may come due hereunder shall be less than the amount of liquidated damages due to the PRDOH per the formula above, CONTRACTOR shall be liable to pay the difference.

b. **Single-Family Repair, Reconstruction, or Relocation Milestone Inspections and Home Energy Resilience Inspections:** CONTRACTOR shall pay to PRDOH, as liquidated damages, \$75 for each calendar day that any Single-Family Repair, Reconstruction, or Relocation Milestone Inspection or a Home Energy Resilience Inspection deliverable required is late until deemed in compliance subject to a maximum of \$600 established in the Agreement between PRDOH and CONTRACTOR. Said sum, in view of the difficulty of accurately ascertaining the loss which PRDOH will suffer by reason of delay in the completion of the Work hereunder, is hereby fixed and agreed as the liquidated damages that PRDOH will suffer by reason of such delay. Liquidated damages received hereunder are not intended to be nor shall they be treated as either a partial or full waiver or discharge of the PRDOH'S right to indemnification, or CONTRACTOR'S obligation to indemnify the PRDOH pursuant to this Agreement, or to any other remedy provided for in this Agreement or by Law. Liquidated damages may be assessed at the sole discretion of PRDOH. For the purpose of calculating such liquidated damages, a grace period of ten (10) days shall be observed, and the contract schedule shall be extended by any additional time or delays outside the control of CONTRACTOR caused by an act of commission or omission of the PRDOH, HUD, or any of their representatives. The PRDOH may deduct and retain out of the monies which may become due hereunder, the amount of any such liquidated

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damages; and in case the amount which may become due hereunder shall be less than the amount of liquidated damages due to the PRDOH per the formula above, CONTRACTOR shall be liable to pay the difference.

## **XII. LIABILITY**

In no event, the PRDOH shall be liable for any indirect, incidental, special or consequential damages, or damages for loss of profits, revenue, data or use, incurred by either party or any third party, whether in an action in contract or tort, even if the other party or any person has been advised of the possibility of such damages. Third parties operating under this program, with their agency, will have their own general civil and criminal liability imposed by law towards the PRDOH, the CONTRACTOR and any citizen.

The CONTRACTOR shall carry the insurances as are required by law (if applicable), as set forth below. The CONTRACTOR shall furnish PRDOH certificates of insurance.

## **XIII. INSURANCE**

### **A. Required Coverage**

The CONTRACTOR 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 required in OSPA-78-5, attached hereto and made an integral part hereof as **Attachment E**.

Upon the execution of this Agreement, the CONTRACTOR shall furnish PRDOH with original and two (2) certified copies of the insurance policies described in **Attachment E** 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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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 ninety (90) days in advance of any cancellation or material change in any such policies.

The CONTRACTOR 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 CONTRACTOR 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 CONTRATOR COMMENCING WORK. NO CONTRACTOR 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.

Renewal Certificates of Insurance or such similar evidence is to be received by the Procurement Department 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 CONTRACTOR and will charge back all cost to the CONTRACTOR; (2) all payments due the CONTRACTOR will be held until the CONTRACTOR has complied with the Agreement; and/or (3) The CONTRACTOR 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 ninety (90) days written notice to be given to PRDOH in the event coverage is substantially changed, cancelled or non-renewed.

The CONTRACTOR shall require all subcontractors or consultants to carry the insurance required herein or the CONTRACTOR, 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 CONTRACTOR expressly understands and agrees that whenever the CONTRACTOR 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 CONTRACTOR under this Agreement.

### **XIV. HOLD HARMLESS**

The CONTRACTOR and its affiliates, its successors and assignees will indemnify the PRDOH from any damages and/or losses arising out of any breach of this Agreement by the CONTRACTOR or against personal injuries or property damage resulting from any act of negligence or omission by the CONTRACTOR and its affiliates in connection with this Agreement.



## **XV. FORCE MAJEURE**

In the event of a fire, flood, earthquake, natural disaster, hurricane, riot, act of governmental authority in its sovereign capacity, strike, labor dispute or unrest, embargo, war, insurrection or civil unrest, including inclement weather, herein collectively referred to as *Force Majeure* during the term of this Agreement, neither the PRDOH nor the CONTRACTOR shall be liable to the other party for nonperformance (other than payment obligations under this Agreement) during the conditions created by such event.

The affected party shall promptly notify, the other party of the occurrence of the *Force Majeure* event and describe in reasonable detail, the nature of the *Force Majeure* event.

## **XVI. INDEPENDENT CONTRACTOR**

The relationship of the CONTRACTOR to PRDOH shall be that of an independent CONTRACTOR rendering professional services. Neither the CONTRACTOR nor any personnel of the CONTRACTOR shall have any authority to execute contracts or make commitments on behalf of PRDOH. Nothing contained herein shall be deemed to create the relationship of employer/employee, principal/agent, joint venture or partner between the CONTRACTOR and PRDOH. Further, the CONTRACTOR recognizes that in view of its status as an independent CONTRACTOR, neither it nor its employees or subcontractors will be entitled to participate in or receive any fringe benefits normally granted to PRDOH employees under such programs, including, but not limited to, worker's compensation, voluntary disability, travel accident insurance, medical/dental insurance, life insurance, long-term disability, holiday pay, sick pay, salary continuation pay, leaves of absence (paid or unpaid), pension plan and savings plan.

The CONTRACTOR shall have exclusive control over its employees and subcontractors (and the CONTRACTOR'S employees and subcontractors are herein, collectively, referred to as the "CONTRACTOR Personnel"), its labor and employee relations and its policies relating to wages, hours, working conditions and other employment conditions. The CONTRACTOR has the exclusive right to hire, transfer, suspend, lay off, recall, promote, discipline, discharge and adjust grievances with its CONTRACTOR Personnel. The CONTRACTOR is solely responsible for all salaries and other compensation of its CONTRACTOR Personnel who provide Services.

The CONTRACTOR is solely responsible for making all deductions and withholdings from its employees' salaries and other compensation and paying all contributions, taxes and assessments, including union payments. The CONTRACTOR shall be responsible for and shall defend, indemnify and hold harmless PRDOH, and its agents, officers, directors, employees, representatives, CONTRACTOR'S, successors and assigns against all costs, expenses and liabilities, including without limitation reasonably prudent attorneys' fees relative to the situation, in connection with the CONTRACTOR'S employment and/or hiring of any CONTRACTOR Personnel providing any of the Services, including without limitation: (i) payment when due of wages and benefits, (ii) withholding of all payroll taxes, including but not limited to, unemployment insurance, workers' compensation, FICA and FUTA, (iii) compliance with the Immigration Reform Control Act, and (iv) compliance with any other applicable laws relating to employment of any CONTRACTOR Personnel of, and/or hiring by, CONTRACTOR in connection with the Services.

Handwritten signature and initials, possibly "AGI" and "DOL", in the bottom right corner of the page.

## XVII. NOTICES

All notices required or permitted to be given under the Agreement shall be in writing, and shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, to the address as follows:

To: PRDOH

Hon. Fernando Gil-Enseñat  
606 Barbosa Ave.  
Juan C. Cordero Dávila Bldg.  
San Juan, PR 00918

To: CONTRACTOR

Daniel Craig  
Principal in Charge  
Metro Office Park, Street 1  
Lot 15, Suite 400  
Guaynabo, Puerto Rico 00968

Either party may change these designations at any time within its discretion and may notify the other of such changes in designation(s) in writing.

## XVIII. THIRD PARTIES

Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action of a third party against either the PRDOH or the CONTRACTOR.

## XIX. SUBCONTRACTS

**A. General:** CONTRACTOR shall ensure all subcontracts follow 2 C.F.R. 200 as well as any applicable HUD rules and regulations. All subcontracts shall contain the applicable provisions described in Appendix II to Part 200 on "Agreement Provisions for non-Federal Entity Agreements Under Federal Awards", as well as applicable provisions set forth in 2 C.F.R. § 200.101. The PRDOH shall review subcontracts as part of the compliance, monitoring, and oversight process performed by PRDOH or upon request.

**B. Specific Requirements:** All subcontracts shall contain provisions specifying:

- i. That the work performed by the subcontractor be in accordance with the applicable terms of this Agreement between the PRDOH and CONTRACTOR;
- ii. That nothing contained in such subcontract agreement shall impair the rights of the PRDOH;
- iii. That nothing contained herein, or under this Agreement will create any contractual relation between the subcontractor and the PRDOH;
- iv. That the subcontractor specifically agrees to be bound by the confidentiality provision regarding Personal Identifiable Information set forth in this Agreement;
- v. That CONTRACTOR will be responsible for ensuring all subcontract work is performed consistent with federal and state regulations and/or policies to be eligible for reimbursement of the approved work; and
- vi. All Federal flow down provisions are included in the subcontract agreement per Federal guidelines.



- C. Monitoring:** CONTRACTOR shall diligently monitor all subcontracted services. If CONTRACTOR discovers any areas of noncompliance, CONTRACTOR shall provide the PRDOH summarized written reports supported with documented evidence of corrective action.
- D. Content:** CONTRACTOR shall cause all the applicable provisions of this Agreement to be included in, and made a part of, any subcontract executed in the performance of this Agreement.

**XX. SECTION 3 CLAUSE**

- 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 implements 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 Agreement 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.



## XXI. CERTIFICATION OF COMPLIANCE WITH LEGAL REQUIREMENTS

Given that the Agreement involves funds for which HUD is the oversight agency, the CONTRACTOR agrees to carry out its obligations under this Agreement in compliance with all the requirements described in **Attachment F** (HUD General Provisions) and the following provisions:

- A. Compliance with Executive Order 24:** Pursuant to Executive Order 24 of June 18, 1991, the CONTRACTOR certifies and guarantees that at the signing of this Agreement it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years, as applicable. The CONTRACTOR further certifies that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico, as applicable. The CONTRACTOR shall hand out, to the satisfaction of the PRDOH and whenever requested by the PRDOH during the term of this Agreement, the necessary documentation to support its compliance of this clause, as applicable. The CONTRACTOR will be given a specific amount of time by the PRDOH to produce said documents. During the term of this Agreement, the CONTRACTOR agrees to pay and/or to remain current with any repayment plan agreed to by the CONTRACTOR with the Government of Puerto Rico.
- B. Compliance with Executive Order 52:** Pursuant to Executive Order 52 of August 28, 1992, amending EO-1991-24, the CONTRACTOR certifies and warrants that it has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment plan in connection with any such unpaid items and is in full compliance with the terms thereof. The CONTRACTOR accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every CONTRACTOR and subcontractor whose service the CONTRACTOR has secured in connection with the services to be rendered under this Agreement and shall forward evidence to PRDOH as to its compliance with this requirement.
- C. Social Security and Income Tax Retentions:** The CONTRACTOR will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income from this Agreement.
- D. Government of Puerto Rico Municipal Tax Collection Center (CRIM, for its Spanish acronym):** The CONTRACTOR certifies and guarantees that at the signing of this Agreement it has no current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center. The CONTRACTOR further certifies to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. The CONTRACTOR shall hand out, to the satisfaction of the PRDOH and whenever requested by the PRDOH during the term of this Agreement, the necessary documentation to support its compliance of this clause. The CONTRACTOR will deliver upon request any documentation requested under this clause as per request of PRDOH. During the Term of this Agreement, the CONTRACTOR agrees to pay and/or to remain current with any repayment plan agreed to by the CONTRACTOR with the Government of Puerto Rico with regards to its property taxes.
- E. Income Tax Withholding:** The PRDOH will withhold from the CONTRACTOR the corresponding amount from all payments made to the CONTRACTOR in excess of the applicable threshold, as required by Internal Revenue Code for a New Puerto Rico. The PRDOH will advance such income tax withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as *Departamento de Hacienda del*

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Gobierno de Puerto Rico). The PRDOH will adjust such withholdings provided the CONTRACTOR produces satisfactory evidence of partial or total exemption from withholding.

PRHOD hereby acknowledges and confirms that CONTRACTOR is an agent and acting on behalf of PRHOD for purposes of the sales and use tax exemption provided to the Government of Puerto Rico pursuant to the provisions of Section 4030.08 of the Internal Revenue Code for a New Puerto Rico (13 L.P.R.A. § 32058)

- F. Compliance with Article 1 of Act No. 48-2013, as amended, 3 L.P.R.A. § 8611, note:** It is established that all contracts, except those granted to non-profit entities, for professional services, consultancy, advertising, training or guidance, granted by an agency, dependency or instrumentality of the Government of Puerto Rico, public corporation, as well as the Legislative Branch, the Office of the Comptroller, the Office of Ombudsman and the Judicial Branch, a special contribution will be imposed equivalent to one point five (1.5%) percent of the total amount of said contract, which will be destined to the General Fund.
  
- G. Compliance with Act No. 45 of April 18, 1935, as amended, 11 L.P.R.A. § 1, et seq.:** The CONTRACTOR certifies and guarantees that at the signing of this Agreement has valid insurance issued by the State Insurance Fund Corporation (CFSE, for its Spanish Acronym), as established by Act No. 45, *supra*, known as the "Puerto Rico Workers' Accident Compensation Act".
  
- H. Government of Puerto Rico's Agency for the Collection of Child Support (ASUME, for its Spanish acronym):** The CONTRACTOR certifies and guarantees that at the signing of this Agreement that the CONTRACTOR nor any of its Partners, if applicable, have any debt or outstanding debt collection legal procedures with regards to child support payments that may be registered with the Government of Puerto Rico's Child Support Administration. The CONTRACTOR hereby certifies that it is a limited liability company organized and existing in good standing under the laws of the Government of Puerto Rico. The CONTRACTOR shall present, to the satisfaction of PRDOH, the necessary documentation to substantiate the same, as applicable. The CONTRACTOR will be given a specific amount of time by PRDOH to deliver said documents.
  
- I. Compliance with Act No. 168-2000, as amended, 3 L.P.R.A. § 711, et seq.:** The CONTRACTOR is in full compliance with Act No. 168-2000, as amended, known as "Act for the Improvement of Elderly Support of Puerto Rico."
  
- J. Compliance with Act No. 1-2012, as amended, 3 L.P.R.A. § 1854, et seq.:** The CONTRACTOR hereby certifies that in signing this Agreement it is in compliance with Act No. 1-2012, as amended, known as "Puerto Rico Government Ethics Act of 2011". In connection with the possibility of a conflict of interest, the CONTRACTOR certifies that no employee or executive of theirs has any personal interest in cases or matters that involve a conflict of interest between the services to be rendered under this Agreement to the PRDOH.
  
- K. Other payments or compensation:** The CONTRACTOR certifies that it does not receive payment or compensation for regular services rendered as an official or public employee to another government entity, agency, public corporation or municipality, and knows the ethical standards of his profession and assumes responsibility for his actions.



- L. Consequences of Non-Compliance:** The CONTRACTOR expressly agrees that the conditions outlined throughout this Section are essential requirements of this Agreement; thus, should any one of these representations, warrants, and certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for PRDOH to render this Agreement null and void and the CONTRACTOR reimburse to PRDOH all moneys received under this Agreement.

**XXII. BYRD ANTI-LOBBYING AMENDMENT, 31 U.S.C. §1352**

The CONTRACTOR certifies, to the best of his or her knowledge, that:

- A.** No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, 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.
- B.** 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 undersigned shall complete and submit Standard Forms-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C.** The CONTRACTOR 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 sub recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. §1352 (as amended by the Lobbying Disclosure Act of 1995). The CONTRACTOR acknowledges that 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. The CONTRACTOR certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the CONTRACTOR understands and agrees that the provisions of 31 U.S.C. §3801 *et seq.*, apply to this certification and disclosure, if any.

**XXIII. EQUAL OPPORTUNITY**

- A.** The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants 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. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.



- B. The CONTRACTOR will, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.
- C. When applicable, the CONTRACTOR will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the CONTRACTOR'S commitments under this Section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- D. The CONTRACTOR will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and as supplemented by the rules, regulations, and relevant orders of the United States Secretary of Labor.
- E. The CONTRACTOR will furnish all information and reports required by Executive Order 11246 of September 24, 1965, as amended, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- F. In the event of the CONTRACTOR'S noncompliance with the nondiscrimination clauses of this Agreement or with any of the said rules, regulations, or orders, this Agreement may be canceled, terminated, or suspended in whole or in part and the CONTRACTOR may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- G. The CONTRACTOR will include the portion of the sentence immediately preceding paragraph (A) and the provisions of paragraphs (A) through (F) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance. Provided, however, that in the event a CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the CONTRACTOR may request the United States to enter into such litigation to protect the interests of the United States.

#### **XXIV. CLEAN AIR ACT**

- A. The CONTRACTOR agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 *et seq.*, as applicable.

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- B. The CONTRACTOR agrees to report each violation to the PRDOH and understands and agrees that the PRDOH will, in turn, report each violation as required to assure notification to the Government of Puerto Rico, HUD, and the appropriate Environmental Protection Agency Regional Office.
- C. The CONTRACTOR agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by HUD.

**XXV. WATER POLLUTION CONTROL ACT**

- A. The CONTRACTOR agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. §1251, *et seq.*, as applicable.
- B. The CONTRACTOR agrees to report each violation to the PRDOH and understands and agrees that the PRDOH will, in turn, report each violation as required to assure notification to the Government of Puerto Rico, HUD, and the appropriate Environmental Protection Agency Regional Office.
- C. The CONTRACTOR agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by HUD.

**XXVI. SUSPENSION AND DEBARMENT**

- A. This Agreement is a covered transaction for purposes of 2 C.F.R. Part 180 and 2 C.F.R. Part 3000. As such, the CONTRACTOR is required to verify that none of the CONTRACTOR, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. §180.905) are excluded (defined at 2 C.F.R. §180.940) or disqualified (defined at 2 C.F.R. §180.935).
- B. The CONTRACTOR must comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- C. This certification is a material representation of fact relied upon by PRDOH. If it is later determined that the CONTRACTOR did not comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C, in addition to remedies available to (name of state agency serving as recipient and name of sub recipient), the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
- D. The CONTRACTOR agrees to comply with the requirements of 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The CONTRACTOR further agrees to include a provision requiring such compliance in its lower tier covered transactions.

1. CONTRACTOR

- a) Competitively within a timeframe providing for compliance with the contract performance schedule;
- b) Meeting contract performance requirements; or



- c) At a reasonable price.
- 2. Information about this requirement, along with the list of EPA- designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>

**XXVII. ACCESS TO RECORDS**

- A. The CONTRACTOR agrees to provide the Government of Puerto Rico, PRDOH, HUD's Secretary, the Comptroller General of the United States, or any of their authorized representative's access to any books, documents, papers, and records of the CONTRACTOR which are directly pertinent to Services performed under this Agreement for the only purpose of conducting audits, examinations, excerpts, and transcriptions.
- B. The CONTRACTOR agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

**XXVIII. COMPLIANCE WITH FEDERAL LAW, REGULATIONS & EXECUTIVE ORDERS**

The CONTRACTOR acknowledges that only HUD financial assistance will be used to fund this Agreement. Also, the CONTRACTOR shall comply with all applicable federal, state or local rules, regulations, or policies relating to CDBG-DR and CDBG program services. This includes without limitation, applicable Federal Registers; 2 C.F.R. § 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, CONTRACTOR shall comply, without limitation, those set forth in **Attachment F**.

**XXIX. NO OBLIGATION BY THE FEDERAL GOVERNMENT**

The Federal Government is not a party to this Agreement and is not subject to any obligations or liabilities to the non-Federal entity, CONTRACTOR, or any other party pertaining to any matter resulting from the Agreement.

**XXX. PROGRAM FRAUD & FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS**

The CONTRACTOR acknowledges that 31 U.S.C. Chapter 38 (Administrative Remedies for False Claims and Statements) applies to the CONTRACTOR'S actions pertaining to this Agreement.

**XXXI. BANKRUPTCY**

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



**XXXII. ENTIRE AGREEMENT**

This Agreement and all its attachments represent the entire and integrated agreement between PRDOH and the CONTRACTOR and supersede all prior negotiations, representations, agreements and/or understandings of any kind. This Agreement may be amended only by written document signed by both PRDOH and the CONTRACTOR.

**XXXIII. MODIFICATION OF AGREEMENT**

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if written and signed by both parties, and its authorized representatives.

**XXXIV. BINDING EFFECT**

This Agreement shall be binding upon and shall inure to the benefit of PRDOH and the CONTRACTOR, their successors and assigns.

The CONTRACTOR shall not assign this Agreement, in whole or in part, without the prior written consent of PRDOH, and any attempted assignment not in accordance herewith shall be null and void and of no force or effect.

**XXXV. ASSIGNMENT OF RIGHTS**

The rights of each party hereunder are personal to that party and may not be assigned or otherwise transferred to any other person, CONTRACTOR, corporation, or other entity without the prior, express, and written consent of the other party.

**XXXVI. NON-WAIVER**

The failure or delay of either party to insist upon the performance of and/or the compliance with any of the terms and conditions of this Agreement shall not be construed as a waiver of such terms and conditions or the right to enforce compliance with such terms and conditions.

**XXXVII. GOVERNING LAW JURISDICTION**

In the event of any dispute arising out of or relating to this Agreement, the affected party shall notify the other party, and the parties shall attempt in good faith to resolve the matter within ten (10) days after the date such notice is received by the other party (the "Notice Date").

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, Superior Court of San Juan, Puerto Rico.

**XXXVIII. SEVERABILITY**

If any provision of this Agreement shall operate or would prospectively operate to invalidate the Agreement in whole or in part, then such provision only shall be deemed severed and the remainder of the Agreement shall remain operative and in full effect.



**XXXIX. 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.

**XI. ETHICS CLAUSE**

According to Act Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico, no employee or officer of PRDOH as well as any member of their families can have any interest in the earnings or benefits from this Agreement. CONTRACTOR also acknowledges that it received a copy of and agrees to comply with the same, and with the Puerto Rico Government Ethics Law of 2011, Act No. 1-2012, as amended, in connection with the Ethics Code for Producers, Suppliers, and Applicants of Economic Incentives from the Government of Puerto Rico known in Spanish as "*Código de Ética para Contratistas, Suplidores y Solicitantes de Incentivos Económicos de las Agencias Ejecutivas del Estado Libre Asociado de Puerto Rico*".

**XLI. CONFLICTS OF INTEREST**

The CONTRACTOR shall comply with the ethics requirements set forth herein and warrant that to the best of its knowledge and belief, as of the date hereof, and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of the work under a PRDOH contract and CONTRACTOR'S organizational, financial, contractual or other interest are such that:

- a) Award of the Agreement may result in an unfair competitive advantage; or
- b) The CONTRACTOR'S objectivity in performing the contract work may be impaired.

The CONTRACTOR agrees that if after award it discovers an organizational conflict of interest with respect to this Agreement, it shall make an immediate (within the next 72 hours) and full disclosure in writing to the Contracting Officer, which shall include a description of the action, which the CONTRACTOR has taken or intends to take to eliminate or neutralize the conflict. The CONTRACTOR will disclose the details of any existing or future contract to provide services to third parties participating or for the purpose to participate in disaster recovery programs or projects in Puerto Rico. The PRDOH may, however, terminate the Agreement for the convenience of PRDOH if it would be in its best interest.

In the event the CONTRACTOR was aware of conflict of interest before the award of this Agreement and did not disclose the conflict to the Contracting Officer, the PRDOH may terminate the Agreement for default.

The provisions of this clause shall be included in all subcontracts and/or consulting agreements wherein the work to be performed is similar to the services provided by the CONTRACTOR. The CONTRACTOR shall include in such subcontracts and consulting agreements any necessary provision to eliminate or neutralize conflicts of interest.

**XLII. NON-CONVICTION**

The CONTRACTOR certifies that it has not been convicted nor accused of a felony or misdemeanor against the government, public faith and function, or that involves public property or funds, either federal or local in origin. Furthermore, CONTRACTOR also certifies that:



- A. It has not been convicted, nor has pleaded guilty at a state or federal bar, in any jurisdiction of the United States of America, of crimes consisting of fraud, embezzlement or misappropriation of public funds, as stated in Act Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico, which prohibits the award of Offers or government contracts to those convicted of fraud, misappropriation of public fund.
- B. It understands and accepts that any guilty plea or conviction for any of the crimes specified in Article 3 of said Act, will also result in the immediate cancellation of any contracts in force at the time of conviction, between the undersigned and whichever Government Agencies, Instrumentalities, Public Corporations, Municipalities and the Legislative or Judicial Branches.
- C. It declares under oath the above mentioned in conformity with what is established as in Act Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico, which prohibits awarding Offers for government contracts, to those convicted of fraud, embezzlement or misappropriation of public funds.
- D. The CONTRACTOR represents and guarantees that none of its employees, officials or agents have been convicted of a felony or misdemeanor. Moreover, the CONTRACTOR agrees to notify PRDOH should any employee, official, or agent is convicted of a felony or misdemeanor after the date of this Agreement. Said notice shall be made within ten (10) days from the time of the conviction.

#### **XLIII. DRUG FREE WORKPLACE**

The CONTRACTOR should establish procedures and policies to promote a Drug-Free workplace. Further, the CONTRACTOR should notify all employees of its policy for maintaining a Drug-Free workplace, and the penalties that may be imposed for drug abuse violations occurring in the workplace. Further, the CONTRACTOR shall notify the PRDOH if any of its employees is convicted of a criminal drug offense in the workplace no later than ten (10) days after such conviction.

#### **XLIV. HEADINGS**

The titles to the paragraphs of this Agreement are solely for reference purposes and the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

#### **XLV. ACT NO. 18 OF OCTOBER 30, 1975, as amended, 2 L.P.R.A. secs. 97-98**

Immediately upon execution hereof, the PRDOH shall submit this Agreement for registration with the Office of the Comptroller of Puerto Rico, in accordance with the provisions of Act No. 18 of October 30, 1975, as amended, and provide evidence of such filing to the CONTRACTOR. The parties to this Agreement agree that its effective date will be subject to the due registration and remittance to the Office of the Comptroller. No rendering or consideration of this Agreement will be required before its registration at the Office of the Comptroller of Puerto Rico pursuant to Act No. 18 of October 30, 1975, as amended. The CONTRACTOR will be responsible for ensuring that this Agreement has been registered before the rendering of services by requesting a copy of the registered Agreement with its proper number and date of registry to the PRDOH, to the extent not previously delivered. No services under this Agreement will continue to be delivered after its effective date unless at the expiration date, an amendment signed by both parties

*Jose Doe*

and duly registered exists. No services performed in violation of this provision will be paid. The party violating this clause will be doing so without any legal authority, this action will be deemed as *ultra vires*.

**XLVI. MEMORANDUM NO. 2017-001; CIRCULAR LETTER 141-17 OF THE OFFICE OF THE CHIEF OF STAFF OF THE GOVERNOR (SECRETARÍA DE LA GOBERNACIÓN) & 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 (*Secretario 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 (*Secretario de la Gobernación*) of the Governor shall have the power to terminate this Agreement at any time.

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

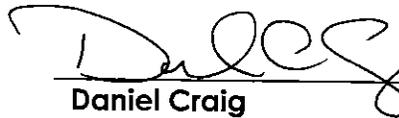
DEPARTMENT OF HOUSING



Fernando A. Gil-Enseñat, Esq.  
Secretary

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ALLIANCE FOR THE RECOVERY OF  
PUERTO RICO



Daniel Craig  
Authorized Representative

DUNS Number: 081319005





**GOVERNMENT OF PUERTO RICO**  
**Department of Housing**

**Notice of Award**  
**REQUEST FOR PROPOSALS – CDBG-DR-RFP-2018-03**  
**PROGRAM MANAGEMENT SERVICES**

May 31, 2019

Tel. (787) 773-1849

By email: [ray.martinez@atkinsglobal.com](mailto:ray.martinez@atkinsglobal.com)

Mr. Raymundo Martínez  
 Alliance for the Recovery of Puerto Rico  
 Rexco Industrial Park  
 Edificio Santa Marina 2 #300  
 Guaynabo, PR 00968-8061

**Re: Request for Proposals No. CDBG-DR-RFP-2018-04**  
**Program Management Services**  
**Community Development Block Grant for Disaster Recovery**

Dear Mr. Martínez,

On October 10, 2018, the Puerto Rico Department of Housing (PRDOH) issued Request for Proposals No. CDBG-DR-RFP-2018-04 for Program Management Services (the RFP) under the Community Development Block Grant for Disaster Recovery (CDBG-DR). The RFP sought to select firms that will aid in the PRDOH's objectives of strategic preparation and development of housing programs.

In response to the RFP, Alliance for the Recovery of Puerto Rico submitted a Proposal to the PRDOH on November 14, 2018. The Bid Board, with quorum duly constituted, pursuant to Article II, Section 1(e) of the of the Regulation No. 9075 of February 26, 2019, Procurement Manual and Contractual Requirements for CDBG-DR (Regulation 9075), upon evaluation of the recommendation issued by the CDBG-DR Procurement Office regarding the RFP, including the Evaluation Committee Report dated April 29, 2018, decided to issue an award under the RFP to (i) Innovative Emergency Management, Inc. for the total amount of \$22,280,143.65 and a 3-year term; (ii) ICF Incorporated, LLC for the total amount of \$25,054,079.92 and a 3-year term; (iii) Alliance for the Recovery of Puerto Rico for the total amount of \$22,693,267.78 and a 3-year term; and (iv) AECOM Technical Services, Inc. for the total amount of \$22,384,953.00 and a 3-year term. All these Proposers are responsive and responsible Proposers whose Proposals were advantageous to the PRDOH in terms of price and other evaluation factors included in the RFP (**Exhibit I**). The Operations Start-Up section of the Scope of Work stated: "As the PRDOH may select more than one Program Manager, the specific municipalities or regions where each Program

606 Barbosa Avenue, Building Juan C. Cordero Dávila Río Piedras, PR 00918 | P.O. Box 21365 San Juan, PR 00928-1365  
 T. (787) 274-2527 | [www.vivienda.pr.gov](http://www.vivienda.pr.gov)

*Jose  
DCA*



Manager may perform work will be determined at the sole discretion of the PRDOH." The initial region assigned to Alliance for the Recovery of Puerto Rico is hereby included as **Exhibit II** and includes the following municipalities:

- Barranquitas
- Bayamón
- Cataño
- Ciales
- Comerío
- Corozal
- Dorado
- Guaynabo
- Jayuya
- Morovis
- Naranjito
- Orocovis
- Toa Alta
- Toa Baja
- Vega Alta
- Vega Baja

Regions were determined by the PRDOH using a combination of hurricane damage data from FEMA and Low to Moderate Income Households data. Regions were developed in such a way that an equal quantity of applications to the Home Repair, Reconstruction, or Relocation Program can be expected at each.

A summary of the results of the evaluation of each Proposal with its original pricing, as evaluated by the Evaluation Committee, is shown in the table below.

**Table 1: Original Proposals Evaluation Summary**

Proposer	Mandatory Requirements	Technical Points	Proposal Cost	Price Per Point
Innovative Emergency Management, Inc.	Pass	70.77	\$98,738,532.00	\$1,395,203.22
ICF Incorporated, LLC	Pass	99.50	\$58,383,009.68	\$586,763.92
Alliance for the Recovery of Puerto Rico	Pass	77.83	\$228,713,156.15	\$2,938,624.65
AECOM Technical Services, Inc.	Pass	76.83	\$25,508,678.00	\$332,014.55

All Proposers were considered "Qualified" for the services and thus, were scored using the Price Per Point methodology as required by Section 8.4 of the RFP. This, to determine the Proposers whose Proposals were the most advantageous to the PRDOH.

The Procurement Office, based on the recommendations of the Evaluation Committee, opened negotiations with Proposers. After completing negotiations, Proposals scoring is as shown the table below.

**Table 2: Proposals Scoring After Negotiations were Concluded**

Proposer	Mandatory Requirements	Technical Points	Proposal Cost	Price Per Point
Innovative Emergency Management, Inc.	Pass	70.77	\$60,137,018.85	\$849,752.99
ICF Incorporated, LLC	Pass	99.50	\$49,928,202.00	\$501,790.97
Alliance for the Recovery of Puerto Rico	Pass	77.83	\$54,325,588.38	\$698,003.19
AECOM Technical Services, Inc.	Pass	76.83	\$40,523,400.00	\$527,442.41

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Pursuant to the terms of the RFP, Proposers with the lowest Price Per Point shall be awarded the services. The PRDOH could also award one (1) to four (4) Proposers in the best interest of the overall programs' implementation and the people of Puerto Rico.

After thoroughly evaluating the Proposals and the Best and Final Offers received from the Proposers the PRDOH Procurement Office determined that all revised Cost Proposals were ones of reasonable cost for the services. Given the above, all four (4) Proposers are being awarded the services under the RFP. Initial awards are being issued in the quantities of 1,500<sup>1</sup> Home Repair, Reconstruction, or Relocation Program applications, 500 Housing Quality Standard Inspection tasks, 1,200<sup>2</sup> Appraisal of Home Market Value tasks, and 360<sup>3</sup> monthly payments for Intake Centers to each awarded Proposer<sup>4</sup>. These initial awards result in the following contracts:

- **An award to Innovative Emergency Management, Inc. for a total amount of \$22,280,143.65 and a 3-year term for Program Management Services under CDBG-DR distributed as shown in the following table.**

**Table 3: Summary of Award to Innovative Emergency Management, Inc.**

TASK		AWARDED COST			
<b>PROGRAM MANAGEMENT AND ADMINISTRATION</b>					
Maximum Monthly Cost		\$174,746.63			
<b>Total for 3-Years of Service (36 Months)</b>		<b>\$6,290,878.85</b>			
<b>R3-APPLICATIONS</b>					
Range of Applications	Qty. [ A ]	Units [ B ]	Cost Per App. (Insp. by PM) [ C ]	Cost Per App. (Insp. by Mun.) [ D ]	Total Cost [ E=A/2x(C+D) ]
Applications 1 to 1,000	1,000	Apps.	\$9,696.00	\$8,548.00	\$9,122,000.00

<sup>1</sup> Note 3 of the Cost Form included with the BAFO reads: "(3) Based on the number of Proposers finally awarded through this RFP, contracts might be signed for quantities of applications, and therefore per-unit tasks, lower than those stated in this Cost Form. Regardless of the quantity of applications included in the contract, the unit prices will not be altered in the contract's compensation schedule."

<sup>2</sup> Note 9 of the Cost Form included with the BAFO reads: "(9) The Appraisal of Home Market Value will be required for most, but not necessarily all, applications of the Home Repair, Reconstruction, or Relocation Program. Program Manager does not require approval from PRDOH to perform the Appraisal of Home Market Value task for any application. Nonetheless, the PRDOH will not pay for an Appraisal of Home Market that was not considered necessary. Guidelines on when the Appraisal of Home Market Value task may be omitted for an application will be established in the Program's Standard Operating Procedures. The PRDOH estimates at 4,800 the overall quantity of Appraisals of Home Market Value to be performed for the entire Home Repair, Reconstruction, or Relocation Program. For details regarding what the task entails refer to the Scope of Work."

<sup>3</sup> Note 10 of the Cost Form included with the BAFO reads: "(10) Intake Centers, in order to be set-up by the Proposer, must first be approved by the PRDOH through a Request for Approval (RFA) where the details and need for the centers shall be specified on a case by case basis. The PRDOH estimates that Intake Centers might be required for the first two (2) years of services. Overall, the PRDOH estimates to put in place around 40 Intake Centers around the island for the Home Repair, Reconstruction, or Relocation Program. For details regarding what the task entails refer to the Scope of Work."

<sup>4</sup> Note 11 of the Cost Form included with the BAFO reads: "(11) Quantities stated in notes 9 and 10 above are for the entirety of the Program. Therefore, the amount of the allowance and the potential quantity that the Proposer might be able to perform for these tasks will be dependent on the final number of Proposers that might be awarded through the RFP."

*Jose Doe*

TASK				AWARDED COST	
Applications 1,001 to 3,000	500	Apps.	\$9,502.08	\$8,377.04	\$4,469,780.00
Applications > 3,000	0	Apps.	\$9,405.12	\$8,291.56	\$0.00
<b>Total for R3 Applications</b>	<b>1,500</b>	<b>Apps.</b>			<b>\$13,591,780.00</b>
R3 HQS INSPECTIONS					
Task	Qty. [A]	Units [B]		Unit Cost [C]	Total Cost [D=AxC]
R3 HQS Inspection	500	Each		\$600.00	\$300,000.00
<b>Total for R3 HQS Inspections</b>					<b>\$300,000.00</b>
ADDITIONAL SERVICES					
Task	Qty. [A]	Units [B]		Unit Cost [C]	Total Cost [D=AxC]
Appraisal of Market Value	1,200	Each		\$575.00	\$690,000.00
Intake Centers	360	Months		\$3,909.68	\$1,407,484.80
<b>Total for Additional Services</b>					<b>\$2,097,484.80</b>
<b>Total Contract Amount</b>					<b>\$22,280,143.65</b>

- An award to ICF Incorporated, LLC for a total amount of \$25,054,079.92 and a 3-year term for Program Management Services under CDBG-DR distributed as shown in the following table.

Table 4: Summary of Award to ICF Incorporated, LLC

TASK				AWARDED COST	
PROGRAM MANAGEMENT AND ADMINISTRATION					
Maximum Monthly Cost					\$316,510.47
<b>Total for 3-Years of Service (36 Months)</b>					<b>\$11,394,376.92</b>
R3 APPLICATIONS					
Range of Applications	Qty. [A]	Units [B]	Cost Per App. (Insp. by PM) [C]	Cost Per App. (Insp. by Mun.) [D]	Total Cost [E=A/2x(C+D)]
Applications 1 to 1,000	1,000	Apps.	\$10,663.81	\$8,013.13	\$9,338,470.00
Applications 1,001 to 3,000	500	Apps.	\$7,067.16	\$5,043.20	\$3,027,590.00
Applications > 3,000	0	Apps.	\$6,483.24	\$4,701.84	\$0.00
<b>Total for R3 Applications</b>	<b>1,500</b>	<b>Apps.</b>			<b>\$12,366,060.00</b>
R3 HQS INSPECTIONS					
Task	Qty. [A]	Units [B]		Unit Cost [C]	Total Cost [D=AxC]
R3 HQS Inspection	500	Each		\$614.75	\$307,375.00
<b>Total for R3 HQS Inspections</b>					<b>\$307,375.00</b>
ADDITIONAL SERVICES					
Task	Qty. [A]	Units [B]		Unit Cost [C]	Total Cost [D=AxC]
Appraisal of Market Value	1,200	Each		\$481.93	\$578,316.00

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TASK	AWARDED COST
Intake Centers 360 Months	\$1,133.20 \$407,952.00
<b>Total for Additional Services</b>	<b>\$986,268.00</b>
<b>Total Contract Amount</b>	<b>\$25,054,079.92</b>

- An award to Alliance for the Recovery of Puerto Rico for a total amount of \$22,693,267.78 and a 3-year term for Program Management Services under CDBG-DR distributed as shown in the following table.

Table 5: Summary of Award to Alliance for the Recovery of Puerto Rico

TASK	AWARDED COST
<b>PROGRAM MANAGEMENT AND ADMINISTRATION</b>	
Maximum Monthly Cost	\$245,790.71
<b>Total for 3-Years of Service (36 Months)</b>	<b>\$8,848,465.38</b>
<b>R3 APPLICATIONS</b>	
Range of Applications	Qty. [A] Units [B] Cost Per App. (Insp. by PM) [C] Cost Per App. (Insp. by Mun.) [D] Total Cost [E=A/2x(C+D)]
Applications 1 to 1,000	1,000 Apps. \$10,100.00 \$7,220.00 \$8,660,000.00
Applications 1,001 to 3,000	500 Apps. \$9,197.50 \$6,617.50 \$3,953,750.00
Applications > 3,000	0 Apps. \$8,210.00 \$5,790.00 \$0.00
<b>Total for R3 Applications</b>	<b>1,500 Apps. \$12,613,750.00</b>
<b>R3 HQS INSPECTIONS</b>	
Task	Qty. [A] Units [B] Unit Cost [C] Total Cost [D=AxC]
R3 HQS Inspection	500 Each \$600.54 \$300,270.00
<b>Total for R3 HQS Inspections</b>	<b>\$300,270.00</b>
<b>ADDITIONAL SERVICES</b>	
Task	Qty. [A] Units [B] Unit Cost [C] Total Cost [D=AxC]
Appraisal of Market Value	1,200 Each \$424.85 \$509,820.00
Intake Centers	360 Months \$1,169.34 \$420,962.40
<b>Total for Additional Services</b>	<b>\$930,782.40</b>
<b>Total Contract Amount</b>	<b>\$22,693,267.78</b>

- An award to AECOM Technical Services, Inc. for a total amount of \$22,384,943.00 and a 3-year term for Program Management Services under CDBG-DR distributed as shown in the following table.

Table 6: Summary of Award to AECOM Technical Services, Inc.

TASK	AWARDED COST
<b>PROGRAM MANAGEMENT AND ADMINISTRATION</b>	
Maximum Monthly Cost	\$370,743.00

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TASK					AWARDED COST
<b>Total for 3-Years of Service (36 Months)</b>					<b>\$13,346,748.00</b>
R3 APPLICATIONS					
Range of Applications	Qty. [ A ]	Units [ B ]	Cost Per App. (Insp. by PM) [ C ]	Cost Per App. (Insp. by Mun.) [ D ]	Total Cost [ E=A/2x(C+D) ]
Applications 1 to 1,000	1,000	Apps.	\$5,413.52	\$4,190.24	\$4,801,880.00
Applications 1,001 to 3,000	500	Apps.	\$5,142.85	\$3,980.77	\$2,280,895.00
Applications > 3,000	0	Apps.	\$4,885.68	\$3,781.72	\$0.00
<b>Total for R3 Applications</b>	<b>1,500</b>	<b>Apps.</b>			<b>\$7,082,785.00</b>
R3 HQS INSPECTIONS					
Task	Qty. [ A ]	Units [ B ]		Unit Cost [ C ]	Total Cost [ D=AxC ]
R3 HQS Inspection	500	Each		\$500.18	\$250,090.00
<b>Total for R3 HQS Inspections</b>					<b>\$250,090.00</b>
ADDITIONAL SERVICES					
Task	Qty. [ A ]	Units [ B ]		Unit Cost [ C ]	Total Cost [ D=AxC ]
Appraisal of Market Value	1,200	Each		\$525.00	\$630,000.00
Intake Centers	360	Months		\$2,987.00	\$1,075,320.00
<b>Total for Additional Services</b>					<b>\$1,705,320.00</b>
<b>Total Contract Amount</b>					<b>\$22,384,943.00</b>

The list of Proposers, which is attached hereto and made an integral part hereof as **Exhibit III**, details the names, addresses, and contact information of all Proposers that submitted a Proposal in response to the RFP.

Any person, party, or entity that considers itself having been adversely affected by an award determination of the Bid Board made under the provisions of the CDBG-DR Manual, may file a petition for reconsideration with the PRDOH Bid Review Board (Request for Reconsideration) within 20 days from the date on which a copy of the Notice of Award was duly notified in accordance with Section 3.19 of Act 38-2017, as amended, Uniform Administrative Procedure Act of the Government of Puerto Rico. Simultaneously, with the filing of the Request for Reconsideration, said person, party, or entity shall submit a copy of the Request to all the parties in the procedure and to the PRDOH. The Review Board shall consider the motion for reconsideration within thirty (30) calendar days from the date of filing thereof, which term the Review Board may extend once for just cause for an additional period of fifteen (15) calendar days.

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If the Review Board issues a decision on the motion for reconsideration, the term to file a request for judicial review before the Court of Appeals will begin as of the date of deposit of a copy of the corresponding notice with the U.S. Postal Service. If the Review Board does not issue a decision on the motion for reconsideration within the term allowed by law, the motion will be deemed denied as of right, and the term to file a request for

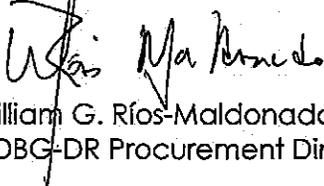
judicial review will begin to run as of the date thereof, as provided in Section 3.19 of Act 38-2017.

An original and two copies of the motion for reconsideration shall be filed to the Secretary of the Review Board, and a copy thereof shall be filed with the Bid Board.

Any Respondent that considers itself adversely affected by this Notice or the determination of the Review Board on a request for reconsideration, may file a request for judicial review before the Court of Appeals within twenty (20) calendar days from the date of deposit of the corresponding notice with the U.S. Postal Service, or within twenty (20) days from the date of expiration of the term, hence deemed denied as of right, set forth in Section 4.2 of Act 38-2017.

This Award Notice does not represent a contract or constitute a contractual relationship between the PRDOH and your firm.

Sincerely,



William G. Ríos-Maldonado, Esq.  
CDBG-DR Procurement Director

Attachments

cc.

Mrs. Luz M. Acevedo-Pellot, PE, Chairman  
Ms. Niurka E. Rivera-Rivera, Member  
Mr. Omar Figueroa-Vázquez, Esq.  
Mr. José Torres-Echevarría, Member  
Adalgisa Polanco, Secretary



I hereby certify that this Notice of Award was delivered to all Proposers listed in **Exhibit III**.

Receipt Number: \_\_\_\_\_



**BID BOARD**

**Request for Proposals  
Program Management Services  
CDBG-DR-RFP-2018-04**

**RESOLUTION OF AWARD**

Date: May 28, 2019

Time: 3:12pm

The Bid Board of the Puerto Rico Department of Housing (the "Board") with quorum duly constituted, pursuant Article II, Section 1 (e) of the Regulation No. 9075 of February 26, 2019, Procurement Manual and Contractual Requirements for CDBG-DR (Regulation 9075), upon evaluation of the recommendation issued by the CDBG-DR Procurement Office regarding the process for the Program Management Services under the Request for Proposals No. CDBG-DR-RFP-2018-04 (RFP-2018-04), including the Evaluation Committee Report dated April 29, 2019, has decided to award the RFP-2018-04 to the following Proposers: **(i) Innovative Emergency Management, Inc. for the total amount of \$22,280,143.65 and a 3-year term; (ii) ICF Incorporated, LLC for the total amount of \$25,054,079.92 and a 3-year term; (iii) Alliance for the Recovery of Puerto Rico SRL for the total amount of \$22,693,267.78 and a 3 year term; and (iv) AECOM Technical Services, Inc. for the total amount of \$22,384,943.00 and a 3 year term.** All Proposers demonstrated through their Proposals that they understand the PRDOH objectives for the services after the evaluation of the work approach requirements set forth in the RFP-2018-04.

This RFP process was conducted after the Bid Board evaluation of the Statements of Qualifications (SOQ) and selection of the abovementioned qualified firms pursuant the requirements under the Request for Qualifications for Program Management Services No. CDBG-DR-RFP-2018-01 on September 26, 2018.

On October 10, 2018, the PRDOH issued the Request for Proposals No. CDBG-DR-RFP-2018-04 for Program Management Services (the RFP). On November 14, 2018, the PRDOH Procurement Office received a total of four Proposals. An Evaluation Committee was appointed by the PRDOH to review, score, and make recommendations to the Bid Board.

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The Evaluation Committee performed an evaluation of the Proposals based on the criteria stated in the RFP. The following criteria were considered as part of the evaluation:

- Mandatory Requirements (Pass/Fail) (Section 6.1 of the RFP)
- Work Approach (100 points) (Section 6.3 of the RFP)
- Cost Requirements (Section 7 of the RFP)

Initial evaluation considered the Mandatory Requirements of the Proposals stated in Section 6.1 of the RFP. Those Proposers whose Proposals met the Mandatory Requirements were evaluated by the Evaluation Committee for Work Approach and Cost Requirements.



The Proposers were scored using a Price Per Point methodology as required by Section 8.4 of the RFP to determine the Proposers whose Proposals are most advantageous to the PRDOH. The Evaluation Committee evaluated the Cost Proposals submitted by Proposers and combined the technical and economic aspects of the Proposals to determine the Proposers whose Proposals, conforming to the RFP, are most advantageous to the PRDOH. A summary of the results of the evaluation of each Proposal is shown in **Table 1** below.

**Table 1: Summary of Proposals Evaluation**

Proposer	Mandatory Requirements	Technical Points	Proposal Cost	Price Per Point
Innovative Emergency Management, Inc.	Pass	70.77	\$98,738,532.00	\$1,395,203.22
ICF Incorporated, LLC	Pass	99.50	\$58,383,009.68	\$586,763.92
Alliance for the Recovery of Puerto Rico	Pass	77.83	\$228,713,156.15	\$2,938,624.65
AECOM Technical Services, Inc.	Pass	76.83	\$25,508,678.00	\$332,014.55

According to Regulation No. 9075 of February 26, 2019, the Procurement Manual and Contractual Requirements for CDBG-DR, prior to publishing the RFP, on September 5, 2018, the PRDOH prepared an Independent Cost Estimate (ICE) using market prices and past experience with this type of services in the amount of \$134,700,480. Due to differences between the Unit Pricing of the ICE and the prices received from Proposers, as well as additions and modifications to tasks of the RFP during the Document Availability Period, on April 11, 2019 the ICE was revised to help evaluate offers. Pursuant to the revised ICE, the services were estimated in the amount of \$104,159,480 and a revised Certification of Funds in this amount was issued by the Finance Department on May 20, 2019. The revised ICE is shown in **Table 2**.

**Table 2: Revised Independent Cost Estimate Dated April 11, 2019**

Task Description	Qty.	Units	Unit Price	Estimated Cost
Program Management and Administration (4 PMs)	36	Month	\$1,291,680.00	\$46,500,480.00
R3 Complete Applications	6,000	EA	\$800.00	\$4,800,000.00
R3 Damage Assessments	6,000	EA	\$1,500.00	\$9,000,000.00
R3 Award Coordination	6,000	EA	\$2,000.00	\$12,000,000.00
R3 Inspections & Payments requests (by PM)	12,000	EA	\$875.00	\$10,500,000.00
R3 Inspections & Payments requests (by Municipalities)	12,000	EA	\$300.00	\$3,600,000.00
R3 Application Closeout	6,000	EA	\$700.00	\$4,200,000.00
HER Complete Application	6,000	EA	\$250.00	\$1,500,000.00
HER Award Coordination	6,000	EA	\$300.00	\$1,800,000.00
HER Inspections and Payment Requests	6,000	EA	\$700.00	\$4,200,000.00
HER Application Closeout	6,000	EA	\$200.00	\$1,200,000.00
Appraisal of Home Market Value	4,800	EA	\$625.00	\$3,000,000.00
Intake Centers (Max. 40)	1,440	Months	\$1,100.00	\$1,584,000.00
R3 HQS Inspections	500	EA	\$550.00	\$275,000.00
<b>Total Estimated Cost</b>				<b>\$104,159,480.00</b>

**Table 3** was developed to help the Evaluation Committee to compare the overall Cost Proposals submitted with the revised ICE. **Table 3** also considers the Program



Management and Administration task for a single Program Manager with a unit price of \$322,920.00. The RFP only requested unit pricing from Proposers for the Appraisal of Home Market Value and Intake Center tasks. The PRDOH would establish the amount for the allowances upon the RFP's award. Therefore, these tasks are not a part of the Proposers' overall Proposal Cost.

**Table 3: Amounts for Comparison with Cost Proposals**

Task Description	Qty.	Units	Unit Price	Estimated Cost
Program Management and Administration (1 PM)	36	Month	\$322,920.00	\$11,625,120.00
R3 Complete Applications	6,000	EA	\$800.00	\$4,800,000.00
R3 Damage Assessments	6,000	EA	\$1,500.00	\$9,000,000.00
R3 Award Coordination	6,000	EA	\$2,000.00	\$12,000,000.00
R3 Inspections & Payments (by PM)	12,000	EA	\$875.00	\$10,500,000.00
R3 Inspections & Payments (by Municipalities)	12,000	EA	\$300.00	\$3,600,000.00
R3 Application Closeout	6,000	EA	\$700.00	\$4,200,000.00
HER Complete Application	6,000	EA	\$250.00	\$1,500,000.00
HER Award Coordination	6,000	EA	\$300.00	\$1,800,000.00
HER Inspections and Payment Requests	6,000	EA	\$700.00	\$4,200,000.00
HER Application Closeout	6,000	EA	\$200.00	\$1,200,000.00
Appraisal of Home Market Value (No Qty. in Cost Proposals)	0	EA	\$625.00	\$0.00
Intake Centers (No Qty. in Cost Proposal)	0	Months	\$1,100.00	\$0.00
R3 HQS Inspections	500	EA	\$550.00	\$275,000.00
<b>Total Estimated Cost</b>				<b>\$64,700,120.00</b>

A recommendation of the area of some changes were made in the Scope of Work of the Program Management Services. Accordingly, requested the following changes to the Scope of Work of the Program Management Services: (i) remove all tasks under the RFP related to the HER Program as this program suffered changes in the substantial amendment to the Action Plan and is beyond the Scope of Work for the Program Management Services. The Substantial Amendment to the Action Plan was approved by the U.S. Department of Housing and Urban Development (HUD) on February 28, 2019.

*Jose  
DOL*

The Procurement Office sent letters to all Proposers to revise their Cost Proposals. The revised Cost Proposals would be considered the Proposers' Best and Final Offers (BAFO). The Procurement Office received the BAFOs from all Proposers, as well as detailed cost breakdowns of the costs assumed in their unit pricing.

Since the Public Relations Coordinator and the Community Coordinator positions were removed from the Scope of Work, the Program Management and Administration task was modified to a monthly cost of \$275,310.00 for a single Program Manager. Also, all the Home Energy Resilience Program tasks were removed from the Scope of Work. **Table 4** was developed to compare the overall Cost revised Proposals submitted with the ICE.



Table 4: Amounts for Comparison with Revised Cost Proposals

Task Description	Qty.	Units	Unit Price	Estimated Cost
Program Management and Administration (1 PM)	36	Month	\$275,310.00	\$9,911,160.00
R3 Complete Applications	6,000	EA	\$800.00	\$4,800,000.00
R3 Damage Assessments	6,000	EA	\$1,500.00	\$9,000,000.00
R3 Award Coordination	6,000	EA	\$2,000.00	\$12,000,000.00
R3 Inspections & Payments (by PM)	12,000	EA	\$875.00	\$10,500,000.00
R3 Inspections & Payments (by Municipalities)	12,000	EA	\$300.00	\$3,600,000.00
R3 Application Closeout	6,000	EA	\$700.00	\$4,200,000.00
HER Complete Application	0	EA	\$250.00	\$0.00
HER Award Coordination	0	EA	\$300.00	\$0.00
HER Inspections and Payment Requests	0	EA	\$700.00	\$0.00
HER Application Closeout	0	EA	\$200.00	\$0.00
Appraisal of Home Market Value (No Qty. in Cost Proposals)	0	EA	\$625.00	\$0.00
Intake Centers (No Qty. in Cost Proposal)	0	Months	\$1,100.00	\$0.00
R3 HQS Inspections	500	EA	\$550.00	\$275,000.00
<b>Total Estimated Cost</b>				<b>\$54,286,160.00</b>

After reviewing, the revised Cost Proposals received and their cost breakdowns the Procurement Office came to the conclusions shown in Table 5 regarding cost reasonableness.

Table 5: Summary of Cost Reasonableness of BAFOs Received on May 17, 2019

Task	IEM	ICF	Alliance	AECOM
Program Management and Adm. (base of \$275,310/month)	R	R	R	R
R3 Cost per App. (Inspections by PM) (base of \$8,500)	H	R	H	L
R3 Cost per App. (Inspections by Mun.) (base of \$6,200)	H	R	H	L
Appraisal of Home Market Value (base of \$625)	R	R	L	L
Intake Centers (base of \$1,100)	H	R	R	H
Appraisal of Home Market Value (base of \$625)	R	R	R	L

Legend: L = Low | R = Reasonable | H = High

*JGE*  
*DC*

The Procurement Office sent a letter to all Proposers inviting them to individual meetings to be held at the PRDOH Headquarters for the understanding of PM Services proposals of each proposers as per requested.

Following the meetings, the Procurement Office requested a second BAFO from all Proposers.

At the date and time established for the submission of the BAFOs, the Procurement Office received responses from all Proposers. Table 6 shows a comparison of the overall Cost Proposals submitted by the Proposers with the amounts of Table 4





Table 6: Comparison of Revised Overall Proposal Cost with ICE

Proposer	ICE	Cost Proposal	% Dif. w/ ICE
IEM		\$60,137,018.85	+10.8%
ICF	\$54,286,160.00	\$49,928,202.00	-8.0%
Alliance		\$54,325,588.38	+0.1%
AECOM		\$40,523,400.00	-25.4%

With the final Cost Proposals received, the scoring of the Proposals according to the RFP requirements is shown in Table 7.

Table 7: Proposal Scoring After BAFOs

Proposer	Technical Points	Revised Cost Proposal	Price Per Point	Reasonable Cost
IEM	70.77	\$60,137,018.85	\$849,752.99	Yes
ICF	99.50	\$49,928,202.00	\$501,790.97	Yes
Alliance	77.83	\$54,325,588.38	\$698,003.19	Yes
AECOM	76.83	\$40,523,400.00	\$527,442.41	Yes

Given everything discussed, the Evaluation Committee's recommendation, the BAFOs received, and pursuant to the terms of the RFP, the Procurement Office recommend that awards be issued to all Proposers of the RFP. The Procurement Office also recommend that such awards be for a quantity of 1,500 applications of the Home Repair, Reconstruction, or Relocation Program. This splits the estimated workload evenly amongst the awarded Proposers in accordance with the terms of the RFP. The Procurement Office also recommend that the awards include a quantity of 1,200. Appraisal of Home Market Value tasks and 360 monthly payments for Intake Centers to each Proposer as the allowance for these services.

Table 8. Procurement Office BAFO analysis regardless of pm recommendation for applications and contract period

TASK	PROPOSERS			
	IEM	ICF	ALLIANCE	AECOM
Program Management and Adm. (36 months)	\$ 6,290,878.85	\$11,394,376.92	\$ 8,848,465.38	\$ 13,346,748.00
R3 Cost per Applications(1st 1,000 and 2nd 500)	\$ 13,591,780.00	\$12,366,060.00	\$ 12,613,750.00	\$ 7,082,785.00
R3 HQS Inspections (500 each)	\$ 300,000.00	\$ 307,375.00	\$ 300,270.00	\$ 250,090.00
Intake Centers(360 monthly payments) & Appraisal of Home Market Value(1,200)	\$ 2,097,484.80	\$ 986,268.00	\$ 930,782.40	\$ 1,705,320.00
<b>TOTAL</b>	<b>\$ 22,280,143.65</b>	<b>\$25,054,070.92</b>	<b>\$ 22,693,267.78</b>	<b>\$22,384,943.00</b>

*Jose  
Dec*

All Proposers are responsive and responsible after consideration of the RFP requirements and their Proposals. All Proposers demonstrated through their Proposals that they understand the PRDOH objectives for the services after the evaluation of the work approach requirements in the RFP. The Procurement Office searched the System for Award Management (SAM) and confirmed Proposers'm



eligibility. The Limited Denial of Participation (LDP), HUD Funding Disqualifications and Voluntary Abstention List as of May 23, 2019 was also searched to confirm that Proposers are not under a HUD imposed LDP.

The awards hereby issued add up to a total of \$92,412,434.35. This amount is lower than the total funds certified for the services under the Home Repair, Reconstruction, or Relocation Program on May 20, 2019 of \$95,459,480.00 (\$90,686,506 under activity no. R01H07RRR-DOH-LMI and \$4,772,974 under activity no. R01H07RRR-DOH-UN).

The Bid Board Resolution shall be notified to all persons or legal entities who submitted Proposals in response to the RFP-2018-04. The Award Notice shall indicate that any person, party or entity that considers itself having been adversely affected by an award determination of the Bid Board made under the provisions of the Regulation 9075, may file a petition for reconsideration with the Bid Review Board (Request for Reconsideration) within 20 days from the date on which a copy of the Award Notice was duly notified in accordance with Section 3.19 of Act 38-2017, Uniform Administrative Procedures Act of the Government of Puerto Rico. Simultaneously, with the filing of the Request for Reconsideration, said person, party or entity shall submit a copy of the Request to all the parties in the procedure and to the Puerto Rico Department of Housing (PRDOH). Alternatively, a petition for review may be filed before the Court of Appeals of Puerto Rico.

The mere presentation of a Request for Reconsideration will not have the effect of halting the contested award. The Bid Review Board may or may not consider the Request for Reconsideration. The terms in relation to this action or lack of action, as well as its Judicial review, if any, shall be those established in Act 38-2017, *supra*.

Signed by:

Ms. Luz M. Acevedo Pellot, P.E.  
 Chairman

Ms. Niurka E. Rivera Rivera

Mr. Joel Ayala Martínez

- Abstenido -

Mr. José Torres Echevarría

Mr. Omar Figueroa Vázquez, Esq.

CERTIFICATION: I hereby certify that I have delivered the original of the Resolution to William G. Rios Maldonado, Esq., Procurement Director under CDBG-DR, on this 31 of May 2019.

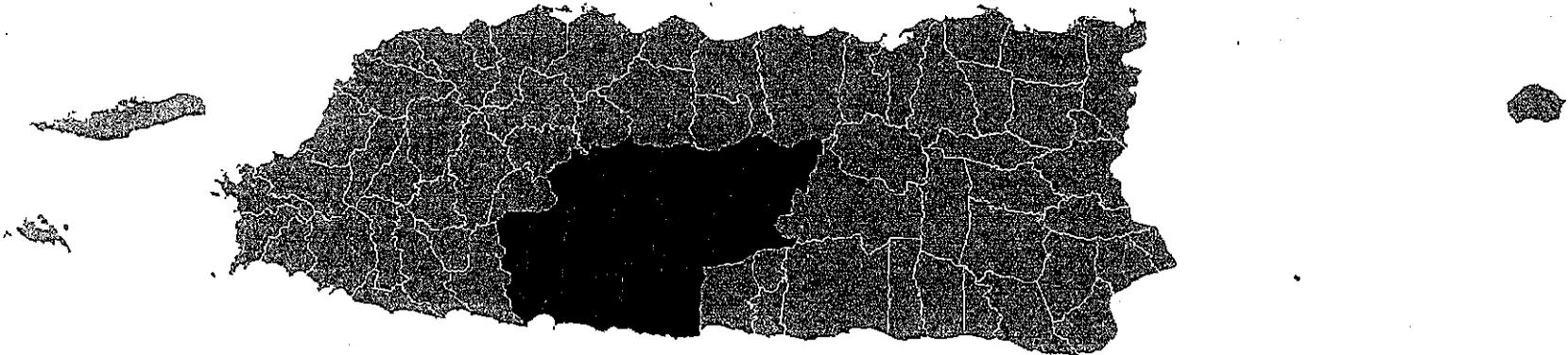
Adalgisa Polanco Reyes  
 Secretary, Bid Board

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## Exhibit II: Program Management Services Region Assignment

■ Others ■ Alliance for the Recovery of Puerto Rico

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GOVERNMENT OF PUERTO RICO

Department of Housing

**EXHIBIT III  
LIST OF PROPOSERS**

Request for Proposals  
Program Management Services  
CDBG-DR-RFP-2018-04

No.	Proposer Name	Address	Telephone
1	Innovative Emergency Management, Inc.	Mr. Brad Tiffée Innovative Emergency Management Inc. P.O. Box 110265 Durham, NC 27709-5265 <a href="mailto:brad.tiffée@iem.com">brad.tiffée@iem.com</a>	(225) 952-8229
2	ICF Incorporated, LLC	Mrs. Dorothy A. Shields ICF Incorporated, LLC 9300 Lee Highway Fairfax, VA 22031 <a href="mailto:dotti.shields@icf.com">dotti.shields@icf.com</a>	(703) 218-2580
3	Alliance for the Recovery of Puerto Rico	Mr. Raymundo Martínez Alliance for the Recovery of Puerto Rico Rexco Industrial Park Edificio Santa Marina 2 #300 Guaynabo, PR 00968-8061 <a href="mailto:ray.martinez@atkinsglobal.com">ray.martinez@atkinsglobal.com</a>	(787) 773-1849
4	AECOM Technical Services, Inc.	Mr. Vahid Ownjazyeri AECOM Technical Services, Inc. 954 Ponce de León Avenue Miramar Center Plaza, Suite 300 San Juan, PR 00907 <a href="mailto:vahid.ownjazyeri@aecom.com">vahid.ownjazyeri@aecom.com</a>	(703) 218-2580

*Jose  
DCC*





Alliance for the Recovery of  
**PUERTO RICO**



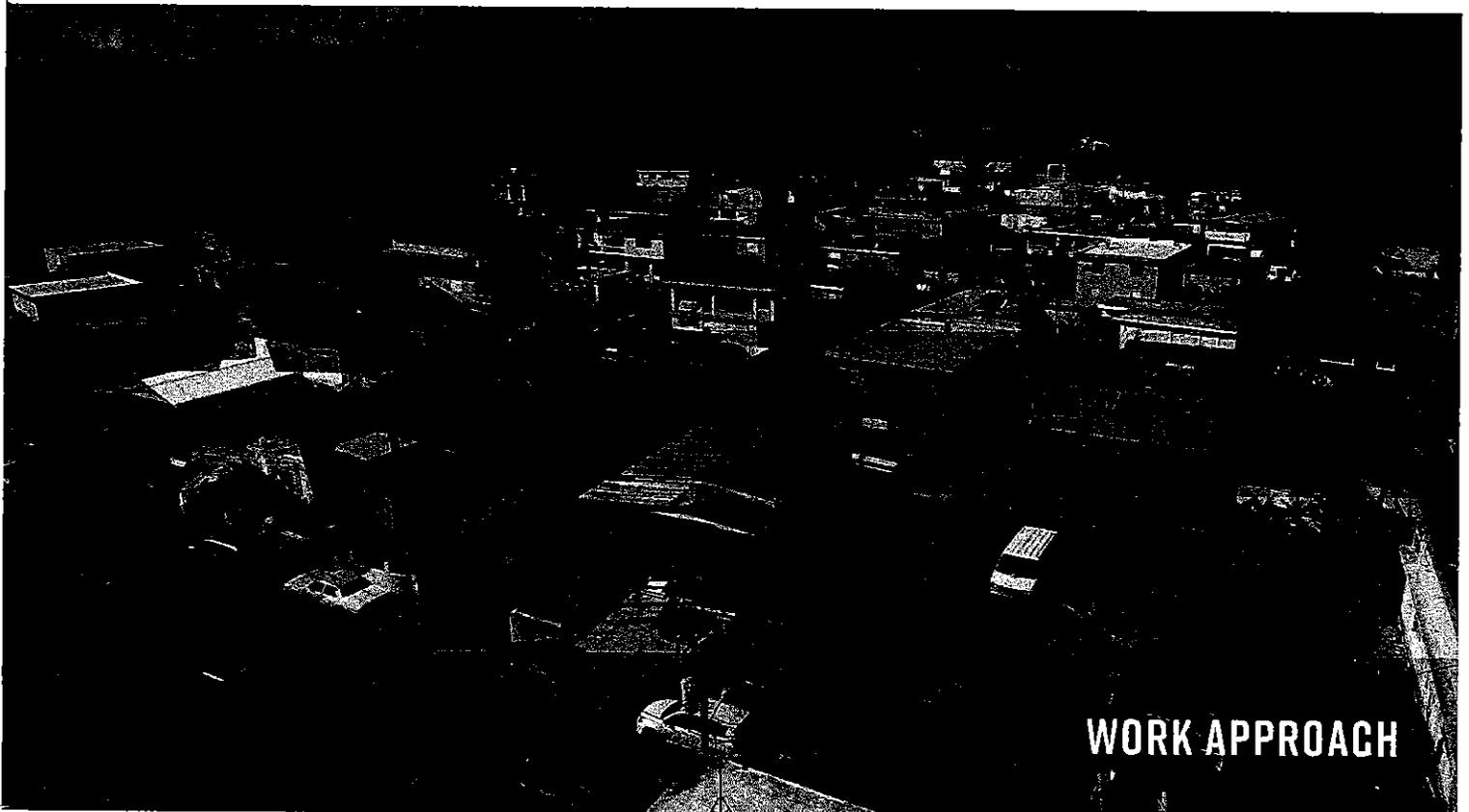
Proposal to Puerto Rico Department of Housing for

**PROGRAM MANAGEMENT SERVICES  
UNDER THE COMMUNITY DEVELOPMENT  
BLOCK GRANT - DISASTER RECOVERY**

CDBG-DR-RFP-2018-04 · November 14, 2018

Daniel Craig, Metro Office Park, Street 1, Lot 15, Suite 400, Guaynabo, PR 00968

*Joe  
DC*





Alliance for the Recovery of  
**PUERTO RICO**

**Alliance for the Recovery of Puerto Rico**

Metro Office Park  
Calle 1, Lote 15, Suite 400  
Guaynabo, PR 00968

787.773.1849

**Puerto Rico Department of Housing**

606 Barbosa Avenue,  
Juan C. Cordero Davila Building, 9th Floor,  
San Juan, PR 00918



**Subject: Contract No. CDBG-DR-RFP-2018-04**

Dear Selection Committee Members,

The Alliance for the Recovery of Puerto Rico (Recovery Alliance) offers Puerto Rico Department of Housing (PRDOH) a team that brings a history of proven performance on large programs in Puerto Rico, a strong bench of CDBG-DR subject matter experts and local staff that are ready to support the program, and a trusted offeror who is committed to the housing and community recovery necessary to meet the needs of Puerto Rican residents.

Recovery Alliance is a Joint Venture between Atkins Caribe LLP and Tidal Basin Caribe LLC. As the providers for PRDOH's Tu Hogar Renace and FEMA's Puerto Rico Permanent Housing Construction program, Tidal Basin and Atkins are currently executing the two largest and most successful housing recovery programs in Puerto Rico. Our firms, who have a successful history working together on other disaster recovery programs, have joined forces to bring all our expertise and resources to bear to support PRDOH as your CDBG-DR Program Manager Services provider. We have built a strong and dynamic team of partners with dedicated staff who combine both local knowledge and CDBG-DR experience.

*JGE*  
*DC*



We have built a team of CDBG-DR providers with over \$6B dollars of CDBG-DR grant program management experience and experience in program delivery from inception to close out.



Recovery Alliance has been in Puerto Rico for over 20 years. Post-Maria, we have demonstrated the ability to scale up to support large housing recovery programs on island for PRDOH and FEMA.



Recovery Alliance brings hundreds of island staff and 3,300 from Continental US to work side by side with PRDOH in this unprecedented housing and community recovery program.



Alliance for the Recovery of  
**PUERTO RICO**

In compliance with the Request for Proposals, please find enclosed Package 1, Mandatory Requirements; Package 2, Work Approach; and Package 3 Cost Proposal. We hereby acknowledge receipt of the following Addenda to RFP CDBG-DR-RFP-2018-04: Addendum 1 posted 10/24/2018; Addendum 2 posted 10/31/2018; and Addendum 3 posted 1/7/2018.

Mr. Daniel Craig, Principal-in-Charge of the Alliance for Recovery of Puerto Rico is authorized to negotiate on behalf of the joint venture, as evidenced in the copy of Recovery Alliance's joint venture agreement presented in Tab 10 of our Mandatory Requirements package and has executed all original CDBG-DR-RFP-2018-04 forms.

If you have any questions regarding our proposal, please do not hesitate to contact Raymundo Martinez at 202.836.2049 (mobile), or ray.martinez@atkinsglobal.com.

Sincerely,

**Raymundo Martinez**

Director of Atkins Caribe Operations  
Alliance for Recovery of Puerto Rico

**Esrone McDaniels**

Program Manager  
Alliance for the Recovery of Puerto Rico

**Joint venture team members and major subconsultants**



**Tab 1 Exhibit A-2:**  
Work Approach  
Proposal Checklist

Tab 1 Exhibit A-2



*False*  
*DEL*



**GOVERNMENT OF PUERTO RICO**  
**Department of Housing**

**EXHIBIT A-2**  
**WORK APPROACH PROPOSAL CHECKLIST**  
 Request for Proposals  
 Program Management Services  
 Community Development Block Grant – Disaster Recovery  
 CDBG-DR-RFP-2018-04  
 (Revised for Addendum No. 3)

Submitted Proposals shall incorporate the following documents in the order provided, the forms included as part of the RFP must be completed and incorporated as part of the Proposal. The PRDOH reserves the right to reject any Proposal that does not fully satisfy these requirements. Proposer shall mark its initials in the space provided below to indicate its compliance with the Checklist's requirements.

<b>Tab</b>	<b>Initials</b>	<b>Document Description</b>
		Company Cover Page
		Proposal is bound into a single document using plastic comb or metal ring binders at the left margin of the page
		One (1) original of the Proposal Three (3) physical copy of the Proposal One (1) electronic copy of the Proposal One (1) redacted copy of the Proposal (if applicable)
1	DC	<b>Exhibit A-2:</b> Work Approach Proposal Checklist
2	DC	Work Approach
3	DC	Examples of Past Deliverables (Item 6.3.6 of the RFP)
4	DC	Plan for Compliance with Section 3 (Item 6.3.7 of the RFP)

*Daniel Craig*

Proposer's Signature

November 13, 2018  
 Date

*Joe DC*

Daniel Craig

Proposer's Printed Name



## Tab 2: Work Approach



*Jose  
Dee*

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*Jose  
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**WORK APPROACH**

**Understanding of Overall Implementation of the Housing Programs (Item 6.3.1 of the RFP)**

Alliance for the Recovery of Puerto Rico Joint Venture (Recovery Alliance) understands the intricacies and interrelationships of implementing the Single-Family Repair, Reconstruction, and Relocation (R3); Housing Counseling (HER); and Home Energy Resilience Programs (see Exhibit 2). As Program Manager, our primary objective is to help participants recover from the residential damage caused by hurricanes Irma and Maria and ensure the program is executed in a manner that meets the objectives of the PRDOH Action Plan.

Recovery Alliance will manage applications from intake through closeout. We will establish operations in the regions of the island we are assigned and will work with the PRDOH to standardize policies, procedures and systems. As the Program Manager, we will be responsible for coordinating the work of the

environmental and construction contractors that will be separately procured and are critical to completing the program.

Our understanding of PRDOH's needs is based on our extensive work in Puerto Rico over the past 12 months managing the STEP and Housing Inspection Services Programs (see Exhibit 1). This work has allowed us to engage with Puerto Rican communities and has shown us first-hand the importance of getting citizens back into homes that are habitable, functional, and resilient. In addition, our experience as Program Manager for CDBG-DR and other federally-funded disaster recovery programs in New York, New Jersey, Florida, Texas, Louisiana, and Mississippi, ensures we understand the risks associated with implementing this large, complex, high-profile program and will proactively mitigate those risks.

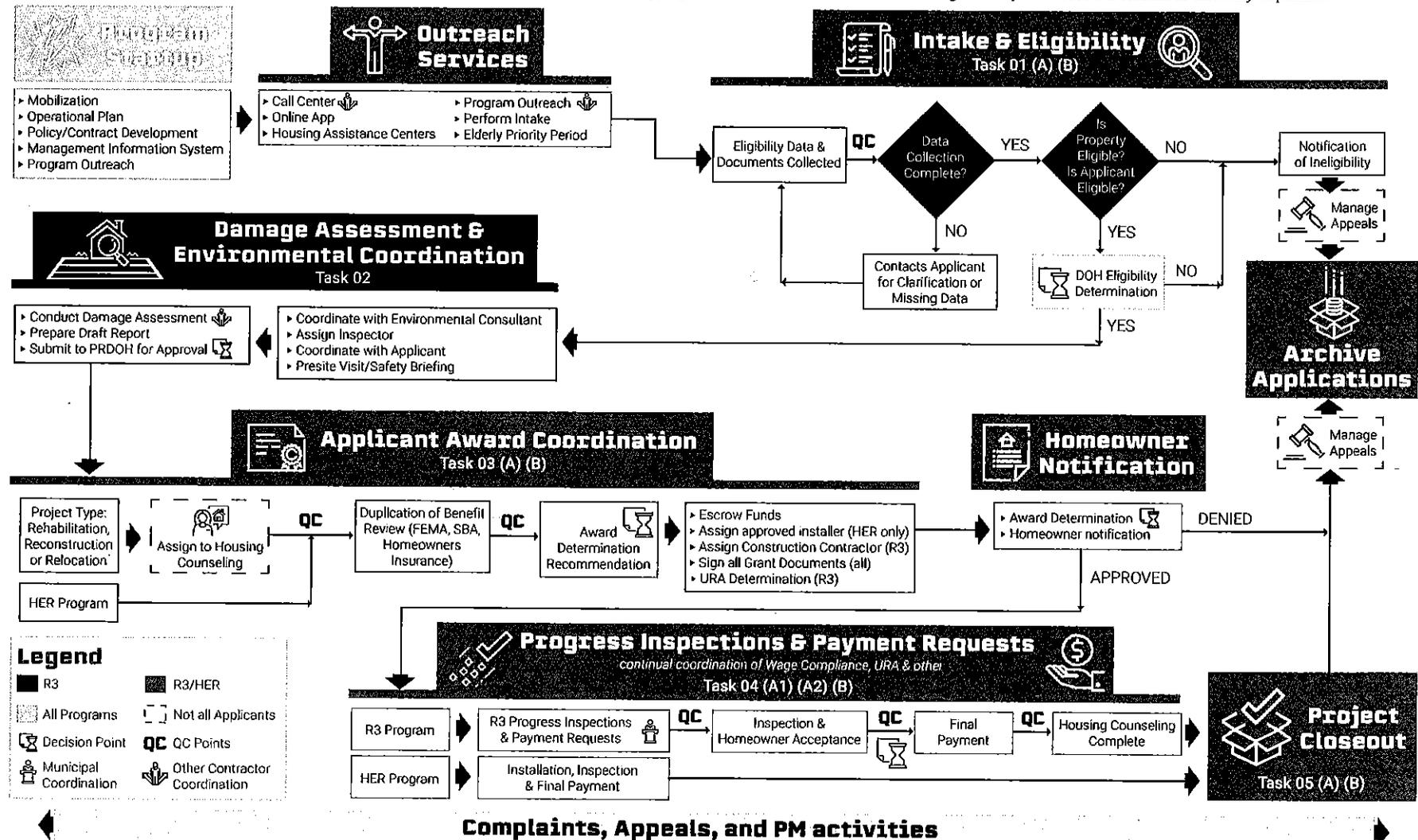
Exhibit 1. Our team has unmatched experience implementing housing programs in Puerto Rico.

*JSE  
DOL*



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Exhibit 2. Recovery Alliance's understanding of the intricacies and interrelationships of the housing programs ensures risks are identified and mitigated early and closeout is reached as efficiently as possible.



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**Overall Management Plan for Major Tasks and Deliverables (Item 6.3.2 of the RFP)**

**Task 00: Programs Management and Administration**

The basic operational framework our team develops during this phase will ultimately determine the overall success of the program and its activities such as outreach, application processing and eligibility review, damage assessments and environmental review, award notification, construction oversight, and closeout of the project.

Our key personnel (see Exhibit 3) will be critical to the start-up of the project and the development of the operational framework for program implementation. Many of these key staff reside in Puerto Rico; others will be deployed within 2 weeks of notice to proceed. Our team consists of industry practitioners who are adept in program design, compliance, quality control, and implementation.

During start-up, key personnel will work closely with the PRDOH representatives, outreach firm, environmental firm, and other designated personnel to identify and agree on critical milestones, program expectations, outreach campaign design, intake centers setup, program policies and procedures and standard operating procedures (SOPs), and how to operationalize the application process. Our team will also develop standard operating procedures for safety, public relations, complaints, community coordination, and special inspections. We understand the importance of these components and we will weave them into the operational framework across all programs and program functions.

Exhibit 3. The experience of Recovery Alliance's key personnel ensures success for PRDOH.

Name/Position	Experience and Qualifications
Esrone McDaniels Program Manager	› Florida's former CDBG-DR administrator › 22 yrs of exp managing housing initiatives in FL, LA, NY, TX, and PR totaling >\$2B
Amy Baker, PE Deputy Program Manager	› 20 yrs of exp in program management of large federal housing programs nationwide › Supported response and recovery after the 2004 Florida hurricane season, and Hurricanes Katrina, Rita, Isaac, Sandy, Harvey, Irma, and Maria
Jorge Rivera, PE Operations Manager	› PR-registered PE with 16 yrs of exp in project management › Native Spanish speaker
Spurgeon Robinson Regulatory Compliance Manager	› 20 yrs of overall exp including compliance and monitoring services across all of Governor's Office of Storm Recovery (GOSR) programs
Gustavo Fusaro Complaint Coordinator	› 18 yrs of overall exp, including disaster recovery and call center management › Native Spanish speaker
Laura Urrutia Public Relations Coordinator	› Native Spanish speaker with >12 yrs of exp in marketing in Puerto Rico › Led media campaign and outreach for PRDOH's Tu Hogar Renace Program
Jose Gomez Community Coordinator (Lead)	› 10 years of overall exp including as PM for PRDOH's Tu Hogar Renace Program › Former operations director for New York State GOSR and native Spanish speaker
Rebecca Perez Safety Officer(Lead)	› 18 yrs of exp as a safety health environment manager › Native Spanish speaker
Juan Murel Special Inspector (Lead)	› 33 yrs of exp in construction monitoring for DR and large PR construction projects › Native Spanish speaker

*Jorge*  
*TGL*

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We understand that all firms associated with program implementation must work collaboratively to facilitate the delivery of services. Some of the functions that are tasked to other professional services firms may be dependent on the work product of the Program Manager and vice versa. We will coordinate with all housing program stakeholders on the front end of the process to establish a consistent and compliant strategy and to identify and mitigate bottlenecks in the process.

Recovery Alliance will document all SOPs in an overall Project Plan that will include management of day-to-day operations, process improvements, quality control, policy shifts, and program closeout details. The overall project plan will be flexible and undergo several iterations of changes that will reflect current program operations on the ground.

Many of the project management functions specified in the scope are detailed in our response to the various tasks. We understand the importance of compliance with the CDBG-DR Program regulatory framework. We have experts and practitioners that specialize in program compliance in the areas of Davis Bacon Wage Compliance, Section 3, Fair Housing, Uniform Relocation Act (URA) Compliance, Copeland Anti-Kickback Act, Work and Safety Standards Act and other cross-cutting federal compliance regulations. Our team's Regulatory Compliance Officer and other policy experts within our Project Management Office (PMO) will work closely

with the Program Manager and the PRDOH to develop sound policies that will serve as the baseline for overall program implementation and compliance.

Recovery Alliance team member Cohn Reznick has provided compliance and oversight for many disaster recovery programs nationwide. They are adept in evaluating and validating work quality and will help our team identify risks and develop mitigation plans, ensuring smooth delivery of this important program.

Managing project schedules including budgets will also be key to the success of this project. We anticipate there will be a high volume of applications to the R3 and HER programs based upon activities in other programs such as the Sheltering and Temporary Essential Power (STEP) Program. It will be imperative for the Program Manager to institute program tools designed to track the performance of contractors related to construction activities. Metrics from these tools will be indicators of a contractor's performance and will assist in driving management decisions related to construction assignments and potential penalties.

The Operations Manager will manage the daily field operations and will be responsible for ensuring continuity and compliance with the overall Project Plan. This includes activities related to timelines, cost analyses, inspections, construction progress, contractor invoices, payment approvals, change orders, and all other activities specific to field operations.

*JGE*  
*DAC*

Recovery Alliance will have as a part of its PMO staff task leads for program Appeals and Anti-Fraud, Waste and Abuse (AFWA). They will assist in developing standard operating procedures to manage the AFWA process. Per the PRDOH Action Plan requirements, applicants are allowed to appeal program determinations related to applicant and property eligibility in addition to the quality of work being performed pursuant to 83 FR 5850-5851. Key personnel will work closely with the PRDOH to design and automate an appeals process that is accessible to the applicant and has a built-in workflow to facilitate the approval process. In our experience, the most effective means to manage the appeals process is through the system of record and tied to the acceptance or rejection of an award by an applicant. Dedicated staff on the team will process appeal claims and work directly with the PRDOH Appeals Board to coordinate the structural framework for the process. Per federal regulations, applicants must be afforded appeal rights should they not agree with the agency's determination. Our Regulatory Compliance Officer will work to ensure complete compliance with all contractual and federal regulatory requirements governing the process.

As a part of our team's management approach, we will conduct QA/QC reviews at certain touchpoints within the process. This will be an internal review process prior to submitting to PRDOH for final review and sign-off. The goal is to ensure that staff is following the established procedural and operational

protocols for the R3 and HER programs. The QA/QC process will also serve as a discovery process to identify process improvements and bottlenecks that will ultimately provide greater efficiencies and economies of scale. Built into the overall processes will be strategies to detect fraud, waste and abuse.

We understand that the PRDOH will designate a system of record to be used for the various programs. However, we also assume that any internal systems that are used outside of the system of record to manage the project will need to have built-in flexibility to interface with the system of record. We understand that the system of record will be used as a workflow and document management tool to process applications from applicant intake to issuance of a program award. However, we also assume that the system of record will have the potential to accommodate the appeals process, closing process, construction management process and archive any environmental review data required for the program. The system of record should also serve as a repository for applicant documents and any necessary reports such environmental

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Hurricane Matthew Intake Services

P-59813-201807A10

review records and damage assessment reports. Our key personnel will work directly with the PRDOH and designated contractors to ensure that a streamlined document management and control system is in place to accommodate the various program information for each program. Additionally, either within the system of record or through another portal such as SharePoint, our team will archive all training information, program templates, contract documents, program informational and marketing materials, checklists, visual aids, orientation information, policies and procedures, standard operating procedures and policy/procedure change alerts.

As it relates to construction and statutory compliance, Recovery Alliance will work closely with the PRDOH to develop progress inspection protocols and performance metrics for the contractors. These protocols and metrics are designed to hold contractors accountable based upon capacity, workmanship, and speed.

Project accounting and reporting are critical functions of program management. Status reports give a snapshot into program performance at any given point in time and at critical milestones within process. They also help to identify performance and process issues that can be used to detect efficiencies and inefficiencies within the process. Additionally, data can be used to formulate policy changes that may be necessary throughout the duration of the program. Our team will have dedicated staff that will holster the accounting and reporting pieces of the process. We will work

with the PRDOH staff to identify the data necessary to compile informative reports that will be useful in giving updates to upper management, public officials and the public but will also serve to inform other management decisions regarding program operations.

Our team will designate an accounting task lead who will be responsible for managing a team of finance staff with primary responsibilities of tracking project expenditures, reconciling contractor invoices, managing federal fund draw-downs through HUD's Disaster Recovery Grants Reporting (DRGR) reporting system, performing reviews of requests for payments, managing escrow accounts as applicable on behalf of PRDOH, processing recapture funds in accordance with designated program recapture procedures and also managing and monitoring the internal inventory to prevent fraud, waste and abuse. Accounting staff will also review other costs using the "cost reasonable" standard prescribed by HUD. The RFP gives the option to local governments to conduct inspections on properties within their jurisdictions. Our accounting lead will work with the appropriate staff to design a review and monitoring process to validate completion of inspection work done by the subrecipients and monitor performance in alignment with the inspection protocols established for the program.

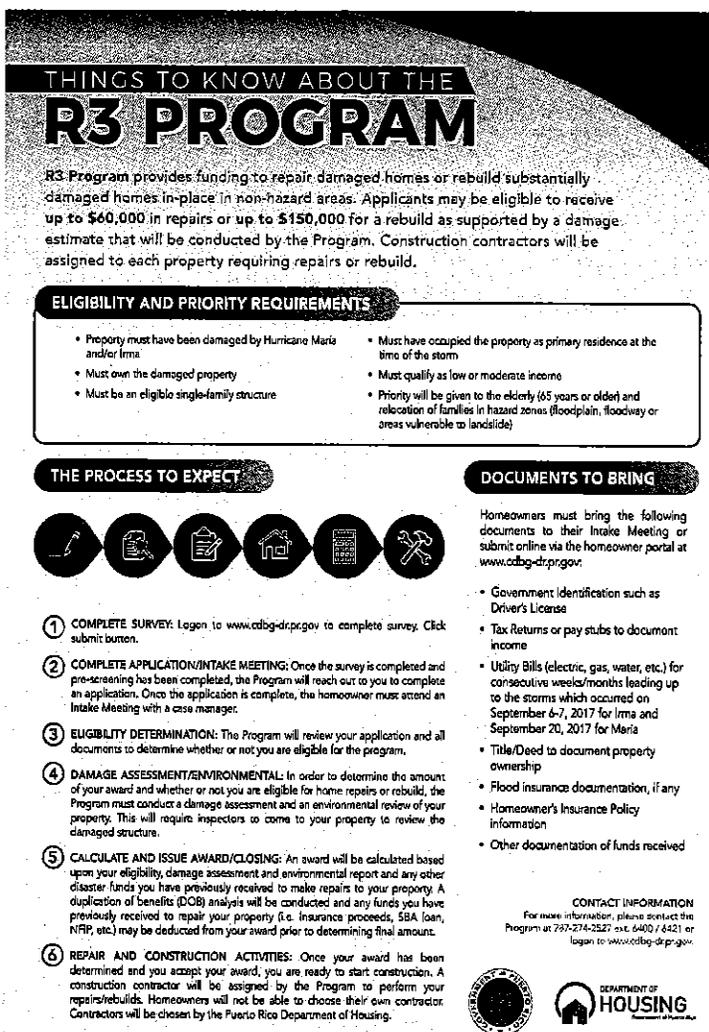
Providing quality customer service, including clear and concise communication is essential to the success of any disaster recovery program. Substandard customer service only exacerbates



the frustration that applicants are already experiencing as a result of the catastrophic weather events. Our team will set up a local call center or customer service center that will interface with the main call center managed by the PRDOH. We will onboard customer service representatives and case managers who have the capacity to provide quality customer service to applicants. Our team will work with the public relations consultant to identify vulnerable populations for program outreach services, design marketing collateral pieces (e.g., Exhibit 4 below), and assist in

the delivery of orientation presentations that may be necessary at special events. Our team will also be available to assist with addressing applicant complaints and status inquiries within the 48-hour time period allowed under this RFP (see RFP Item 6.3.4 of this response).

Recovery Alliance is committed to PRDOH's programs and our approach each task reflects that. In the following pages we use our unmatched housing expertise to identify the activities, deliverables, quality processes, and timeframes required for success at each step.



**THINGS TO KNOW ABOUT THE R3 PROGRAM**

R3 Program provides funding to repair damaged homes or rebuild substantially damaged homes in-place in non-hazard areas. Applicants may be eligible to receive up to \$60,000 in repairs or up to \$150,000 for a rebuild as supported by a damage estimate that will be conducted by the Program. Construction contractors will be assigned to each property requiring repairs or rebuild.

**ELIGIBILITY AND PRIORITY REQUIREMENTS**

- Property must have been damaged by Hurricane Maria and/or Irma
- Must own the damaged property
- Must be an eligible single-family structure
- Must have occupied the property as primary residence at the time of the storm
- Must qualify as low or moderate income
- Priority will be given to the elderly (65 years or older) and relocation of families in hazard zones (floodplain, floodway or areas vulnerable to landslide)

**THE PROCESS TO EXPECT**

- COMPLETE SURVEY:** Logon to [www.cdbg-drpr.gov](http://www.cdbg-drpr.gov) to complete survey. Click submit button.
- COMPLETE APPLICATION/INTAKE MEETING:** Once the survey is completed and pre-screening has been completed, the Program will reach out to you to complete an application. Once the application is complete, the homeowner must attend an Intake Meeting with a case manager.
- ELIGIBILITY DETERMINATION:** The Program will review your application and all documents to determine whether or not you are eligible for the program.
- DAMAGE ASSESSMENT/ENVIRONMENTAL:** In order to determine the amount of your award and whether or not you are eligible for home repairs or rebuild, the Program must conduct a damage assessment and an environmental review of your property. This will require inspectors to come to your property to review the damaged structure.
- CALCULATE AND ISSUE AWARD/CLOSING:** An award will be calculated based upon your eligibility, damage assessment and environmental report and any other disaster funds you have previously received to make repairs to your property. A duplication of benefits (DOB) analysis will be conducted and any funds you have previously received to repair your property (i.e. insurance proceeds, SBA loan, NFIP, etc.) may be deducted from your award prior to determining final amount.
- REPAIR AND CONSTRUCTION ACTIVITIES:** Once your award has been determined and you accept your award, you are ready to start construction. A construction contractor will be assigned by the Program to perform your repairs/rebuilds. Homeowners will not be able to choose their own contractor. Contractors will be chosen by the Puerto Rico Department of Housing.

**DOCUMENTS TO BRING**

Homeowners must bring the following documents to their Intake Meeting or submit online via the homeowner portal at [www.cdbg-drpr.gov](http://www.cdbg-drpr.gov):

- Government identification such as Driver's License
- Tax Returns or pay stubs to document income
- Utility Bills (electric, gas, water, etc.) for consecutive weeks/months leading up to the storms which occurred on September 6-7, 2017 for Irma and September 20, 2017 for Maria
- Title/Deed to document property ownership
- Flood insurance documentation, if any
- Homeowner's Insurance Policy information
- Other documentation of funds received

**CONTACT INFORMATION**  
 For more information, please contact the Program at 787-274-2527 ext. 6400 / 6421 or logon to [www.cdbg-drpr.gov](http://www.cdbg-drpr.gov).




Exhibit 4.  
 Recovery Alliance understands the importance of creating clear outreach communications to help applicants understand each step of the program.



**Task 01(A): R3 Complete Application**

**Activities for Task 01(A)**

For this task, Recovery Alliance will collect all required applicant information needed to: (1) determine an applicant’s eligibility for the R3 Program and (2) perform duplication of benefit analysis. For those applicants who meet the eligibility requirements, we will submit a completed application package, including all required documentation to PRDOH for final eligibility and award determination. The application package will contain all information needed to support eligibility determination and duplication of benefits (DOB) information and will withstand scrutiny by any oversight entity.

**Survey of Potential Applicants**

As an initial part of the intake process, our team will launch a web-based survey accessible to anyone with an internet connection (see Exhibit 5). The survey will gather contact, residence damage, insurance, and income eligibility information from potential program participants. Collecting and organizing this data as early as possible will help streamline the intake process. Each participant’s information will be uploaded into the system of record for further analysis. Our IT professionals will work with the PRDOH to design the parameters for the survey and establish the system of record interface rules.

**Application Intake**

To reach the mass of hurricane survivors, we will use housing assistance centers (HACs), local government kiosks, and mobile units

**Benefits of our Approach to Task 01(A)**

- › Provide efficiencies during the application intake process by developing and launching a web-based, pre-intake survey
- › Reach the maximum number of applicants through Florida-based intake center(s)

to collect applicant information. Location of the intake centers will be established in coordination with the PRDOH. Some data suggests that over 400,000 residents of Puerto Rico have left the island since the hurricanes and migrated to New York, Philadelphia, and areas in Florida—with high concentration of survivors in Orlando and Osceola and Miami-Dade counties. Our team is prepared to offer intake and case management services at an off-island site, possibly Orlando, to ensure that those survivors are aware of the program and eligibility requirements. Homeowners will be able to access the application portal



Exhibit 5. Recovery Alliance will develop and launch a pre-intake survey that will help streamline the intake process.

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and other services through the off-site center. We will work with PRDOH to target specific demographics, like the elderly and disadvantaged, and prioritize those applications.

Each HAC will be staffed with a manager/ liaison who will oversee the activities associated with that center and will also be responsible for overall customer service related and case management activities within that jurisdiction. We will set up a local call center, also known as a customer service center, for the region and it will be co-located within one of the HACs, if more than once HAC is assigned per zone. The call center will be staffed with customer service representatives (CSRs) who will be trained in the R3 program's eligibility requirements and will be able to fluently and accurately communicate the details of the program to each interested applicant. HAC managers will provide appropriate training to CSRs and case management staff for the program duration.

Homeowners ready to enter the application process will be required to attend a consultation with a case manager (CM) either in person or over the phone so that they can be informed of the various options available under the program. CMs will reach out to applicants to schedule an intake meeting at which time the applicant will be notified of the documents needed to validate the eligibility requirements. In addition to completing an electronic application via the system of record, applicants will be required to provide documentation

proving identity, ownership, primary residency, income, insurance, mortgage information, tax payments, and damage to the property. Our team will create a document checklist and other informational materials that will be made available online so that the applicants know what to bring to their intake consultation. Our team will follow the Action Plan eligibility and priority guidelines to verify these components.

#### **Initial Case Review**

Once the applicant has provided all the necessary documents per the document checklist, the CM will conduct an initial case review of the applicant file prior to submitting the file for eligibility review using the system of record. If the CM finds that any documents are missing or information was omitted, the CM will work directly with the applicant to secure the deficient information. Applicant files will not move to the eligibility review phase until it has passed the initial case review phase. CMs will update the system of record to reflect the latest communication with applicants and validate the completion of information within the system of record. All applicant communication will be documented in the log/ transaction notes within the system of record for intake and eligibility activities.

#### **Eligibility Review and Duplication of Benefit Analysis**

Once the CM has gathered and checked all required documents, the application and required documents will be provided to the eligibility specialist for review. The eligibility specialist will make a preliminary

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determination (e.g., occupancy before storms, LMI, tax standing) as some eligibility elements cannot be confirmed until the damage assessment is completed. This includes storm damage, floodplain determination (for reconstruction) and confirmation of structure type. We will rely on other data to make a recommendation, but final determination will be after the damage assessment. The eligibility specialist will review all benefits the homeowner has received documented through insurance, FEMA, SBA, and other sources to perform the duplication of benefit analysis.

If required information or documentation is missing, the eligibility specialist will send the request back to the CM to work with either the applicant, municipality, taxing authority, insurance company etc. to obtain the missing information.

**PRDOH Approval**

After all applicable information is collected from the applicant and reviewed for eligibility and the duplication of benefit analysis is performed, we will submit an application package, including all documentation and our determination of eligibility recommendation to

PRDOH for final determination. Once PRDOH has made an eligibility determination, our team will notify the applicant. We will coordinate with PRDOH to ascertain the appropriate process for communicating approvals/disapprovals. If an applicant disagrees with PRDOH’s determination, they will be afforded the right to appeal. Appeal rights and steps of the appeal process will accompany the notification letter.

**QA/QC Process for Task 01(A)**

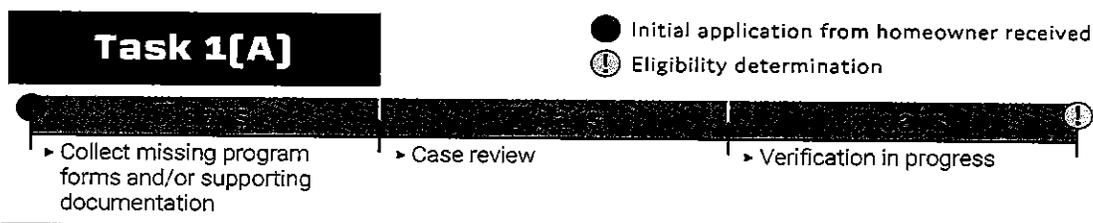
The first step in QA/QC for Task 01(A) is for independent eligibility review staff to evaluate compliance of the application package submitted by the case management team. Secondly, we will conduct an internal review of a representative sampling of files after eligibility review to determine accuracy and completeness. These reviews may identify additional training needs and/or bottlenecks, which can then be efficiently addressed.

**Deliverables Required for Task 01(A)**

- › Program Outreach
- › R3 Eligibility Survey
- › Program Dashboard
- › Complete Eligibility File

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**Timeframe of Activities for Task 01(A)**



Note: The timeframe of activities for this task are based on best-case scenarios and may be adjusted as varying circumstances arise.

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**Task 01(B): HER Complete Application**

**Activities for Task 01(B)**

For this task, Recovery Alliance will collect all required applicant information needed to: (1) determine an applicant’s eligibility for the HER Program and, (2) perform and duplication of benefit analysis. For those applicants who meet the eligibility requirements, we will submit a completed application package, including all required documentation to the PRDOH for final eligibility and award determination. The application package will contain all information needed to support our eligibility determination and duplication of benefits information and will withstand scrutiny by an oversight entity.

**Intake**

We will work closely with the outreach consultant so survivors are aware of the HER program and eligibility requirements. Outreach efforts should include radio, television, public service announcements, community orientations, newspaper, social media, website and other appropriate mechanisms designed to spread the word about the program across the island. Targeted outreach efforts will be focused on residence in areas that have electrical grid vulnerabilities along with geographical areas that are hardest to reach and those that were severely impacted by the hurricanes. We understand the current action plan amendment is pending for this program and additional eligibility criteria and programs will be available after HUD approval. With a

**Benefits of our Approach to Task 01(B)**

- › Enable clear communication of program requirements to participants through customer service centers staffed with local Puerto Rico personnel
- › Reach the maximum number of applicants from our Florida-based intake center

scope amendment, our team is ready to adjust our program implementation to accommodate the new provisions.

A majority of information needed for the HER program will be collected during the intake process for the R3 program. Our team will also identify applicants who qualify for HER during our R3 evaluation. Recovery Alliance understands that not all HER-eligible applicants will also apply for the R3 program, and we will work with the outreach team to also market to potential applicants such as renters.

Our team will provide applicant intake services in several ways: intake centers; local government kiosks; and mobile units (as applicable). As explained in Task 01(A), we will also promote the HER program to those who have left the island since the hurricane. We want to ensure that those survivors are aware of HER program’s existence and the eligibility requirements associated with the program. We will work with applicants, regardless of location, to collect all applicable documentation and information to complete an application.

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The same intake centers for the R3 program will be utilized for the HER program. Each center will be staffed with an HAC manager/liaison who will oversee the activities associated with that particular center but will also be responsible for overall customer service related and case management activities within that jurisdiction. The customer service center for the region will be co-located within one of the HACs, if more than one HAC is assigned per zone. The customer service center will be staffed with CSRs who are conversant with the HER Program's eligibility requirements and able to fluently and accurately communicate the details of the program to each interested applicant. HAC Managers will be responsible for assisting in providing the appropriate training to CSRs and case management staff for the duration of the program.

CSRs and CMs will use scheduling software such as Appointment Plus or comparable product required by PRDOH to schedule appointments. Our team understands that walk-ins will occur, and we will adapt our processes to accommodate. Applicants will be required to provide documentation proving identity, ownership, primary residency, income, insurance, mortgage information, tax payments, and pre-disaster housing conditions and values. To assist the applicant in identifying the type of documents to bring to the Intake Meeting, our Team will provide the applicant the appropriate checklist that identifies such documents prior to the meeting.

### **Initial Case Review**

Once the applicant has provided all the necessary documents, the CM will conduct an initial case review of the applicant file prior to submitting the file for eligibility review using the system of record. If the CM finds that any of the documents are missing or information was omitted, the CM will work directly with the applicant to secure the deficient information. Case managers will ensure that the system of record is updated to reflect the latest communication with applicants and validate the completion of information within the system of record for both intake and eligibility.

### **Eligibility Review**

The eligibility specialist will determine general eligibility for the program that includes current occupancy (homeowner or renter) and LMI or urgent need. It is anticipated that the a high percentage of applicants participating in the R3 Program will also be eligible for participation in the HER Program due to the overlay of similar eligibility requirements. During the eligibility review process, case files will be reviewed and verified for compliance with the following Action Plan requirements:

- › LMI status
- › Ownership/rental and occupancy status
- › Single-family residence or business structure (excluding large businesses)
- › Prioritization based on whether or not applicant is elderly and/or property is located in a high-risk energy and security community



**PRDOH Approval**

After eligibility review and duplication of benefit analysis, we will submit an application package, including all documentation and our determination of eligibility, to PRDOH for final determination. Once PRDOH has made an eligibility determination, our team will notify the applicant. We will coordinate with PRDOH to develop the appropriate workflow process for communicating approvals/disapprovals and when the appropriate HER Program voucher will be issued for installation of an eligible gas or solar powered water heater and/or gas-powered stove. If an applicant disagrees with PRDOH's determination, they will be afforded the right to appeal. Appeal rights will accompany the notification letter and will detail the process the applicant should follow.

**QA/QC Process for Task 01(B)**

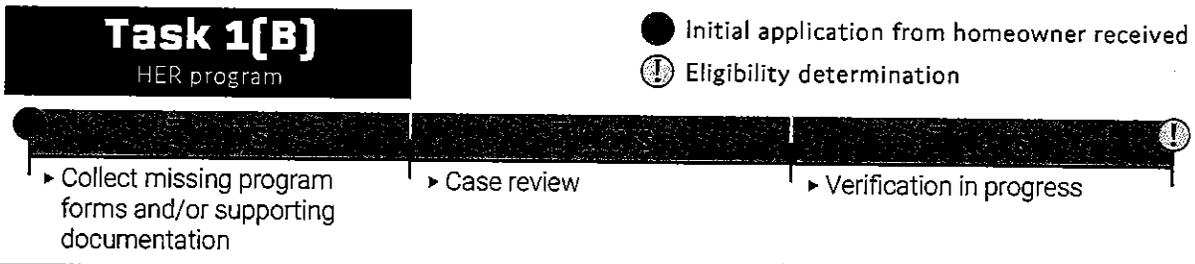
Similar to the process used under the R3 Program, Recovery Alliance will incorporate

QC reviews throughout various stages within the process. Independent Eligibility Review staff will thoroughly evaluate the application package for program compliance submitted by the case management team which is the first point of QA/QC. Additionally, in accordance with our QA/QC plan established for the program, an internal review sampling of files will be conducted after eligibility review to determine accuracy and completeness, which is a second QA/QC review. Sampling results will inform of case review quality and program knowledge (triggering additional training) and identify bottlenecks and program exposure.

**Deliverables Required for Task 01(B)**

- › Program Outreach
- › Program Dashboard
- › Complete Applicant Eligibility File

**Timeframe of Activities for Task 01(B)**



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Note: The timeframe of activities for this task are based on best-case scenarios and may be adjusted as varying circumstances arise.

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**Task 02: R3 Damage Assessment**

**Activities for Task 2**

Once an applicant is deemed eligible by DOH to participate in the R3 program, we will perform a damage assessment to develop a scope of work for the repair or reconstruction of the damaged property. The major activities to complete the task consist of: (1) preparing for the site visit and coordinating with the applicant and the other professional services firms; (2) inspection teams assessing the damage to the property; (3) preparing the damage assessment report (DAR); (4) QA/QC review of the DAR; and (5) submitting the completed DAR to PRDOH for review and approval.

**Preparing/Coordinating**

The first steps in preparing for the damage assessment is to coordinate with the applicant and the PRDOH's environmental consulting firm. We will explain to the homeowner what they can expect during damage assessment activities. In addition, we will schedule site visits and inspections, coordinate with other professional services firms, and will utilize appointment scheduling software to assist with overall planning efforts for on-site visits. During this phase, our Operations Manager will work with the inspection staff to determine inspection schedules. This will also require coordination with PRDOH's environmental consultant to conduct concurrent visits focused on environmental hazards and necessary remediation as appropriate. We will use tools to group inspections geographically to create

**Benefits of our Approach to Task 02**

- › Ensure all necessary information is gathered during the first assessment using a standardized evaluation system
- › Create custom repair items that reflect the multiple unique construction styles of Puerto Rico

greater efficiencies and expedite damage assessments due to time restrictions required under the RFP. All inspectors will be required to undergo training prior to participating in the field and demonstrate competence in this subject-matter area. Standard operating procedures will be developed to support scheduling and coordination functions in addition to inspection protocols related to onsite visits and program etiquette. Upon award, our management team will work closely with PRDOH and the appropriate environmental consulting firm to determine process-flow and the overall hand-offs within the process.

**Performing Damage Assessments**

The inspection team will interview the applicant at the time of the onsite visit and include the information from the interview in the final report. Including a standardized narrative in the damage assessments enables PRDOH to holistically evaluate the condition of the applicant's property, the damage caused by the hurricanes, and repairs that were made after the storms. Standardizing a narrative for each property streamlines audits by

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HUD, Office of Inspector General (OIG), and other Puerto Rican or oversight agencies.

Our inspection team will use a standardized evaluation system to ensure necessary information is gathered during the assessment. Ensuring that all site elements, exterior elements and interior elements are measured, documented, and photographed is crucial in the final determination in the R3 program. Our assessors will record not only damages and repairs, but other issues such as safety hazards, deferred maintenance, and structural/design issues not related to the storm. Painting the picture of the overall condition of the home, and not just the cost of repairs, will justify the final determination for R3. We will work closely with the environmental consultant to ensure all necessary environmental work is performed including the Tier 2 Environmental Checklist. Lastly, our inspection team will mark the GPS coordinates of the home and determine if the property is in the flood plain or other flood risk zone.

#### **Preparing DARs**

Our inspection team will use Xactimate v28, an industry standard for housing repair and rehabilitation, to perform the damage assessment and to prepare the DAR. If approved by PRDOH, our report will include the list of scope items detailed in the RFP and will be priced using the Xactimate software. We will work with PRDOH to agree to program-wide standardized pricelists and overhead and profit multipliers for the rehabilitation contractors. Setting

standardized pricing across all geographical zones, regardless of program manager, will be the most effective model. All repair work performed will follow 24 CFR 982.401 Housing Quality Standards (HQS). We will create custom repair items based on the multiple unique construction styles of Puerto Rico. Sharing these developed line items and methods with other program managers via PRDOH will help ensure all applicants are being serviced at the same level.

Environmental abatement or mitigation needs may arise based on the PRDOH's environmental consultant's reports. When Recovery Alliance receives these reports, any required environmental scope will be incorporated into the DAR using standardized pricing. Scope to abate lead paint and asbestos hazards will be added to the report via our engineering team. This team will be comprised of seasoned professional damage assessors, graduates from Puerto Rican engineering universities, and licensed Puerto Rican engineers and architects. This team will also be able to add elevation requirement scope to the DAR.

#### **QA/QC Process for Task 02**

As a first step in the QA/QC process for Task 02, inspectors will undergo extensive training to mitigate deficiencies or inconsistencies in the inspection process and eliminate bottlenecks and delays. Once inspectors have completed their onsite review and generated the Estimated Cost of Repair (ECR) report, the entire report will undergo a final QA/

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QC review before being signed by a Puerto Rico-registered engineer, and ultimately sent to PRDOH for review. The review will consist of: 1.) a peer-to-peer product review; and 2.) review by senior construction staff for constructibility. This process will occur within the 5-day timeframe prescribed by PRDOH.

**Submitting the Completed DAR to the PRDOH for Review and Approval**

Once the damage assessment is signed by a qualified engineer, we will make a recommendation for repair, rehabilitation, or relocation. The final report will then be submitted to PRDOH for review and approval.

**Deliverables Required for Task 02**

- › Applicant Scheduling
- › Damage Assessment
- › Damage Assessment Report

**Unmatched Understanding of Puerto Rico's 2018 Building Codes**

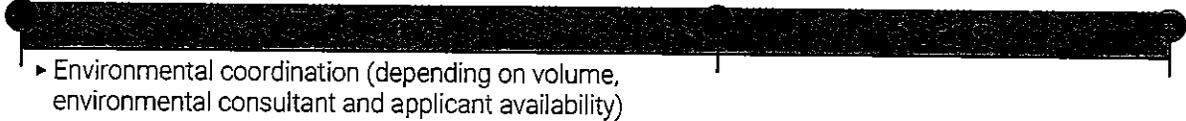
Our team has been involved in updating the 2011 building codes to new, more resilient, 2018 standards for wind, seismic and flood. We understand the new codes will be adopted on November 15th and enforced within the 3 to 6 months after. Given these timelines, we suggest PRDOH adhere to the new, state of the art building codes at the beginning of R3 and HER programs. We are uniquely qualified to identify natural hazard risks and implement new building codes because of our work with FEMA to update floodplain maps and building codes. We will make sure our inspectors are trained to these new standards and PRDOH construction contractors understand and are prepared to build to the new building codes. Our team has completed repair and reconstruction work under the Permanent Housing Construction (PHC) contract with FEMA; therefore, we've not only worked on the process for rewriting the codes, we've also experienced the reality of applying for building permits and reconstructing homes that were not originally built to code. We have worked closely with OGPe to facilitate this process. We are prepared for and understand that the new codes will impact the third-party application and inspection process; create demand for fasteners and hardware not traditionally available on the island; and create opportunities for alternative energy solutions.

**Timeframe of Activities for Task 02**

**Task 2**  
Damage assessment

- Receive PR DOH eligibility approval
- Damage assessment (on-site inspection)
- Submit damage assessment report

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**Task 03(A): R3 Award Coordination**

**Activities for Task 03(A)**

**Environmental Coordination**

Recovery Alliance will examine the environmental review file for completeness and compliance with 24 CFR Part 58. The review will include identifying any environmental mitigation activities to include in the SOW and ensuring that appropriate permitting has been acquired by the environmental consultant or will be acquired by the construction contractor. Our review team will have environmental experience in performing and will be trained on our project-specific processes to enhance performance. Our team's Regulatory Compliance Officer will review for compliance with statutory environmental regulations.

**Finalize Benefit Determination and Verification, DOB, and Scoping**

The environmental mitigation requirements will be incorporated with the completed damage assessment to calculate the individual applicants total need. A feasibility analysis based on the damage amount and location of the home will be performed to determine if the benefit to the applicant will include rehabilitation, reconstruction or relocation. The feasibility analysis will take into account the program caps and identify the potential need for exceptions to the caps. PRDOH-approved exceptions to caps will be documented in the applicant file. We will develop a work order scope incorporating the feasibility decision including hard (e.g., construction, remediation) and soft (e.g., surveys, permits) costs.

**Benefits of our Approach to Task 03**

- › Recovery Alliance team members have direct experience managing HMGP match programs, specifically for homeowner buyout and acquisition, to assist with HMGP match when needed.

Applicants requiring relocation will be referred to the Housing Counseling Program for assistance in identifying existing homes for purchase or vacant lots for new construction outside of high-risk areas.

Third-party verification of applicant benefits will be performed to identify and prevent DOB. Per Federal Register Notice 5582-N-01, grantees must certify to the Secretary of HUD that it has adequate procedures to prevent DOB prior to receiving a grant award. In addition to FEMA and SBA, we will make third-party agreements with NFIP and insurance companies for verification of benefits.

Unaccounted-for benefits will be deducted from the award amount and applicants will be required to deposit in an escrow account funds for any costs over the established program caps for distribution to the contractor.

Once PRDOH approves the final work order, we will send the applicant's award letter which will include the award amount based on the calculation of unmet needs and identified DOB, noting any amounts required from the homeowner for escrow. Letters will also be prepared for applicants who meet the eligibility requirements for the program but are not eligible to receive financial assistance.

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**Coordination with the Applicant**

Recovery Alliance will inform applicants of the process for completion of work, the required ownership and occupancy periods for the various R3 programs, and repayment of benefits if not met. We will provide the applicant with and obtain signature on the subrogation, right of entry (ROE), and grant agreements. Upon receipt of the required documents and any required escrow funds, we will coordinate a construction start date and determine if relocation is required. Relocation will trigger the URA and Real Property Acquisition Policies Act of 1970, as amended. We understand that HUD granted waivers for URA in Federal Register/Vol.83, No.28/February 9, 2018. To minimize displacement, PRDOH will arrange for facilities to house persons who must be relocated temporarily. Recovery Alliance will work alongside PRDOH to inform applicants of relocation requirements, identify appropriate relocation properties, and provide consultation on other supportive services that may be available to them during their time of displacement. Housing counselors will also be available to assist with identifying services.

The grant agreements and any required covenants will be filed with the appropriate jurisdictional entity to create a property lien and enforce affordability requirements.

**Coordination of Construction Contractor**

Recovery Alliance will assign a construction contractor once all required documents and escrow funds are received. Applicable design, permitting, specific SOW, and any other required documents will be made available to the contractor and applicant. We will facilitate a pre-construction meeting with the contractor and applicant and issue NTP.

**QA/QC Process for Task 03(A)**

We will develop a combination of checklists, reviews, and supervisory approvals for managing quality. We will use qualified personnel to review environmental reports, perform feasibility analyses, and conduct work order review before submission to PRDOH.

**Deliverables Required for Task 03(A)**

- › Work Order
- › Feasibility Analysis
- › Applicant Award Letter
- › Subrogation, ROE, Grant Agreement
- › Notice to Proceed

**Timeframe of Activities for Task 03(A)**

<div style="background-color: black; color: white; padding: 5px; display: inline-block;"> <b>Task 3[A]</b>                  Award coordination             </div>				<ul style="list-style-type: none"> <li>● Receipt of review file, damage assessment, PRDOH eligibility</li> <li>Ⓜ Send/receive final PRDOH approval of award</li> <li>● Receive applicants signed and completed documents</li> </ul>		
[Task 3(A) Timeline Bar]						
<ul style="list-style-type: none"> <li>▶ Environmental file review</li> <li>▶ DOB review</li> </ul>	<ul style="list-style-type: none"> <li>▶ Issue reward letter</li> <li>▶ Request for documentation</li> </ul>	<ul style="list-style-type: none"> <li>▶ Determine URA services</li> <li>▶ Pre-construction meeting</li> </ul>	<ul style="list-style-type: none"> <li>▶ Assign contractor</li> <li>▶ Notice to proceed</li> </ul>			

Note: The timeframe of activities for this task are based on best-case scenarios and may be adjusted as varying circumstances arise.

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### **Task 03(B): HER Award Coordination**

#### **Activities for Task 03(B)**

Recovery Alliance will determine benefits for applicants deemed eligible by PRDOH, coordinate the award amount, and document and issue the notice to proceed. This task will begin when the final eligibility determination is made by PRDOH. We understand that applicants of the R3 program may also apply for the HER program, and a majority of the HER applicants could also be R3 applicants. These award tasks will be coordinated with Task 03(A) in those instances.

#### **Finalize Benefit Determination and Verification, DOB, and Scoping**

Pricing will be based on cost provided by the pre-qualified vendors and installers. Analysis will take into account the program cap of \$6,000 and limitation of only one system installation per home.

Third-party verification of applicant benefits will be performed to identify and prevent DOBs. Our team will adhere to the same DOB calculation requirements as stated under Task 03(A). If the HER applicant is also an R3 Program participant, we will consider if unaccounted for benefits (DOB) were applied to the R3 award. If the applicant is not a participant of the R3 Program or if the DOB was not applied to the R3 award, the unaccounted for benefits will be deducted from the HER scope or the applicant can provide the funds to be deposited into a PRDOH-held escrow account to be applied toward payment to the vendor and/or installer.

The final work order file will be presented to PRDOH for final approval. Upon receipt of the PRDOH's approval, the applicant's award letter will be prepared and delivered. The award letter will include the award amount based on the calculation of unmet needs and identified duplication of benefits. In addition, information will be provided to the applicant concerning the appeal process.

#### **Coordination with the Applicant**

Recovery Alliance representatives will inform applicants of the process for completing work and any conditions of the award to be prescribed by PRDOH. We will provide to the applicant and obtain signature on the subrogation agreement, ROE, and grant agreement. The applicant must provide any required escrow funds at this time in order to proceed. A date for installation will be coordinated with the applicant and installation vendor.

Upon receipt of the required documents and any required escrow funds, we will coordinate an installation start date. The determination of required relocation will be made in the process for R3 applicants anticipating that only a limited number, if any, of those applying for HER only will require relocation services. If any applicable URA services are identified for HER-only applicants, the services will be explained to the applicant. These services will be documented in the system of record.



**Coordination of Installer/Supplier**

Recovery Alliance will assign a PRDOH-approved installer/supplier (contractors) to the applicant's project once all required documents and escrow funds are received. The scope of work will be provided to the selected contractors and a notice to proceed issued. These installations may require coordination with the R3 contractors when the applicant is deemed eligible for both programs.

**QA/QC Process for Task 03(B)**

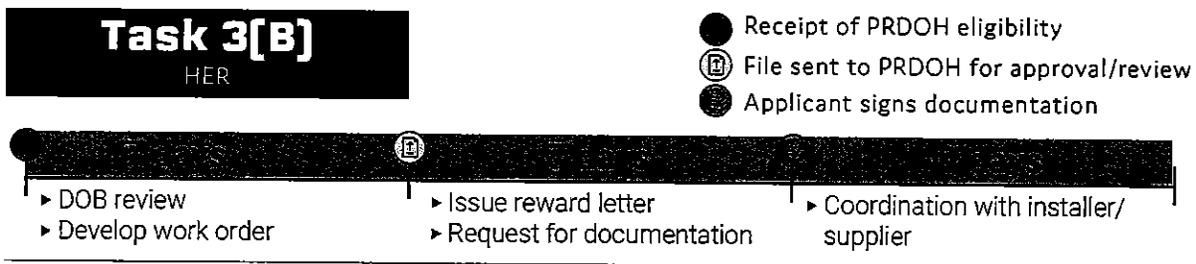
Our team will develop a combination of checklists, file reviews, and supervisory approvals to use as tools for managing quality and monitoring for compliance with program requirements. The QA/QC process for the HER Program will be similar to the one described

under the R3 process. It is expected that many of the applicants approved under the HER Program will also be applicants to the R3 Program. As QA/QC for the R3 Program is underway, the case file will also be reviewed for compliance in accordance with the standard operating QA/QC procedures established for the program.

**Deliverables Required for Task 03(B)**

- › Work Order
- › Applicant Award Letter
- › Subrogation Agreement
- › Right of Entry
- › Grant Agreement
- › NTP

**Timeframe of Activities for Task 03(B)**



Note: The timeframe of activities for this task are based on best-case scenarios and may be adjusted as varying circumstances arise.

*JGE*  
*DOE*



**Task 04(A1): R3 Progress Inspections & Payment Requests (by the PM)**

**Activities for Task 04(A1)**

Recovery Alliance team members have provided recent inspections services via a number of programs in Puerto Rico such as STEP and other FEMA housing programs. Therefore, we understand how the process currently works with the PRDOH. Although the inspection process will be a bit more extensive due to the increased scope, we expect the process for the onsite inspection, data collection, review, and payment will be comparable. We have access to more than 100 on-island inspectors who stand ready to engage with the construction process. Our inspectors undergo extensive training on programmatic parameters and the overall inspection process established for the program.

**Coordination of R3 Progress Inspection**

Progress inspections during the R3 program activities are important to ensure that applicant homes are being rehabilitated, relocated or reconstructed to all program standards, along with local and national building codes. Coordinating these efficiently and effectively with the program repair contractors is vital to expedite applicants being able to return to their existing, or newly built homes. Recovery Alliance recommends that the coordination of these inspections includes repair and reconstruction contractors submitting standardized program-wide forms to the applicable PM firm. Standardizing these and all forms will continue to ensure that PRDOH and any auditing entity can review cases efficiently.

**Benefits of our Approach to Task 04(A1)**

- › Our long-standing presence in Puerto Rico has connected us with hundreds of construction inspectors, ready to go from Day 1
- › We will develop inspection standards and train all personnel to ensure quality and consistency across the program

The inspection process is one of the more vital aspects of housing program implementation because of the various parties involved with the review and approval processes. This phase typically experiences the most bottlenecks/ delays if appropriate systems and resources are not in place to support the process. It is also one that generates the most applicant complaints if not implemented correctly. This is why our team will have dedicated staff assigned to this function of the delivery system to focus on strengthening the areas we know in advance will cause the bottlenecks. These areas will be triaged prior to applicants entering this phase.

During contractor training, which will occur well before the construction phase, contractors will be given a checklist of required items to submit with their inspection request. Prior to staff scheduling an onsite visit, a thorough review of the contractor inspection package will be reviewed in accordance with the standardized checklist. If there are deficiencies, the contractor will be notified that the inspection will not be scheduled until all items are cured. If inspection package is complete upon submission, an inspection will



be scheduled as applicable. Prior to arriving onsite, a courtesy call will be made to the homeowner to confirm the inspection date and time to avoid a “no-show”. The system of record will be updated to reflect the latest inspection activity.

### **R3 Progress Inspection**

Once the inspection request has been approved, the inspector will be assigned to conduct the onsite inspection in accordance with inspection protocols that will be established for the program. Inspectors will undergo special briefings prior to onsite visits to ensure that they understand the full scope of work to be evaluated at certain intervals during the process, adhere to safety standards required under the program as well as OSHA requirements and that they practice appropriate etiquette onsite within the SOPs. Inspectors will be appropriately badged and expected to wear the protection gear to ensure their safety onsite. Inspectors will also be required to brief homeowners of the actions they are about to undertake and the purview of the progress inspection so that the homeowner has a thorough understanding of actions taken onsite and what the next steps are in the process. If the inspection is a final site visit, a leave-behind informational brochure will be given to the homeowner by the inspector which details next steps, highlights warranty information and informs of the process for filing a complaint if there are subsequent issues.

### **Report on R3 Progress Inspection**

With the submittal of these documents requesting a progress, or final inspection, the repair contractor should also certify the works completed by their own engineer of record. Some construction activities will have to be certified by the contractor before the inspection is made due to visibility. For example, items such as drainage systems, retaining walls, foundation components, and underground plumbing components such as septic systems may be covered or inaccessible at the time of the inspection. Having the contractors’ engineer of record certify the correct completion of repairs plus the onsite inspection by the PM inspector, will encourage a better quality of work due to liability. The document submittals by the contractor will have a checklist of required photos for every applicable scope item, where certain work will be covered during inspection. Recovery Alliance will also require the contractors’ engineer of record certify that all materials follow the Buy American Act. Taking every precaution to ensure applicants are left with a safe and properly operating home is the highest priority. Also ensuring that program dollars are spent correctly, while avoiding recapture is paramount to successful program completion.

### **Review of R3 Progress Report, Contractor Invoice, and Statutory Compliance**

Milestone Inspection Reports for properties in the R3 program will be required to have time/date stamped photos showing the completion

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of applicable scope items. Time/date stamped photos from the contractor, showing completed works that aren't visible at time of inspection, will also be included. All standardized compliance documents required by HUD, PRDOH, and other regulatory entities such as OGPe will be uploaded to the PRDOH's system of record after final approval by the PM engineer of record. Contractor invoices will be reviewed by the accounting team and will undergo a QA process to ensure all necessary documents are accurate and uploaded to the PRDOH system of record before payment is recommended. This final QA process will include an authorization sheet signed by an accounting lead.

**QA/QC Process for Task 04(A1)**

There are several layers of review and QA/QC built into the overall inspection delivery process: 1.) initial review of contractor request, 2.) review after onsite inspection report is created and 3.) review prior to submission of Payment Request to the PRDOH. A

combination of compliance and performance measurement tools such as checklists and sampling will be used at various points within the process. Also, in the continued efforts to encourage production and accuracy of the program repair contractors, Recovery Alliance will implement a contractor grading system. Grading factors will include, but not be limited to the success rate of: PM granting progress inspections, passing progress inspections, time of completion, statutory compliance, warranty claims, and applicant satisfaction via random samplings by case management calls out to applicants. Monitoring the contractors across these categories, will enable the PM to assign new cases to the contractor with the highest rate of applicant and programmatic satisfaction.

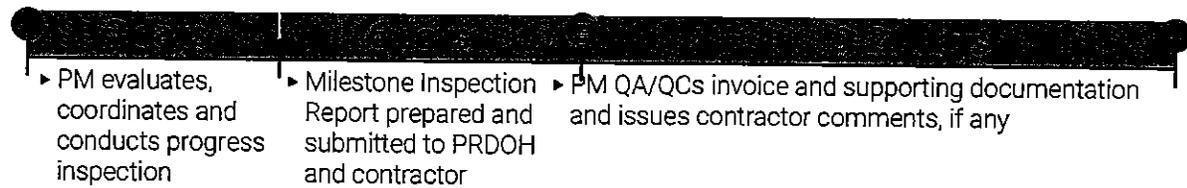
**Deliverables Required for Task 04(A1)**

- > Schedule Milestone Inspections
- > Milestone Inspection Reports
- > General Contractor Payments

**Timeframe of Activities for Task 04(A1)**

**Task 4[A1]**  
Progress inspections & payments

- Contractor submits request for progress inspection
- Contractor submits invoices to PM for review
- Submit invoice to PRDOH



*JGE*  
*DCC*

Note: The timeframe of activities for this task are based on best-case scenarios and may be adjusted as varying circumstances arise.



**Task 04(A2): R3 Progress Inspections & Payment Requests (by Municipalities)**

**Activities for Task 04(A2)**

**Training**

Recovery Alliance understand that involving the municipalities creates an opportunity for job creation and skill development for the municipal agencies. Recovery Alliance also realizes there is a chance of inaccuracy with every additional level of handoff. For the most effective use of municipal resources, Recovery Alliance will set up training opportunities for the municipal inspectors. Our damage assessment leads will develop and administer any training required. Consistency among standards of deliverables for both the program manager and the municipality will ensure applicants are all receiving consistent levels of service. Enacting training protocols will ensure that the correct information is gathered at the inspections, and that programmatic compliance is met.

**Coordination of R3 Progress Inspection**

Progress inspections during the R3 program activities are important to ensure that applicant homes are being rehabilitated, relocated or reconstructed to all program standards, and local and national building codes. Coordinating these efficiently and effectively with the program repair contractors is vital to expedite applicants being able to return to their existing, or newly built homes. Our team will provide the required documentation and be available for questions regarding the specification of the structure the municipality is to inspect. Recovery Alliance recommends

**Benefits of our Approach to Task 04(A2)**

- › Our long-standing presence in Puerto Rico has connected us with hundreds of construction inspectors who can provide QA/QC to municipalities
- › We will develop inspection standards and train municipalities to ensure quality and consistency across the program

that the coordination of these inspections includes repair and reconstruction contractors submitting standardized program-wide forms to the applicable PM firm. Standardizing these and all forms will continue to ensure that PRDOH and any auditing entity can review cases efficiently.

It is expected that inspectors for municipalities will attend required training sponsored by the PM. The goal is to ensure consistency of both the PM inspectors and the municipality inspectors. On an as needed basis, more focused training can be given to the municipalities to ensure accuracy and a thorough understanding of the process. Since the PM inspectors will not actually conduct onsite inspections, more time will be devoted to review and QA/QC. Prior to staff scheduling an onsite visit, a thorough review of the municipality inspection package will be reviewed in accordance with the standardized checklist. If there are deficiencies, the inspector for the municipality will be notified that the inspection will not be scheduled until all items are cured. If an inspection package is complete upon submission, the PM will inform

*Jose Del*



the municipality inspector that the onsite inspection can be scheduled. The PM will facilitate scheduling, as appropriate.

**Review of R3 Progress Report, Contractor Invoice, and Statutory Compliance**

After the onsite review is complete, the municipality inspector will be required to submit their written inspection report to the PM within 2-3 days to meet the 5-day evaluation period identified in the RFP. The package received from the municipality will be reviewed by our QA/QC team in accordance with standard operating procedures established for the inspection process. The engineer of record for the municipality will also be required to certify the completion of inspection reports prior to submitting the final report to the PM for review. The PM will communicate any deficiencies in writing to the municipality inspector and will specify a timeframe for curing the deficiencies. Upon clearing the deficiencies, a final payment request will be submitted to the PRDOH for approval.

Milestone Inspection Reports for properties in the R3 program will be required to have time/date stamped photos showing the completion of applicable scope items. Time/date stamped photos from the contractor, showing completed works that aren't visible at time of inspection, will also be included. All standardized compliance documents required by HUD, PRDOH and other regulatory entities such as OGPe will be uploaded to the PRDOH's

system of record after final approval by the PM engineer of record. Contractor invoices will be reviewed by the accounting team and will undergo a QA process to ensure all necessary documents are accurate and uploaded to the PRDOH system of record before payment is recommended. This final QA process will be signed by an accounting lead.

**QA/QC Process for Task 04(A2)**

There are several layers of review and QA/QC built into the overall inspection delivery process: 1.) initial review of contractor request, 2.) review after onsite inspection report is created and 3.) review prior to submission of payment request to PRDOH. A combination of compliance and performance measurement tools such as checklists and sampling will be used at various points within the process. Also, in the continued efforts to encourage production and accuracy of the program repair contractors, Recovery Alliance will implement a contractor grading system. Grading factors will include, but not be limited to, the success rate of: PM granting progress inspections, passing progress inspections, time of completion, statutory compliance, warranty claims, and applicant satisfaction via random samplings by case management calls out to applicants. Monitoring the contractors across these categories, will enable the PM to assign new cases to the contractor with the highest rate of applicant and programmatic satisfaction.

**Deliverables Required for Task 04(A2)**

- › Schedule Milestone Inspections
- › Milestone Inspection Reports
- › General Contractor Payments

**Timeframe of Activities for Task 04(A2)**

<p><b>Task 4[A2]</b> Progress inspections &amp; payments</p>	<ul style="list-style-type: none"> <li>● Contractor submits request for progress inspection to PM</li> <li>● Certify and submit to PRDOH</li> </ul>
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<p>▶ PM coordinates progress inspection with Municipality</p>	<p>▶ Municipality provides PM draft progress inspection report/ invoices for review</p>	<p>▶ PM reviews inspection reports/invoices and provides comments to Contractor and Municipality</p>
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Note: The timeframe of activities for this task are based on best-case scenarios and may be adjusted as varying circumstances arise.

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### **Task 04(B): HER Inspections & Payment Requests**

#### **Activities for Task 04(B)**

Recovery Alliance will be responsible for inspecting the work completed by the HER Program's installers/suppliers selected by PRDOH. This will include the activities below.

#### **Coordination of HER Inspection**

Installers/vendors are required to submit documentation requesting a HER inspection. Recovery Alliance reviewers will examine the documentation to ensure that current work performed merits a final inspection. For those requests with inadequate documentation, an inspection will be denied with reason(s) provided. For those requests with adequate documentation, a scheduler will coordinate a date and time for the HER inspection with the installer/supplier, the applicant, and an assigned inspector. The inspector will be provided access to the work file prior to the inspection.

#### **HER Inspection**

The Recovery Alliance inspector will visit the project site in the presence of the installer/vendor and applicant to review for defined quality standards. The inspector will ensure that work performed is complete and in compliance with the project scope of work. Photographic evidence of the work performed will be retained. The inspector will provide assurance that all appropriate bonding and insurance requirements are met. For those applicants also participating in the R3 program, the inspections will be coordinated

#### **Benefits of our Approach to Task 04(B)**

- › We will develop inspection standards and train teams to ensure quality and consistency across the program
- › Team member CohnReznick, a public accounting firm, will review and/or QC all requests for reimbursements

with specific documentation maintained for the HER portion of the project, including adequacy of incorporating the work of the two projects.

#### **Report on HER Inspection**

Recovery Alliance inspector will prepare a report on the work performed by the installer/supplier. The report file will include:

- › Narrative of the overall assessment of compliance
- › Statement of compliance with bonding and insurance requirements
- › Statement of compliance and supporting documents for:
  - Photographs
  - List of noncompliant items
  - Signature of inspector

The file will be maintained within PRDOH's system of record and will also serve as a performance evaluation of the installer/supplier.

#### **Review of HER Inspection Report & Payment Request**

Recovery Alliance will perform a supervisory review of the inspector report for compliance and completeness and submit the report to

PRDOH and the installer/supplier within 3 days of performance of the inspection. The report will also be made available to any additional regulatory entities identified and a record of the provision of the report will be maintained.

Installer/supplier will submit a request for payment. The inspection report will be considered part of the application for payment file. The Recovery Alliance reviewer will match the request for payment with the inspection report to ensure there are no outstanding issues and that installation and equipment were deemed compliant. The reviewer will work directly with the installer/supplier to resolve any issues. The request for payment will be reviewed, approved and submitted to PRDOH within five days of receipt of a compliant request from the installer/supplier.

It is anticipated that requests for payment and disbursements will be tracked through PRDOH's system of record for the program and monitored for progress by Recovery Alliance.

**QA/QC Process for Task 04(B)**

There are several layers of review and QA/QC built into the overall inspection delivery process: 1.) initial review of contractor request, 2.) review after onsite inspection report is created, and 3.) review prior to submission of payment request to PRDOH. A combination of compliance and performance measurement tools such as checklists and sampling will be used at various points within the process.

Our QA/QC team will also address any warranty issues that might be raised during installation and/or closeout. We will work with the applicant and installer to quickly resolve the issues. If installers are unresponsive we will inform PRDOH and recommend a course of action.

**Deliverables Required for Task 04(B)**

- › Schedule Inspections
- › Inspection Report
- › Installer Payments

**Timeframe of Activities for Task 04(B)**

**Task 4(B)**  
HER inspection and invoice

-  Installer/supplier submits completed documentation
-  Submit report to PRDOH
-  Provide comments to installer



Note: The timeframe of activities for this task are based on best-case scenarios and may be adjusted as varying circumstances arise.

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### Task 05(A): R3 Application Closeout

#### Activities and QA/QC for Task 05(A)

There are two primary components to the closeout process: 1.) Closeout of Applicant Files and, 2.) Program/Grant Closeout. Applicant files can be flagged for special reasons such as recapture, fraud, missing documents, or other holds are not eligible for closeout. Additionally, it is anticipated that the system of record will house a tab that specifically focuses on closeout checklist items (see Exhibit 6). This checklist should include verification of completion of data and document population within the system of record.

Recovery Alliance will designate a Closeout Manager who will begin designing the process on the front-end of the program. The Closeout Manager will work closely with the designers of the system of record to ensure that the system will encapsulate all data components necessary to complete a closeout package to be presented to the PRDOH for final signoff.

Seasoned case managers or eligibility reviewers will be assigned to the closeout team and will serve in a QA/QC role at this point in the process. Team members will be devoted to closing out applicant files and be responsible for completing the closeout of these files in accordance with designated closeout procedures that will be established by the

#### Benefits of our Approach to Task 05(A)

- › Our dedicated closeout manager will start designing the closeout the process on the front-end implementation, working closely with the designers of the system of record to ensure capture of all data components necessary to complete a compliant closeout package.

#### Exhibit 6. Checklist of items that verify of data and document population.

- ✓ Type of program
- ✓ Eligibility requirements (LMI, ownership, occupancy)
- ✓ Type of construction (repair, reconstruction, relocation)
- ✓ National objective (LMI, slum and blight, urgent need)
- ✓ Supporting documentation (income tax form/paystub, title/deeds, utility and/or mortgage statements)
- ✓ Program forms (designated representative, false and misleading statement, ROE, etc.)
- ✓ Prioritization (elderly, high risk areas, disability)
- ✓ Sources of benefits (NFIP, SBA, FEMA, private insurance, charitable contributions)
- ✓ Damage assessment data and reports
- ✓ Environmental remediation data and reports
- ✓ Calculation of award
- ✓ Closing documents (subrogation, grant agreements, covenants)
- ✓ Surveys, structural engineering reports, and permits
- ✓ Plans and specifications documents
- ✓ Final inspection report
- ✓ Certificate of occupancy
- ✓ Verification of flood insurance coverage, if applicable
- ✓ Recorded covenants
- ✓ Final grant agreement including all change orders



policy and compliance team. As a safeguard to avoid recapture and non-compliance, the PRDOH should consider tying final closeout of a file to the final payment due to the contractor, only if a two-party signoff on payment system is used. For example, if during the closeout process it is discovered that a file is missing some critical documentation such as a permit and/or an executed final grant agreement, there would be no incentive for the contractor or the homeowner to submit the documentation if it is not tied to payment. Therefore, to avoid a recapture or a non-compliance scenario, and for closeout to be successful, it should be tied to final payment. Files that have been a through QA/QC review will be submitted to PRDOH for final approval.

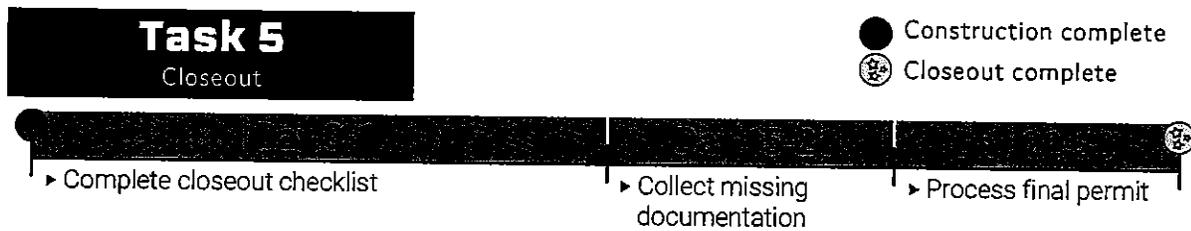
In addition to the applicant file closeout process, upon completion of all program activities, our team stands ready to assist the PRDOH with closing out the grant. Recovery

Alliance will conduct a pre-closing assessment of the program to determine whether or not the program is ready to close. HUD has published via the HUD Exchange helpful literature that details the various grantee requirements to closeout a grant and the thought process it uses to determine closeout feasibility. Our team will use HUD's closeout checklist as guidance to assist PRDOH with grant closeout activities. We are committed to ensuring compliance with all Single Audit Act requirements specified in 2 CFR 200 Subpart F and all OMB Circulars, CDBG regulations specified in 24 CFR 570.509 and any guidance provided by HUD relative to audit and regulatory compliance requirements.

**Deliverables Required for Task 05(A)**

- › Completed Applicant File Closeouts
- › Audit Preparations for HUD
- › Process Final Payments

**Timeframe of Activities for Task 05(A)**



*Joe  
Dex*

Note: The timeframe of activities for this task are based on best-case scenarios and may be adjusted as varying circumstances arise.

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### Task 05(B): HER Application Closeout

#### Activities and QA/QC for Task 05(B)

The closeout process is a function of QA/QC. It is simply verifying that all compliance requirements, both operational and regulatory, have been met. Several members of our team have been involved with developing closeout procedures/processes for several clients and have also been tasked with overseeing the closeout of housing grants. Since QA/QC is embedded at several touchpoints within the delivery framework, the closeout process should only be a verification to ensure the presence of all eligibility and program documentation and compliance. One of our assumptions is that the system of record will have built-in workflow features that allow a case file to be pushed from a "Installer Completion" status to a "Ready for Closeout" status. All files appearing in the "Ready for Closeout" status should be available for final review by a dedicated closeout team. Applicant files that are flagged for special reasons such as recapture, fraud, missing documents, or other holds are not eligible for closeout. Additionally, it is anticipated that the system of record will house a tab that specifically focuses on closeout checklist items. This checklist of items (see Exhibit 7) should include verification of completion of data and document population within the system of record.

Recovery Alliance will designate a Closeout Manager who will begin design of the process on the front-end of the program. The Closeout Manager will work closely with the

#### Benefits of our Approach to Task 05(B)

- › With homeowner permission, we will share HER program participation with local municipalities to expedite response needs in the communities

#### Exhibit 7. Checklist of items that verify of data and document population.

- ✓ Type of program
- ✓ Eligibility requirements (LMI, ownership, occupancy)
- ✓ Type of installation
- ✓ National objective (LMI, urgent need)
- ✓ Supporting documentation (income tax form/paystub, title/deeds, utility and/or mortgage statements)
- ✓ Program forms (designated representative, false and misleading statement, ROE, etc.)
- ✓ Prioritization (elderly, high risk areas, disability)
- ✓ Sources of benefits (NFIP, SBA, FEMA, private insurance, charitable contributions)
- ✓ Calculation of award
- ✓ Surveys, structural engineering reports, and permits
- ✓ Plans and specifications documents
- ✓ Inspection reports
- ✓ Final Inspection Report
- ✓ Certificate of Ooccupancy
- ✓ Final grant agreement

designers of the system of record to ensure that the system will encapsulate all of the data components necessary to complete a closeout package to be presented to the PRDOH for final signoff. Additionally, seasoned case managers or eligibility reviewers will be assigned to the closeout team and will serve in a QA/QC role at this point in the process. Team members will be devoted to closing out applicant files and will be responsible for completing the closeout of these files

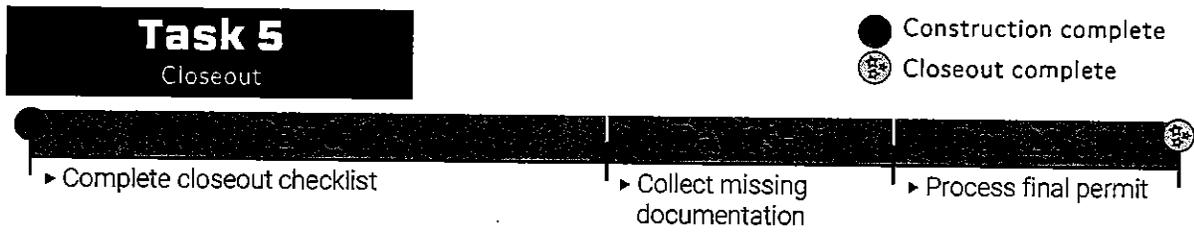
in accordance with designated closeout procedures that will be established by the policy and compliance team including 2 CFR 200 Subpart F, 24 CFR 570.509, and CPD Closeout Notice.

Once all applications are closed for the program, our team will use HUD's closeout checklist as guidance to assist the PRDOH with grant closeout activities. We are committed to ensuring compliance with all Single Audit Act requirements specified in 2 CFR 200 Subpart F and all OMB Circulars, CDBG regulations specified in 24 CFR 570.509 and any guidance provided by HUD relative to audit and regulatory compliance requirements.

**Deliverables Required for Task 05(B)**

- › Completed Applicant File Closeouts
- › Audit preparations for HUD
- › Process Final Payments

**Timeframe of Activities for Task 05(B)**



Note: The timeframe of activities for this task are based on best-case scenarios and may be adjusted as varying circumstances arise.

*Joe Doe*



**Task 06: R3 HQS Inspections**

The PRDOH is requiring that homes under the R3 Program’s Option 1 undergo a Housing Quality Standards (HQS) inspection prior to determine property eligibility and if additional repair may be needed prior to purchase by the homeowner. HQS is the typical standard used by HUD to ensure that housing units, traditionally under HUD’s Housing Choice Voucher (Section 8), meets a baseline livability standard. Inspection protocols are guided by HUD Form 52580-A and the Recovery Alliance will use this guidance to develop the standard operating procedures for conducting HQS inspections. The inspections are customarily conducted by an inspector who has the HUD HQS Certification credential. Recovery Alliance has a part of its team three HUD Certified HQS inspectors who will provide oversight for this process.

**Activities for Task 06**

**Coordination of the HQS Inspection**

Once the Applicant has identified their preferred property under Option 1 of the R3 Program and upon notification by the PRDOH, Recovery Alliance will begin to coordinate with the Applicant, seller, and PRDOH’s environmental consultant to schedule the onsite visit. We will have dedicated schedulers to work with all parties to ensure that the HQS inspection and environmental visit is conducted in a manner that is efficient and minimizes delays within the process – within the one-week timeframe by which the HQS inspection must be conducted. Recovery

Benefits of our Approach to Task 06
› Using same inspectors across all programs provides for greater efficiencies and minimizes delays
› Having staff who are already certified in the HUD HQS inspection process will assist in expediting the housing experience for homeowners choosing Option 1 under the R3 Program

Alliance will develop a seller checklist that will be provided to the seller prior to the onsite visit which will identify pre-site visit items that the inspector will review onsite. Sellers are typically eager to fix the necessary items prior to the onsite visit in expectation of receiving payment for their property. This should facilitate the pass rate of HQS inspections.

Adherence to the established timeframe is contingent on availability of the environmental consultant to conduct their onsite assessment. However, our team will put forth our best effort to coordinate seamlessly with all parties. In the event we are unable to coordinate all parties, we will proceed with the HQS inspection and document all coordination efforts in the system of record as appropriate.

**Conducting the HQS Inspection**

An HQS inspection is conducted to determine if a property meets HUD’s decent, safe and sanitary standard prior to providing financial assistance. Each inspector will be trained and certified to conduct HQS inspections in accordance with 24 CFR Part 982.401

*John T. Del*

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requirements. The 13 areas that will be reviewed during the inspection are as follows:

- › Sanitary facilities
- › Food preparation and refuse disposal
- › Space and security
- › Illumination and electricity
- › Thermal environment
- › Structure and materials
- › Interior air quality
- › Water supply
- › Lead-based paint
- › Access
- › Smoke alarms
- › Site and neighborhood
- › Sanitary conditions

We understand that there may be some variances specific to Puerto Rico construction regulations that may require alterations of what has been reviewed. Since PRDOH is responsible for managing one of the nation's largest public housing authorities, they are familiar with many of the HQS standards. We will work alongside PRDOH to develop a checklist that is conducive for use here on island – using as a baseline HUD's Form 52580-A.

Each inspector will undergo a pre-site visit briefing held by one of Recovery Alliance's HUD Certified HQS inspectors. The briefing will be to ensure that the visit has been appropriately coordinated and they understand what is required to complete the onsite inspection using a checklist comparable to

HUD Form 52580-A in addition to being reminded of the required onsite safety standards required under the Program's Health and Safety Plan. If it is determined that the property cannot meet HQS standards onsite, the inspector will proceed with conducting a regular damage assessment of the property to determine the extent of the repairs that need to be conducted on the property. However, this will be codified in the program's standard operating procedures for conducting inspections. Inspectors will be appropriately bagged and expected to wear the protection gear to ensure their safety onsite.

#### **Preparing HQS Summary Report**

Once onsite visit has been completed using the HQS checklist, the Recovery Alliance staff will prepare a template report with its findings. The report will identify areas of deficiencies and will also "pass" or "fail" the inspection based upon the protocols identified within the Program's SOPs. Properties that do not meet HQS standards are not suitable for homeowners to purchase. However, if repairs are needed, the inspector will prepare a damage assessment report and follow the process established under Task 02 of this RFP response. Upon approval by PRDOH, our Team will notify the applicant and seller, as appropriate, of the findings and whether or not the property passed or failed the inspection within the 5-day timeframe provided for under this RFP. We will work with PRDOH to determine whether or not the actual inspection report can be provided to the homeowner or



should only a summary be provided. We will also ensure that the inspection is certified by a licensed engineer or architect in Puerto Rico, as required under the RFP.

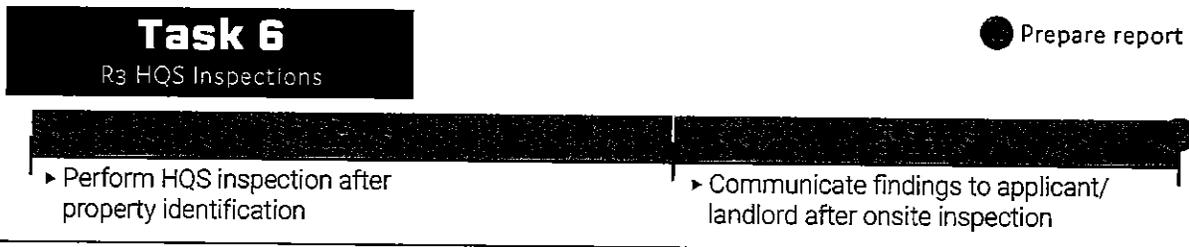
**Deliverables Required for Task 06**

- › On-site HQS Inspection
- › Approved HQS Inspection Report

**QA/QC Process for Task 06**

The QA/QC team will review the inspection report prior to submitting to PRDOH for payment in accordance with the QA/QC standard operating procedures. The team will review for checklist completion, photos, accuracy, applicability and other risk factors that may be relevant to the review process. Recovery Alliance team member Cohn Reznick will assist with establishing review protocols and assessment of all damage assessment and inspection reports. As stated in an earlier section, the inspection will be certified by a license engineer or architect in Puerto Rico.

**Timeframe of Activities for Task 06**



Note: The timeframe of activities for this task are based on best-case scenarios and may be adjusted as varying circumstances arise.

*John  
TCL*



### **Additional Services (Allowance)**

Recovery Alliance acknowledges that PRDOH may require the PM to perform additional tasks that may not be covered under Tasks 00-06 of the RFP. The PM is amenable to working with PRDOH to undertake additional tasks as needed and negotiate pricing accordingly. We understand that all items may not be identified at this time but may surface during the course of program implementation. We also understand that a contract amendment may be required prior to Recovery Alliance conducting newly identified tasks. However, PRDOH has identified additional services that may be necessary such as staffing and furnishing intake centers and conducting appraisals.

#### **Intake Centers**

Establishing intake centers will be critical to the start-up operations piece of program implementation. To effectively serve the anticipated volume of applicants, it is necessary to strategically place intake centers throughout the island so that survivors will have immediate access to program information and resources. Some areas may require more than one intake center depending on area density and the number of people impacted by the hurricanes within the area. We understand that PRDOH will establish the intake centers, but our team stands ready to engage in active dialogue as to the placement of intake centers and correlative staffing levels as appropriate. Recovery Alliance will furnish, equip, and staff the centers with the appropriate resources to adequately carry out program activities.

#### **Appraisal of Home Market Values**

It is anticipated that PRDOH may require the PM to perform an appraisal of properties that are eligible for reconstruction or relocation under the R3 Program. This may be necessary to determine whether or not it is “cost reasonable” and feasible to repair a property versus reconstruct the property. In some cases, the home may have already been demolished because it was deemed substantially damaged per HUD’s definition. In this case, since there is no structure affixed to the land, it may be a bit difficult to determine the value absent adequate recorded records. Our team understands that in order to appropriately value the property, the methodology that will need to be used involves area comps and property taxation. However, this valuation can only be conducted by a board certified and licensed appraiser by law in Puerto Rico. Our team will secure a board-certified appraiser or appraisal firm that will assist us in conducting the appraisal analysis for properties identified by PRDOH to provide accurate, legal, and realistic home values.

*Jose Del*



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**Plan for Ensuring Compliance (Item 6.3.3 of the RFP)**

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Our Regulatory Compliance Manager understands the CDBG-DR program and the myriad of compliance points required throughout the process. The Compliance Manager will work closely with the leads from all functional areas to ensure full compliance with regulatory requirements and internal SOPs. Our proposed workflow (see Exhibit 2, page 2) includes compliance checkpoints where the process will be comprehensively documented and triaged, as appropriate, when policies and processes change based on program demands.

**PII.** Protecting applicant information known as Personally Identifiable Information (PII), is paramount to complying with requirements for disaster recovery programs. We will follow a PII policy that includes executing a non-disclosure agreement with all personnel and identifying checkpoints for IT systems security and safeguarding. Compliance with the PII policy will be managed in coordination with the anti-fraud, waste, and abuse analyst. However, we also understand that PRDOH will develop its own PII program policy which Recovery Alliance will comply.

**Environmental.** 24 CFR Part 58, establishes that prior to commencing work on any property, an environmental clearance must be granted. In accordance with the requirements of the CDBG-DR program, our team will work directly with the environmental consultant to ensure that a Tier II environmental compliance

checklist is completed prior to initiating construction activities. This includes the assessment for lead and/or asbestos per EPA regulations, when applicable. All homes dated pre-1978 will be evaluated in accordance with lead standards, and the appropriate scope will be added as a part of the final scope for the property and incorporated into the award.

**Green building standards.** Our team will also ensure that applicants and construction contractors are aware of the requirements to comply with Green Building Standards per federal guidance and as detailed in PRDOH's Action Plan specific to ENERGY STAR, LEED, and other applicable green standards. During the intake process, applicants will be provided with an informational brochure about the requirements pursuant to the Green Building Standard. The Regulatory Compliance Manager will work with PRDOH and internal staff to incorporate all relevant green requirements into policies and SOPs and will work with construction contractors to verify compliance during the progress inspections and through the QA/QC process.

**Section 3.** PRDOH has set a 3% contract goal relative to Section 3 participation. Our team intends to meet or exceed this goal by requiring contractors to include a Section 3 Plan as part of their commitment to the program. We will require submission of the plan prior to assigning work to the construction contractors. Our team will monitor each

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contractor's plans for compliance. More details about this section are outlined in our Local Participation, Minority and Women Owned Business Enterprises and Section 3 Plan per the requirements of Section 6.3.7 of this RFP.

**Labor and wage.** In accordance with the Government of Puerto Rico's Executive Order 2018-033 for wage compliance, our approach to labor and wage compliance includes checkpoints throughout execution of the work. Absent the requirement to comply with Davis Bacon Labor Standards, all contractors and subcontractors will be monitored on a consistent basis for compliance with the Executive Order. Our team will periodically review payrolls and conduct onsite interviews with construction laborers. A summary report will be issued to each contractor identifying wage compliance deficiencies, required corrective actions, and evidence of compliance prior to being cleared of any findings.

**Affordability requirements.** Recovery Alliance will develop a monitoring plan that details the actions necessary to ensure compliance with regulatory requirements by the applicants in accordance with affordability periods for each of the housing programs.

**Buy American Act (BAA).** To comply with BAA requirements, our team will utilize a process to approve materials and products proposed by the contractor. Contractors will be required to receive approval from the PM prior to using any product that is not already on an approved list of materials. The PM will conduct required cost and availability

of materials analyses in compliance with the BAA provisions applicable to the housing programs, prior to approving products for use.

**Contractor performance.** Capacity, quality, and proficiency matters when implementing housing programs. Our team will implement a scorecard to monitor competencies and performance of the construction contractors in these areas. Recommendations will be made for contractor assignments based upon greater efficiencies, better quality, and increased capacity, not to exceed bonding capacity. We will monitor compliance with applicable local laws and regulations including:

- › **Workmen's compensation insurance.** Through evidence of a Workmen's Compensation insurance policy from the Puerto Rico State Insurance Fund.
- › **Municipal construction permit.** Through evidence of a municipal construction permit prior to commencing the work.
- › **Municipal construction tax.** Through evidence of receipts from municipal construction tax payments before commencing the work.
- › **Licensed professionals.** Ensuring licensed professionals are contracted for the performance of professional services of a determined field. (e.g., drawings and plans can only be performed by a licensed architect).

Recovery Alliance will also monitor compliance with the Fair Housing Act; the Equal Employment Opportunity (EEO) Act; the Work Hours and Safety Standards Act;

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**Complaint Management (Item 6.3.4 of the RFP)**

the Copeland Anti-Kickback Act; and any other federal or state requirement that governs construction industry standards.

The public can raise program, contractor and general complaints related to the project. Our team will set-up a dedicated hotline phone and fax number, a project website, and physical email address, to allow the public to submit such complaints. The dedicated channels will be published and distributed in outreach materials and on the project website. Upon initiating activities, our team will implement the following plan to manage the complaints (see Exhibit 8).

**Stage 1 – Receiving the Complaint**

**Dedicated Complaint Hotline**

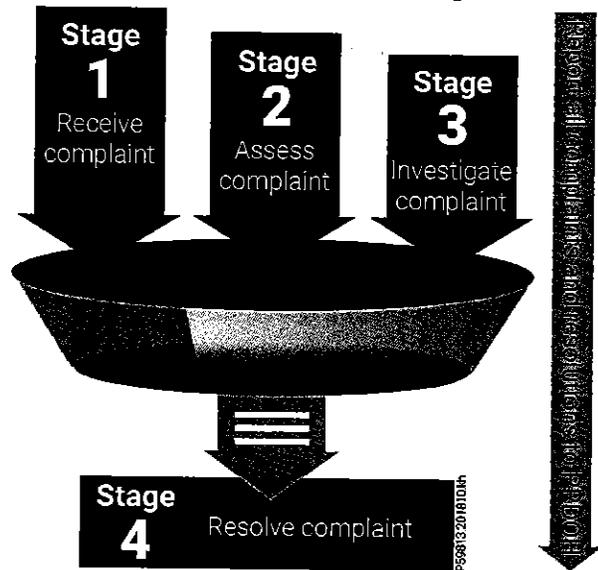
The team will receive and process complaints live during normal working hours. Complaints received outside of the normal operating hours will be processed in the order they were received, on the next business day.

Missed calls on the hotline due to a busy line or received outside the operating hours, will be directed to a voicemail system where callers can leave their contact details for a call-back. Fax communications received outside of the normal hours of operation will be processed starting on the next business day. Written complaints received via email or hand-written, will be processed in the order received.

**Complaints Received from Other Channels**

Project complaints may also be received

**Exhibit 8. Complaint management process**



from other communication channels such as directly from PRDOH, the Oversight Manager, an Elected Official, the Governor’s Office, or Social Media pages. All complaints received from such channels will be processed according to their priority in the order they were received and within normal hours of operation.

Any other non-written complaints will be referred to the dedicated complaint hotline and/ or email channel to properly record and follow through on such complaints.

**Record-keeping**

Our team will maintain a record of all complaints in the system of record. As received, each complaint will be designated with a unique reference number to identify and track the complaint. The reference number will include the date and case number, at a minimum.

*Jose Del*



The system of record will include the following details:

- › Complaint received
- › Complainant (if known)
- › Description of the complaint
- › The relevant parties for referring the complaint
- › Responses and actions required/taken

### Stage 2 – Assessing, Screening, and Referring the Complaint

Upon receiving a complaint, it will be logged, defined and categorized as soon as possible, and before referring it to the appropriate party. Exhibit 9 lists the relevant parties for referring complaints and other inquiries and suggestions, to the appropriate parties.

When a return postal address, fax number and/or email address of the complainant is provided, the team will issue an interim reply within 48 hours to acknowledge receipt and notify the complainant of the referral of their complaint to other relevant parties as appropriate.

### Stage 3 – Investigating the Complaint

Based on the type and details of the complaint received, we will collect the required information including details related to the construction activities and site conditions that may have a bearing on the complaint, as well as the mitigation measures currently implemented on site. During the investigation work, the relevant party and our team will work together to ensure that all the necessary information and assistance for completing

### Exhibit 9. Guideline for referring complaints and other inquiries and suggestions.

Type	Description	PM referral
Construction complaints	Complaint about workmanship issues of the construction works or site activities construction plant emissions	Relevant contractor(s)
Inquiries	Inquiries about issues of the construction works or site activities	Relevant contractor(s)
Application status	Complaints/inquiries about an application status	PM
Eligibility	Complaint or inquiry about program eligibility	PM

the investigation are available. Based on the information obtained, our team will determine the category and classification of the complaint.

As necessary and appropriate, a site visit will be performed to verify the information collected and to actively identify the source of the complaint. Our team will keep the applicant informed of the status on the complaint as progress is made.

### Stage 4 – Resolving the Complaint

Based on the findings of the complaint investigation, appropriate action(s), if any, will be recommended by our team. The relevant action(s) will depend on the findings of the investigation and might include the following:

- › Corrective actions or mitigation measures to be implemented by the contractor(s)
- › Additional site visits and monitoring to verify the updated situation and the effectiveness of the additional mitigation measures or corrective actions, if required



If mitigation measures are identified during in the investigation, the contractor shall carry out the mitigation work and inform our team of the progress.

**Preparing the Complaint Investigation Report (CIR)**

An R3 and HER CIR will be developed consisting of all valid complaints. The report will be submitted to PRDOH. The CIR will include but not be limited to the following details:

- › Channel used, date, time
- › Complainant name, contact number, email, address
- › Description with dates, times, locations, circumstances
- › Information from the relevant Contractor(s) and the investigation findings
- › Mitigation measures, additional monitoring and follow up actions where applicable
- › Recommendations to prevent re-occurrence of similar complaints

**Closing the Complaint Case**

Upon final acceptance of the CIR, our team will provide a written response to the complainant via email (when known), and update the case with details of the complaint investigation, follow up actions and other relevant information of the complaint in the complaint system of records. All complainants will be immediately contacted to provide them with an update of the investigation or sooner with the results if applicable. The team will provide a summary and status of complaints received, including investigation findings and follow up actions taken, in a monthly report to PRDOH.



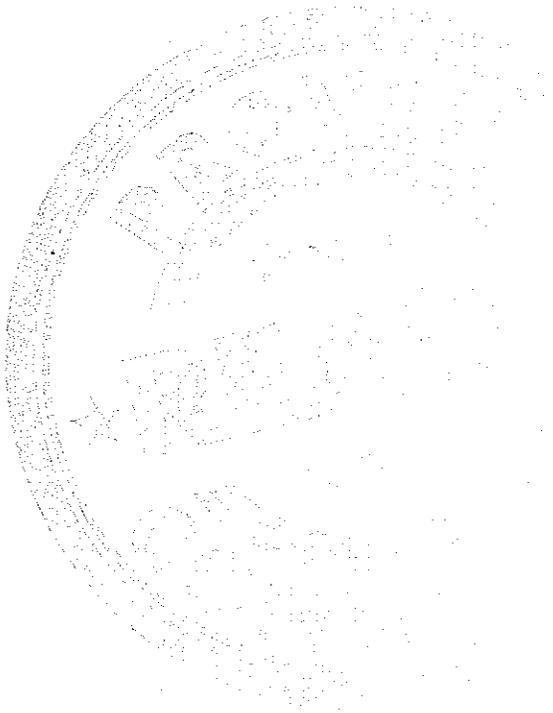
**Anticipated Problems and Solutions (Item 6.3.5 of the RFP)**

Recovery Alliance's years of experience managing large, federally-funded housing programs enables us to successfully identify issues and solutions well in advance of program implementation, allowing the program to progress at minimal risk to PRDOH.

Anticipated Problem	Recovery Alliance Solution
Applicant mobility: applicant's ability to travel to an intake center and/or complete phone and internet communication (e.g., email, website) if connections aren't reliable or available.	Implement mobile application intake units that make it easier for applicants to bring required documentation. These units can be mobile vehicles that can go door-to-door, as well as local "pop-up" centers that are in communities where accessibility is challenging.
Document management: volume of collection and storage of physical documents.	Allow applicants to provide physical documents, but implement policy that all physical documents be scanned and uploaded with appropriate naming conventions to system of record.
Manage applicant expectations	Open communication, comprehensive information, set realistic timeframes, and use local Puerto Rico residents for intake support
Third-party data verification: differences in how data is reported.	<ul style="list-style-type: none"> <li>› Coordinate with providers to understand from where data is pulled and how data is aggregated to ensure data accuracy.</li> <li>› Perform data analytics to remove duplications in data and ensure data quality and data accuracy.</li> </ul>
Inconsistent DA training	<ul style="list-style-type: none"> <li>› Standardize DA training; update training materials when policy updates happen.</li> <li>› Standardize and update DA tools (i.e., checklists, SOPs, etc.) when policy updates happen.</li> <li>› Verify and monitor training and perform corrective action.</li> </ul>
Knowledge of construction and municipal requirements	<ul style="list-style-type: none"> <li>› Robust talent acquisition processes – damage assessors should have deep knowledge of construction and local code and regulatory requirements.</li> <li>› Provide training manuals and conduct training bi-weekly with monthly/quarterly updates.</li> </ul>
ERR timing (i.e., affects whether an applicant can or cannot proceed with work)	Ensure that DA and ERR are parallel processes – issues identified in the ERR can stop all current and future work.
Insurance verification (DOB)	Insurance companies can be reluctant to provide information concerning an applicant's policy. Create standard form for insurance companies to complete to prevent gaps in data (e.g., applicant reports one dollar amount, but the insurance company reports another).
Inspection reporting (paper v. electronic)	Inspectors should have centralized locations to turn in reports and have them QA'd before uploading to the system. Ideally, inspectors will be able to complete inspections electronically via tablets and have them approved/rejected before leaving an inspection to prevent multiple trips to applicant's dwelling.
Photo standards	<ul style="list-style-type: none"> <li>› Create standard requirements for photo quality, size, orientation, and date stamp.</li> <li>› Use standard equipment requirements.</li> </ul>
Standardized checklists with specified milestones	Identify specific milestones (not general) to ensure program requirements are met.
Consistency between municipal inspections and program inspections	Inspection standards should be documented to account for differences and agreed upon to ensure consistency and develop one standard
Flood insurance requirements	<ul style="list-style-type: none"> <li>› Repair (rehab) – either collect or verify before award that applicant has obtained flood insurance, when applicable, and continue to check in with applicant on flood insurance requirements.</li> <li>› Reconstruction – applicants cannot obtain insurance until house is rebuilt, but a process should be implemented (e.g., escrow) to ensure applicants have the means to afford a policy before construction begins.</li> </ul>

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**Tab 3:**  
Examples for Past  
Deliverables

Tab 3

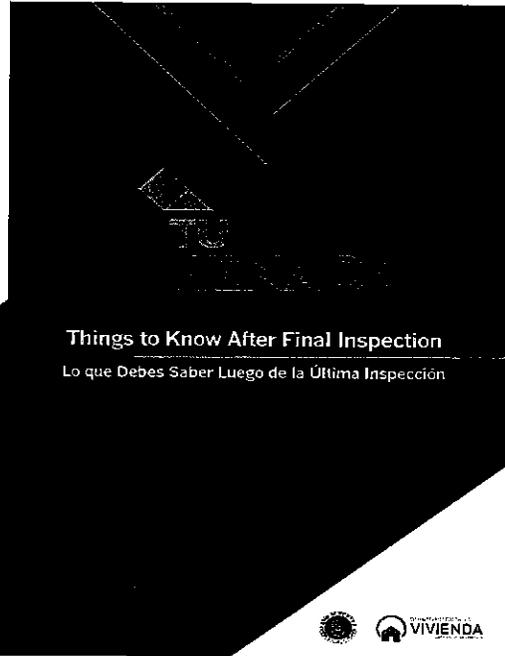


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### Tab 3 Examples of Past Deliverables (Item 6.3.6 of the RFP)

#### Outreach



The Tu Hogar Renace Program was designed to provide the essential, temporary repairs to your property to make your home habitable, secure and functional. These temporary repairs allow you and your family to "live at home" while more permanent repairs are contemplated. We know that this program does not repair everything that is wrong with your property, but hope that it's a first step towards getting things back to normal for you and your family.

Your journey with the Tu Hogar Renace Program has been as follows:

You are currently in the warranty period.

El programa Tu Hogar Renace fue diseñado para proveer reparaciones esenciales y temporales a su propiedad para que su hogar sea habitable, seguro y funcional. Estas reparaciones temporales le permitirán a usted y a su familia poder "residir en su casa" mientras se contemplan otras reparaciones permanentes. Aunque sabemos que este programa no puede reparar todo lo que está mal en su propiedad, es nuestro deseo que sea un primer paso para que las cosas vuelvan a la normalidad para usted y su familia.

Su viaje a través del programa Tu Hogar Renace ha sido el siguiente:

Usted está en el Periodo de Garantía.

Things you should know now that repairs have been completed:

- There is a 60-day workmanship warranty period on repairs conducted on your property. The contractor who performed the repairs on your property is responsible for that warranty.

<b>YOUR CONTRACTOR IS:</b>	<b>PHONES:</b>
<input type="checkbox"/> SLS	787-905-7538 / 787-905-7539 / 787-224-1382
<input type="checkbox"/> 4 Contractors	787-925-0999
<input type="checkbox"/> Caribe Tecnó	939-475-1569 / 939-475-1572 / 939-475-1570
<input type="checkbox"/> JW Turner	787-407-9121 / 787-407-9127
<input type="checkbox"/> FR-BLDM	787-722-1584
<input type="checkbox"/> Yates-Bird	787-232-1228 / 228-271-3597
<input type="checkbox"/> EXCEL	787-412-7832 / 787-412-7836

*Note: Only work completed by the contractor is covered under the warranty. If there are issues with the work completed, please contact the contractor that worked on your home.*

- Each approved appliance (water heater, generator, hot plate, refrigerator, cisterns, etc.) provided by the contractor has a manufacturer's warranty. Each appliance should be accompanied by a warranty card. The homeowner must follow the steps on the warranty card and submit according to the manufacturer's instructions.
- We strive to provide quality customer service and value your opinion. Please tell us about your experience by logging in to [www.tuhogarrenace.com](http://www.tuhogarrenace.com) and complete the survey.
- The customer service hotline is still open at 1-855-675-4480 if you have other questions that cannot be addressed by the contractor.

Cosas que debe saber ahora que se han completado las reparaciones:

- Hay un periodo de 60 días de garantía de mano de obra en reparaciones realizadas a su propiedad. El contratista que realizó las reparaciones a su propiedad es el responsable de esa garantía.

<b>SU CONTRATISTA ES:</b>	<b>TELÉFONOS:</b>
<input type="checkbox"/> SLS	787-905-7538 / 787-905-7539 / 787-224-1382
<input type="checkbox"/> 4 Contractors	787-925-0999
<input type="checkbox"/> Caribe Tecnó	939-475-1569 / 939-475-1572 / 939-475-1570
<input type="checkbox"/> JW Turner	787-407-9121 / 787-407-9127
<input type="checkbox"/> FR-BLDM	787-722-1584
<input type="checkbox"/> Yates-Bird	787-232-1228 / 228-271-3597
<input type="checkbox"/> EXCEL	787-412-7832 / 787-412-7836

*Note: Solo el trabajo completado por el contratista está cubierto por la garantía. De haber problemas con el trabajo completado, debe llamar al contratista que realizó las reparaciones de su hogar.*

- Los enseres aprobados (calentador de agua, generador, hornilla eléctrica, refrigerador, cisternas, etc.) provistos por el contratista tienen garantía del fabricante. Cada equipo debe tener una tarjeta de garantía. Sigá las instrucciones de la misma y envíe al fabricante.
- Nos esforzamos en proveer un servicio al cliente de calidad y valoramos su opinión. Déjenos saber sobre su experiencia accediendo a [www.tuhogarrenace.com](http://www.tuhogarrenace.com) y completando la encuesta.
- De tener preguntas adicionales que su contratista no puede contestar, llame a la línea de Servicio al Cliente que aún permanece disponible, 1-855-675-4480.

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**Intake and Eligibility**



**Housing Repair/Rehabilitation and Reconstruction Program (HRR)  
Consent and Participation Form**

**Instructions:** You must fill out this form in order to allow Department of \_\_\_\_\_ to share you, your household members' and all other owners' non-public personal information (NPI) with agencies and companies in order to process your application. Your signature will also constitute your agreement that your participation in the program is voluntary.

**Voluntary Participation :**

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between Municipality, who has included real property owned by Owner(s) hereinafter referred to as Owner(s) on an application to the Repair/Rehabilitation and Reconstruction Program (HRR). The parties agree as follow:

Owner(s) affirms that he/she/they is/are the owner/owners of property located at \_\_\_\_\_ Owner(s)

understands that this a voluntary program. Consequently, owner(s) is not entitled to relocation benefits provided by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, which are available to property owners who must sell their properties involuntarily.

**Consent to Disclosure of Non-public Information:**

I, Owner(s), do hereby consent to and authorize \_\_\_\_\_ (including its partners, affiliates, agents, contractors and their respective assigns), as part of my application for the \_\_\_\_\_ ("HRR"), to contact third parties which may have provided payments for damage to the property above to provide those parties with my personally identifiable information as required to obtain confirmation of payment. I, as Owner (s), authorize the release of household member(s) and owner information in order to comply with the Program eligibility and benefit determination requirements. I understand and acknowledge that any party disclosing information on behalf of \_\_\_\_\_ or to \_\_\_\_\_ on my behalf is not responsible for any negligent misrepresentation or omission, and I agree to hold \_\_\_\_\_ and such disclosing parties harmless from and against all claims, actions, suits or other proceedings, and any and all losses, judgments, damages, expenses or other costs (including reasonable counsel fees and disbursements), arising from or in any way relating to their disclosure.

As part of this Consent, I further authorize \_\_\_\_\_ and any other financial institution, lender, insurer, government agency (federal or state), credit bureau, financial service provider or any other third party to obtain, use and disclose any of my NPI in their possession, as necessary, to enable \_\_\_\_\_ to administer the Program and process my application.

I understand and acknowledge that \_\_\_\_\_ may obtain, use and disclose any NPI received in its investigation of my application with third parties, including those referenced above, as necessary for final determination of my eligibility for and the amount of assistance under the Program.

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### Intake and Eligibility



### PROPERTY OWNER QUESTIONNAIRE

**Property Owner Information:** In this section, enter the first and last name of each person named on the title for the property with a current mailing address and phone number. Only persons who are on the property title should be listed in this section.

Owner Name	Owner Mailing Address	Owner Phone Number
Social Security Number	Date of Birth	Email
Owner Name	Owner Mailing Address	Owner Phone Number
Social Security Number	Date of Birth	Email

**Alternate Contact Information:** In this section, enter the name and contact information of any person whom you would like the program to contact in the event that we are unable to reach you. The program will not discuss your status with the alternate contact for any reason, they will only be used as an aid to locate you.

Name	Mailing Address	Phone Number

**Property Data Information:** In this section, document the address, parcel number, lot numbers if applicable, and note the number of deeds (or other vesting instruments) used to obtain the total property.

Tax ID # (found on your tax bill)	Approximate Year House Built

Name (s) on Deed	
One or more Owner Deceased? Y/N (if so, please provide a copy of the death certificate)	

The space below is provided to allow you to describe any specific issues with the ownership of the property that you are aware of and think are important for the program to know.


*Jose Del*

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**Damage Assessments**

**Construction Observation Report**

Project:		Date:		
Location:		WO #:		
Contractor:		Author:		
# Workers:		Weather:		Lost Day? Y/N:
Phase	Approved Budget	Weighted %	Progress	Overall
Demolition	\$ -	0.0%	0.0%	<b>0.0%</b>
Envelope	\$ -	0.0%	0.0%	
Rough-in	\$ -	0.0%	0.0%	
Finish work	\$ -	0.0%	0.0%	
Total Direct Cost	\$ -			
Cumulative Changes				
Approved Changes		Pending Changes		
Dollar Changes:		Dollar Impact:		
New End Date:		Schedule Impact:		
Description		Description		
<b>1. Safety Comments</b>				
<b>2. Quality Comments</b>				
<b>3. General Observation Comments</b>				
<b>4. Schedule Comments</b>				
<b>5. Demolition Comments</b>				
<b>6. Envelope Comments</b>				

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**Duplication of Benefits**



**Repair/Rehabilitation and Reconstruction Program  
Verification of Duplication of Benefits**

The Federal Government does not allow anyone to receive federal funding assistance for any activity that has already received benefits from other sources. This is referred to as a "duplication of benefits" or DOB. Any funds you have received to repair the structure of your damaged property (*this includes insurance, FEMA, and/or SBA*), must be accounted for when determining your housing assistance award amount. If you have spent the funds to repair your home, these funds will not be subtracted from your award amount. If you spent funds intended for the repair of your house on anything other than home repairs, this money will be subtracted from your assistance award. You will be responsible for providing those funds and any un-spent repair funds at the contract signing. Below is the amount of benefits that you received from insurance, FEMA, SBA, and/or other sources:

FEMA IA \$	_____	<u>\$8,498.89</u>
Homeowner Insurance \$	_____	<u>0</u>
Flood Insurance \$	_____	<u>0</u>
SBA \$	_____	<u>0</u>
Other Sources \$	_____	<u>0</u>
<b>Total Benefits Received</b>	<b>\$</b>	<b><u>\$8,498.89</u></b>
<b>Total amount of Repairs Complete (verified by receipts)</b>	<b>\$</b>	<b><u>\$7,564.46</u></b>
<b>Contractor Fraud or Forced Mortgage Payoff,</b>	<b>\$</b>	<b>_____</b>
<b>Temporary Housing exceeding FEMA Rental</b>	<b>\$</b>	<b>_____</b>
<b>Amount needed before construction (DOB)</b>	<b>\$</b>	<b><u>\$934.43</u></b>

By signing this form, I/we, \_\_\_\_\_, acknowledge that I understand what a Duplication of Benefits is and that I must provide the amount above at the time of the Contract Signing.

Homeowner: \_\_\_\_\_ Date \_\_\_\_\_

Homeowner Signature \_\_\_\_\_

Homeowner Signature \_\_\_\_\_



## Reporting



Weekly Report: DR-4339-PR PHC Phase II

IA-TACIII  
FEMA DR-4339 PUERTO RICO PHC Phase II  
**Weekly Report 33**  
Week Ending 10-20-2018

This is a progress report with updates and on-going activities in support of the DR-4339 PR PHC Phase II Mission. This report summarizes the activities completed as of 5:00 pm on Saturday, 20 October 18.

### 1. TO Operations:

- DSA Personnel visited all sites under construction
- DSA has 42 active work orders, 12 complete work orders and 6 work orders cancelled by FEMA.

### 2. Weekly Summary

- **In Permitting Process: 0**
  - There are currently no WOs considered to be in this status.
- **Pre-Construction Status: 15**
  - 005-0002-Aguadilla – Submitted on 9/21. Notification of approval received on 9/24. New sub-contractor accepted Project. Construction anticipated to begin on 10/24.
  - 009-0000-Aibonito – Construction Permit received 8/13. Project is anticipated to start 10/23.
  - 013-0002-Arecibo – Notification of approval received. Redesign received 10/16. Construction expected date for start is 10/25. Assigned to Sub-contractor.
  - 041-0000-Cidra – Pre- Construction Meeting schedule for 10/30. Asbestos abatement in process. Notification of approval received.
  - 047-0000-Corozal – Resubmitted by OGPe authorized professional. Assigned to sub-contractor. Notification of approval received 9/12. Existing structural issue. First change order received 10/17. Second change order received 10/18. Both sent back to contractor for corrections.
  - 047-0002-Corozal – In OGPe. Assigned to sub-contractor. Notification of approval received 9/25. KO Meeting to be held on 10/24.
  - 057-0002-Guayama – Notification of approval received 9/30. KO Meeting to be held 10.24
  - 061-0001-Guaynabo – In OGPe. Notification of approval received on 10/5. Site assigned to new sub-contractor, awaiting submission of project schedule and remaining drawings. Kickoff meeting anticipated to be held on 10/25.
  - 069-0000-Humacao – In process by OGPe authorized professional. Notification of approval received on 9/17. KO was held on 10/18. RFI will be processed for roof design details.
  - 069-0003-Humacao – In OGPe. NOA received 10/16. CP Submitted on 10/8. KO was held on site 10/18. Construction/Demo to begin on Monday 10/22. Structural drawings were requested.
  - 075-0001-Juana Diaz – Demolition and debris cleaning is 100% complete. Change order to follow, will incorporate changes in demolition of the bathroom wall and footing construction details.
  - 091-0000-Manati – In OGPe. Cat/Ex approved. Design revision on going. Process for the competition of the Permitting documents continues. Construction expected date for start of construction 10/29. Notice of approval received 10/15.
  - 105-0002-Naranjito – In OGPe. Assigned to sub-contractor. Notification of approval received 9/25. Back in design. Expected received back from design on 10/22/18.
  - 111-0000-Penuelas – Sub Re-Mobilizing. ARN Received 9/12. Construction expected to start on 10/19. Awaiting a resolution for type of material for site.
  - 147-0000-Vieques – In OGPe. Notification of approval expected date to be receive 10/23. Expected date for the KO 10/23.
- **Under Construction: 17**
  - 001-0001-Adjuntas – 11 Dec 2018
  - 005-0001-Aguadilla – 22 Dec 2018
  - 035-0000-Cayey – 05 Nov 2018
  - 037-0000-Ceiba – 22 Dec 2018
  - 047-0001-Corozal – 20 Nov 2018
  - 055-0000-Guanica – 06 Dec 2018
  - 057-0000-Guayama – 11 Dec 2018
  - 065-0000-Hatillo – 06 Dec 2018
  - 073-0000-Jayuya – 08 Nov 2018
  - 099-0000-Moca – 09 Nov 2018
  - 101-0000-Morovis – 28 Dec 2018
  - 105-0001-Naranjito – 20 Nov 2018
  - 107-0000-Orocovis – 24 Nov 2018
  - 113-0004-Ponce – 30 Oct 2018
  - 139-0001-Trujillo Alto – 13 Nov 2018
  - 143-0000-Vega Alta – 10 Dec 2018
  - 151-0000-Yabucoa – 10 Dec 2018

*JGE*  
*Dec*



### Inspections

#### QA/QC SITE INSPECTION REPORT

Date: MM/DD/YYYY      Inspector: XXXXXXXX  
 WO #: XXX-XXXX      Contractor: XXXXXXXX  
 Location: XXXXXXXX      Type: Building Final (BF)

WORK SEGMENT		Observations & Comments
<b>General Inspection Comments</b>	Results	Building Final - <b>Approved</b> without issues
<b>Building Final</b>	Appliances	All appliances functioned as designed (Stove, Refrigerator, Water Heater)
	Lights & Outlets	All Lights and Outlets functioned as designed
	Plumbing	Bathroom faucets, laundry room faucets and sink functioned as designed
	Interior Doors	All doors closed properly as did folding closet doors
	Guard railing	Noticed an existing guard railing was loose. Contractor made a bracket to secure railing
	Windows	Louvered window functioned as designed
	Porch	A pre-existing condition at the Front porch has the potential to allow water to stand in front of door due to lack of drainage openings.

SCHEDULE REVIEW		Observations & Comments
Demolition	100%	
Bldg Envelope	100%	
Bldg Rough-In	100%	
Finish Work	100%	

POTENTIAL ISSUES		Observations & Comments
Issue		

*JGE*  
*DEC*

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Closeout



**DISASTER SOLUTIONS ALLIANCE (DSA)**  
**IA-TAC III / PHC PHASE II**  
**WORK ORDER ACCEPTANCE**

MM/DD/YYYY

<b>Customer Name:</b>	Client	<b>Work Order #:</b>	XXXX-XXX-XXXX
<b>Contract #:</b>	XXXX-XXXXX	<b>Construction Permit #:</b>	XXXX-XXXXXX-XXX-X
<b>Task Order #:</b>	XXXXXXXXXXXXXXXXX	<b>Architect/Engineer:</b>	XXXXXXXXXXXXXXXXX
<b>Date Permit Submit:</b>	MM/DD/YYYY	<b>Date Permit Closed:</b>	MM/DD/YYYY

The Work Order identified above has been reviewed and inspected by DSA under the IA TAC III PHC Puerto Rico requirements. DSA has completed this work, meeting all requirements for final acceptance. The date of final acceptance of the work is defined as the date certified by the Architect/Engineer and submitted for permit closeout; upon which the work is considered fully complete in all aspects. This document identifies **(Client)** acceptance of the Contractor's Work in accordance with the Work Order Package delivered on the date above.

**SUPPORTING DOCUMENTS:**

The following documents are included as reference to the completion of the repairs associated with the above referenced work:

- Architect/Engineer Final Inspection Memorandum (XXXX).
- Quality Control Final Inspection Checklist (DSA).
- Municipal Permit Web Portal Screen Display (OGPe).

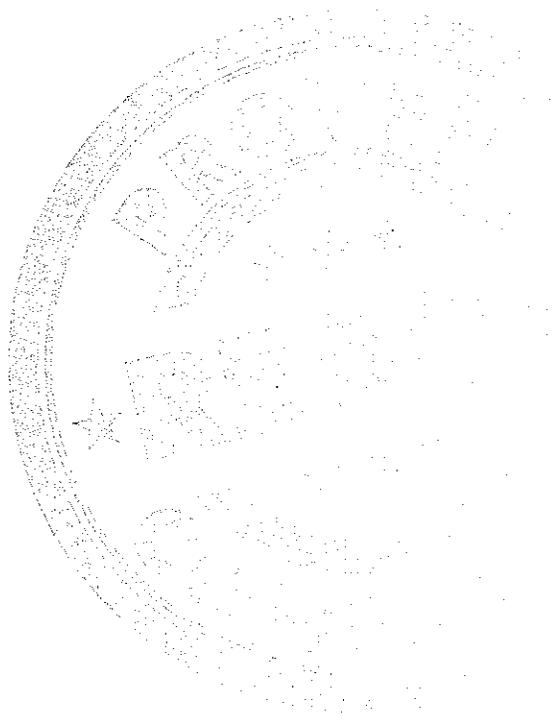
This Work Order Acceptance is subject to the terms and conditions of the WO Statement of Work. It is agreed that the complete agreement for these services consists of the original Statement of Work, the Contract Documents and permit requirements of Puerto Rico.

Accepted by:

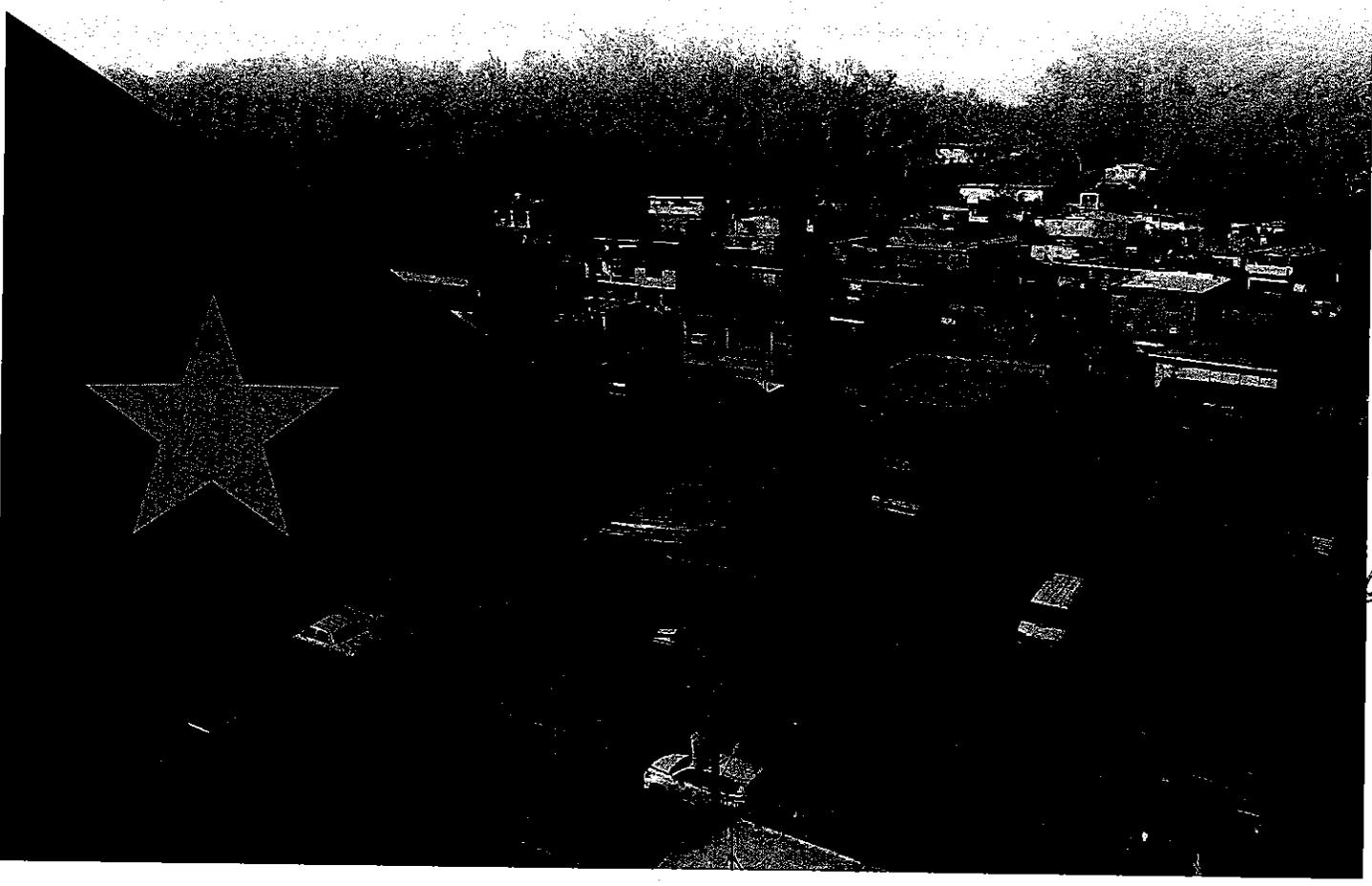


_____	_____	_____
Name (Contractor)	Signature	Date
_____	_____	_____
Name (DSA)	Signature	Date
_____	_____	_____
Name (Client)	Signature	Date

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**Tab 4:**  
Plan for Compliance  
with Section 3



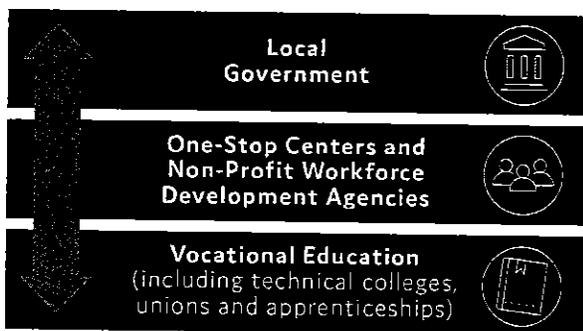
Tab 4

*John  
1/21*

**Tab 4 Local Participation including use of Section 3 Residents, MBEs, and WBEs**

Local participation is a three-pronged approach along with the recruitment and hiring of Section 3 residents. It involves both Section 3 qualified individuals, including public housing and other low-income qualified persons and local governmental, other social services agencies, and educational and on-the-job training organizations, such as labor unions that provide workforce training and employment services. The approach must also include an understanding and comprehension of the Commonwealth of Puerto Rico's Workforce Innovation and Opportunity Act (WIOA) Plan and how to strategically maximize the impact of both efforts.

Our approach begins with our detailed understanding of PRDOH's requirement for Local Participation, M/WBE contracting and HUD's Section 3 requirements for providing economic opportunities for low and moderate income (LMI) individuals that reside in public housing and the impacted areas where CDBG-DR funds will be spent. We will conduct targeted outreach opportunity meetings to Exhibit 10. Three-pronged approach to local participation



identify, recruit and hire local and Section 3 eligible individuals to fill new hire positions on our project team and with our subcontractors. These opportunity meetings will include local informational meetings with local partners to educate them on the Section 3 Program. In addition, we will commit to expanding economic opportunities for M/WBEs, local businesses and Section 3 business concerns by prioritizing M/WBE and Section 3 businesses for subcontracting opportunities to achieve and maximize their participation throughout the duration of the project. We will not only encourage participation, we will monitor and report on our performance monthly and quarterly to assess our performance and make any necessary adjustments. Our team utilizes an already HUD recognized, best practices database program called Elation Systems to track, monitor and report both Section 3 and MWBE Participation goals and impact. Our goal is to not only hire as many local, Puerto Rican residents and businesses as feasibly possible to maximize success of the recovery program, but to build a more resilient local workforce and employment training system that will enable long-lasting economic benefits to Puerto Rico beyond the recovery and rebuilding effort.

**How will we meet these goals?**

First and foremost, the Recovery Alliance will contractually require our team, contractors and subcontractors to meet local participation,

*Joe Deel*

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M/WBE and Section 3 goals as defined by PRDOH and HUD for the project. The Recovery Alliance will develop trainings to facilitate technical assistance and capacity building for the local government, One Stop Centers, Vocational Training Centers and others on the program and its requirements. Alliance will also assign a Section 3 and Workforce Development Coordinator, who will be a senior member of the team with prior experience working with local workforce development programs, public housing authorities and Section 3 programs. We will coordinate all Local Hire and Section 3 outreach, recruitment, training, advertisement, job placement, and reporting of new hire and subcontracting goals for the Program, which will be part of our overall Hiring Plan. The Hiring Plan will be a comprehensive approach to the overall Section 3 Plan. It will prioritize, identify resources, sources for the utilization of Section 3 persons. The Section 3 and Workforce Development Coordinator will lead a team of trained staff, supplemented by local Section 3 resident new hire(s) to manage the program and aggressively target and recruit qualified workers for new job hires and subcontracting opportunities. In addition, Recovery Alliance will develop and implement training and/or educational programs that are considered best practices for local hiring and Section 3 contracting.

The Recovery Alliance will take an active and comprehensive approach to working with the local constituency, including local government, One Stop Centers, and Vocational Training

Programs in recruiting and prioritizing Section 3 residents from public housing areas that have been impacted and very low and low-income residents for employment opportunities created by the CDBG-DR and Section 3 qualified expenditures. In addition, hiring Section 3 businesses, women and minority business enterprises to construct and play a role in the on-going rebuilding and recovery process a priority for the development team. We take these commitments seriously and will put in place the staff and consultants necessary to both meet and exceed hiring targets.

#### **Resident Economic Opportunities**

Within the Section 3 and MWBE Consultant Team created by Recovery Alliance, the Section 3 Coordinator will be selected to function as the Hiring Plan Coordinator. This person will have expertise in Section 3, local hire and MWBE compliance and work with local team and its partners, Housing Authority Resident Associations, One Stop Centers, Vocational Training Programs, Community Colleges, YouthBuild Programs, unions and apprenticeships, and contractors to create a training and employment opportunities plan for the project. Following are components we expect to be included in the plan:

- › Provide job notifications via rent notices, One Stop Centers, Vocational Training, faith-based organization and other social services outreach to create awareness of training, hiring and job opportunities for both skilled and unskilled workers
- › Create job descriptions that are specific to the job and job classification requirements



- › Through One Stop Centers and Vocational Training Programs, and YouthBuild offer construction related training and certification programs necessary to work on a construction site e.g. OSHA 10, scaffolding, flagger
- › Place “This is a Section 3 eligible job placement opportunity” prominently on all job postings
- › Design, develop, and manage a webpage on PRDOH’s website all available jobs on which all jobs will be posted as well as create links on all associated and participating agency web pages
- › Require subcontractors to post available jobs on websites, internal and external job boards
- › List all job opportunities on employment and job training websites (i.e. local Workforce Innovation and Opportunity Act participating agencies) as well as posting on the job boards at each project construction site and the resident development site
- › Meet with housing authority Resident’s Association program directors to identify current program graduates and post current and future job opportunities
- › List all job opportunities in local resident newsletters and communications, including a marketing and public relations campaign and run these advertisements weekly or per the publication schedule in other local periodicals and local newsletters and papers
- › Translate and make available job postings in Spanish and English, including the development of a Limited English Proficiency (LEP) Plan for other languages
- › Obtain the list of Section 3 residents at the specific developments and send direct mail to each listed Section 3 resident of the posted job opportunities (monthly) and where to apply
- › Host a minimum of four (4) job placement fairs
- › Monitor the interview process with subcontractors, advocate for applicants and track hires
- › Include Section 3 training and hiring language in subcontractor agreements
- › Partner with local One Stop Centers to expand local hiring opportunities
- › Develop a list of “pre-qualified” Section 3 public housing and other low income residents who could fill job vacancies and provide to contractors and sub contractors
- › Send notices about Section 3 training and employment obligations and opportunities required for this project to labor organizations
- › Post job listings in visible and prominent areas at the construction site
- › Reach out to local community organizations including YouthBuild, Adult Education and Family Literacy, labor (union) organizations, Vocational Schools, Job Corps, and others that assist in job placement

Workforce and community resilience is generally defined as the ability to adapt to, withstand, or rapidly recover from a disaster or catastrophic event. Research and experience suggest that communities with greater capacity, as defined by their access to human, social, political and economic capital, and

**Employment and Economic Sustainability  
through a Strong Recovery**

Recovery Alliance team members have a consistent track-record of success and compassion for leading similar efforts of performance and regulatory compliance for Section 3, M/WBE and local participation. Recovery Alliance expects to help improve Puerto Rico's resiliency, long term sustainability, and impact on reducing employment, improving job creation and job skills through our employment goals. Combined with the resources of Recovery Alliance, PRDOH will have a team that will build success stories and hopefully establish new best practices for these initiatives that foster economic growth and sustainability.

greater capabilities in developing, acquiring or exchanging these resources, are more likely to be resilient in the face of a disaster. The Recovery Alliance will help to build local capacity in employment, training, and job placement through the Section 3 and MWBE Participation initiatives.

Although a community's true resilience will only be evident after a disaster strikes, much can be done to prepare and bolster a community's future capacity in advance. Among the actions that may make a difference are the identification and training of existing community assets and community leaders; the development of existing workforce development and training program networks; the use of leaders and their networks to promote individual and organizational

preparedness; and generally speaking, increasing individual preparedness, including those low income Section 3 qualified residents with such efforts as enhanced community-based employment, training and placement services. Recovery Alliance is proficient in facilitating efficient strategies in all of these areas.

**Local Participation and M/WBE:** Recovery Alliance will actively recruit and target local businesses, vendors and M/WBE firms that provide value-added and support services to the project team. This initiative will be led by dedicated Recovery Alliance personnel who will be assigned to conduct on-going outreach, actively recruit and meet with local businesses that can provide products and services for the recovery program. Our team members will be provided training and strategies to define specific scopes of work that Recovery Alliance and its major subcontractors can and will support for local participation and M/WBE contracting. Recovery Alliance's goal is to hire local and M/WBE firms that can perform the scope of work without compromising quality of service delivery. To meet this expectation, we will provide specific training to both emerging and established local businesses to ensure quality and performance metrics are achieved and maintained. This will help in the sustainability of the local and M/WBE business both during and after the project ends.

The Recovery Alliance team is committed to the utilization of MWBEs in this and all our development and construction projects. We will



focus our MWBE efforts in subcontracts and encourage and assist subcontractors to obtain MWBE certification, where appropriate. We will also reach out to organizations including but not limited to any and all Latino builders and/or carpentry association, other minority contractor's association, local Chambers of Commerce, other national cultural associations, any Hispanics in Real Estate & Construction (HREC), and any Puerto Rican trade associations to advertise the opportunity and expand our pool of qualified contractors. We will consult any general contractors prequalified sponsors lists or prequalified service providers databases.

Our project team will take all feasible measures to recruit, solicit, encourage, facilitate and select qualified and certified MWBE business firms to perform and achieve the goals of the project award amount (contract sum) and also require each Contractor to achieve the same goals during pre-bids and document MWBE goals and participation in their utilization plans that will be track, monitored and reported in Elation Systems.

Contractors will request the organizations listed below, to provide lists of firms, organized by trade category, which can perform required project work (in addition to these organizations, contractors may also contact other organizations that provide such listings):

1. Economic Development Bank of Puerto Rico
2. Small Business Administration (SBA)

3. Minority Business Development Center (MBDC)
4. The National Puerto Rican Chamber of Commerce
5. National Association of Women in Construction

In addition to these organizations, contractors will attend networking and outreach events sponsored by the Project Team as well as those listed and other similar organizations to inform, recruit and solicit MWBEs for contracting and subcontracting opportunities.

Section 3 and Local Hire: Recovery Alliance is proficient in the implementation and compliance with HUD's Section 3 requirements and local hiring. The responsibilities of the Workforce Development and Section 3 Coordinator will be to actively engage local and Section 3 new hires for all positions available on the recovery program. Section 3 and local hires will be provided "priority status" in all employment advertisements, interviews and outreach. In accordance with PRDOH and HUD guidelines, we will establish an application process to identify Section 3 and local candidates that can be interviewed and selected for available positions.

"Local hire" is a policy initiative aimed at increasing employment opportunities for those low income persons in areas impacted by the storm first and those low income and disadvantaged workers, who often experience difficulty accessing the construction workforce pipeline. The value of local hire





is that it creates institutional mechanisms to increase the availability and accessibility of opportunities for these workers. A local hire program can benefit from the robust training programs that exist in the construction industry, that are tied to available work. Because workers can learn construction skills on the job in both vocational training and apprenticeship programs, it is one of the few industries where a person who has little formal education or who has previously faced employment barriers can enter the field and be trained while earning a living wage and good benefits. A local, targeted hire initiative can develop a fresh, previously untapped workforce and create new pipelines for workers to get into construction careers.

Local hire focuses on low income persons in areas impacted by the storm and other low income, disadvantaged individuals, who are underserved or have faced historical or other barriers to employment. This can include:

- › Long-term unemployed workers, formerly incarcerated individuals, single parents, workers on public assistance, workers with a history of homelessness, and at-risk youth.
- › Individuals residing in areas that have high poverty rates, high unemployment rates, or other markers of economic distress.
- › Underrepresented groups of people such as women, people of color, persons with disabilities, and veterans.
- › Pre-apprentices, graduates of apprenticeship programs, or graduates of other targeted training and hiring programs.

Each local hire program is unique, reflecting the specific needs of the impacted communities and different stakeholders involved. Target criteria vary and depend on a range of factors such as project type, local laws and policies, community needs, and past discrimination or exclusion of a group of workers.

Many of our local hire tools lay out strategies for advancing hiring goals, establishing a mechanism for implementing the program, and defining a process for monitoring and enforcement. Certain local hiring tools are designed to support workers at all levels of the workforce pipeline by including recruitment, support services (i.e. GED classes, childcare support, stipends, and funding for tools and safety equipment), training programs, and job placement. These components aim to address structural and social barriers workers face in accessing work. To provide this type of assistance, our local hire methodology includes strategies for structuring CDBG-DR and Section 3 qualified programs and support services receive top priority.

*Jose*  
*DL*



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**Plan for Compliance with Section 3 (Item 6.3.7 of the RFP)**

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Recovery Alliance has proposed a comprehensive Section 3 Plan to coordinate multiple facets of recruitment, training and economic development directly targeted to Section 3 Residents. Recovery Alliance will establish a dedicated team that will solely focus on our recruiting, training and economic and workforce development program. The Recovery Alliance Team will coordinate with the established PRDOH network of job training programs and local residents to continuously identify job opportunities, but also identify new ways to build local capacity and training initiatives to have resources consistently available and increase the number of Section 3 businesses. We will also use grassroots communications efforts through faith-based organizations and word-of-mouth from others seeking employment within the Recovery Alliance Team and all our subcontractors.

The Recovery Alliance Team will actively promote job and contracting opportunities, as well as recruitment and employment of public housing residents. All team members, contractors and subcontractors will be required to make a definitive effort to meet the Section 3 HUD numerical goals found at 24 CFR Part 135.30:

- › Thirty percent of the aggregate number of new hires (construction and non-construction) are Section 3 residents
- › Ten percent of the total dollar amount of all covered construction contracts are awarded to Section 3 business concerns

- › Three percent of the total dollar amount of all covered non-construction contracts are awarded to Section 3 business concerns.

Non-construction contracts may include, but not be limited to, accounting, payroll, bookkeeping, purchasing, data processing, marketing, printing, environmental, architectural/engineering, etc.

**Section 3 Hiring Priorities include:**

- › Persons in public and assisted housing
- › Persons within the immediate area where the HUD assistance is being expended
- › Participants in HUD Youthbuild Programs
- › Homeless Persons
- › Other low income, disadvantaged persons in the impacted community

Recovery Alliance Team and the designated Section 3 Coordinator will establish files to record and retain written documentation of all training and employment outreach efforts and resources from agency representatives and job applicants.

**Recovery Alliance is an Equal Opportunity Employer**

Section 3 Business Concerns: Recovery Alliance takes seriously its commitment to subcontract with qualified businesses, including Section 3 business concerns.

Recovery Alliance will define its subcontractor and/or subconsultant needs and meet with trade organizations and contractors to determine the

*John Del*

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best qualified and best fit for the project scope of work. Recovery Alliance will advertise its subcontractor and/or subconsultant needs through its existing networks and firms which it has a long-standing relationship. In addition, Recovery Alliance will seek new subcontractors and/or subconsultants to fulfill new contracting opportunities with Section 3 business concerns to meet and exceed the 3% non-construction goal. Recovery Alliance will host several "Meet the Prime" contractor events and target Section 3 business concerns for new contracting opportunities. Recovery Alliance will also obtain the current list of Section 3 business concerns for PRDOH and/or the HUD national database and invite them to the "Meet the Prime" events and conduct interviews with qualified Section 3 firms.

Recovery Alliance will take all feasible measures to recruit, solicit, encourage, facilitate and select qualified Section 3 business subcontracting firms to perform at least THREE percent (3%) of the non-construction project award amount (contract sum) for each project for which the contractor is successful bidder.

The Recovery Alliance Team will request local organizations such as those listed, to provide lists of firms, organized by trade category, which can perform required project work.

1. Contractor's Resource Center
2. Small Business Administration
3. Minority Business Development Center

Recovery Alliance understands that, in

addition to awarding work to qualified Section 3 businesses, it is our responsibility to :

- › Use the contractor's solicitation letter to advertise to the "greatest extent feasible" to all firms on lists provided to us by PRDOH and other organizations about the type of work needed to complete each project;
- › Advise firms of contractor's obligation to seek and award work to qualified Section 3 businesses, where feasible;
- › Clarify the definition of a Section 3 resident and business;
- › Encourage firm/contractor to register on HUD's national database for Section 3 business concerns;
- › Explain how to qualify as Section 3 business in order to be eligible to receive a preference from contractor(s) when subcontractor work is to be awarded; and
- › Provide Section 3 firms that are qualified to perform work with an opportunity to submit price quotations for the project work, and where financially feasible, hire such firms as subcontractors.

#### **Certification of Section 3 Status**

Recovery Alliance will encourage all eligible Section 3 business concerns to register with PRDOH and also the HUD national database of Section 3 firms. This registration will provide a consistent and active certification list of local firms, as well as a national certified database that other contractors and subcontractors can use to hire Section 3 firms for current and future opportunities. If contractors need assistance in registering,

*Jose Del*

our dedicated team of outreach specialists can assist in the application and registration process.

**Documentation of Outreach to find Eligible Section 3 Subcontracting Firms**

Recovery Alliance will establish files to record and retain written documentation of all outreach efforts and responses received from organizations and subcontractors who are contacted. Our Team will provide a report on each outreach effort and at the conclusion of the project on Section 3 individuals and Section 3 business concerns employed.

Recovery Alliance will engage in the following activities to publicize to subcontractors and/or subconsultants:

- › Develop subcontracting opportunities with reasonable scopes of work and requirements that would be attainable and attractive for Section 3 business concerns.
- › List all subcontracting opportunities on its website for CDBG-DR project(s).
- › Publicize opportunities in local trade magazines and publications.
- › List all subcontracting opportunities on Recovery Alliance's and PRDOH's website as well as posting at project locations and satellite offices.
- › List all subcontractor/subconsultant opportunities in local resident newsletters and communications.
- › Obtain the list of Section 3 businesses at the residential housing developments, send direct mail to each Section 3 business advertising

subcontracting opportunities, and extend invitations to "Meet the Recovery Alliance Team" events.

- › Network with other firms and subcontractors to identify Section 3 businesses they have worked with in the past or have relevant past performance or skill sets.
- › Recovery Alliance will also encourage Section 3 residents and small businesses to consider becoming a Section 3 business, if they can qualify.

Recovery Alliance will also access new initiatives such as HUD's new Job Plus Pilot program which is designed to develop locally-based, job-driven approaches to increase earnings and advance employment outcomes through work readiness, employer linkages, job placement, educational advancement technology skills, and financial literacy for residents of public housing. Recovery Alliance will work within Puerto Rico's public housing and local job creation resources to integrate these types of new initiatives and proposed grant funding from HUD to develop services to improve employer linkages, job placement and counseling with Recovery Alliance and our subcontractors.

A detailed list of activities and events that Recovery Alliance will lead is summarized below to demonstrate our commitment and how the Workforce Development and Section 3 Coordinator and project team will engage with PRDOH and its residents to increase Section 3 and Section 3 business participation:

*Del*

- › Conduct resident and vendor Outreach services (on-site and in the local areas)
- › Perform recruiting and local advertisement (e.g. newspapers, magazines, journals, etc.)
- › Meet and establish hiring goals, apprenticeship programs and other job training programs with local trades and contractors
- › Contact and establish relationships with Resident Associations/Organizations at PRDOH facilities and housing locations
- › Coordinate and meet with Resident program directors to identify current program graduates and post current and future job opportunities
- › Coordinate with local workforce development centers for job placement and job referrals
- › List all job opportunities in local PRDOH resident newsletters and communications and run these advertisements weekly or per the publication schedule
- › Identify or create best practices and incorporate into our Section 3 and Workforce Development program

At project start through closeout, Recovery Alliance will report all outreach, recruitment and hiring activities and compliance with Section 3 to PRDOH on a quarterly and annual basis. The Section 3 Coordinator will establish files to record and retain written documentation of all training, new hire and employment outreach efforts, resources from agency representatives and job applicants. Contractors and subcontractors that meet the Section 3 requirements will be listed in the

HUD national Section 3 database and become **certified Section 3 business concerns.**

Recovery Alliance will engage in a disciplined process and approach to meet all the hiring requirements. The approach consists of:

- › Defining the scope and approach;
- › Training contractors and subcontractors to implement the approach;
- › Monitor and reporting the outcomes;
- › Enforce the approach; and
- › Manage the process to ensure the desired outcome.

Key members of our team are subject matter experts and have assisted and provided multiple states and local governments with meaningful Labor Standards Compliance project management, in-depth program analysis, training, technical assistance, policy & regulatory support and analysis. Our team members have and continue to demonstrate both the capability and capacity to provide expert monitoring, compliance, advisory and

Exhibit 11. Labor Monitoring and Compliance Process Model



*JGE*



support services to ensure compliance with Section 3 and local hiring.

**Monitoring and Compliance – Elation System (Value-Added Solution/Cost Savings)**

The Recovery Alliance will work with the PRDOH to establish a systematic methodology to be able to accurately track, monitor and report on Section 3 goals and objectives of the program in a manner consistent with HUD regulations. High levels of accountability and transparency are critical to this process toward building future resiliency and sustainability. Our team will incorporate into its overall Compliance Program both a systematic and robust oversight and monitoring program which will provide real-time and proactive assessment and immediate corrective-action where needed. Our team proposes and has successfully utilized the Elation System for tracking, monitoring, and reporting on Section 3 outcomes because of its success in other large-scale disaster recovery and rebuilding efforts. The Elation System Section 3 reporting module is an integral part of our team's web-based compliance management system, giving our clients access to a secure, web-based and electronic Section 3 reporting and monitoring process. Built upon proven web platforms and technology, the module not only provides a highly automated Section 3 data collection and reporting among grantees as owners, developers, contractors, and subcontractors—it also provides for automated interactive and dynamic reporting for housing authorities, redevelopment agencies, and also

the federal Department of Housing and Urban Development (HUD) that has recognized the program as a best practices.

Benefits of the Elation System as a tracking, monitoring, and reporting tool include:

- › Automated and dynamic Section 3 self-certification.
- › Electronic signing process.
- › Interactive Section 3 address management and dynamic validation.
- › Automated project new hire data reporting and management.
- › Automated Section 3 reporting workflow management.
- › Interactive and automated reporting integration with HUD.
- › Fully integrated with Davis-Bacon Related Acts (DBRA) and prevailing wage automated reporting module.

**Advanced data reporting and analysis**

Our team's access to advanced data reporting and analysis which can be shared real-time with PRDOH, enables our team to build a more realistic understanding of the Section 3 business capacity and local workforce capacity. The entire electronic and automated process provides significant time and resource savings for all project participants, and substantially reduces the reporting burden set forth by the federal Section 3 reporting requirements. The Elation System enables us to streamline the tracking process and maximize the utilization of Section 3 businesses and workforce



GOVERNMENT OF PUERTO RICO

Department of Housing

ATTACHMENT 2

SCOPE OF WORK

Request for Proposals

Program Management Services

Community Development Block Grant – Disaster Recovery

Puerto Rico Department of Housing

CDBG-DR-RFP-2018-04

(Revised for Negotiations)

This document defines the program management tasks that the Proposer must perform in order to support PRDOH in the implementation and administration of two (2) CDBG-DR Housing Programs. The PRDOH reserves the right to retain program management of some of these programs internally and to select more than one Program Manager. A description of the two (2) CDBG-DR Housing programs is included in the Action Plan approved by the U.S. Housing and Urban Development (HUD) on July 29, 2018. A complete copy of the Action Plan is available at [www.cdbg-dr.pr.gov/action-plan](http://www.cdbg-dr.pr.gov/action-plan). The two (2) CDBG-DR Housing programs that will be subject to the Program Management services, are briefly described as follows:

1. **Home Repair, Reconstruction, or Relocation Program (R3)** - provides funding to repair damaged homes or rebuild substantially damaged homes in-place in non-hazard areas. Reconstruction activity returns otherwise displaced families to their homes in their same communities. Homes become eligible for reconstruction when the property estimated cost of repair exceeds the lesser of \$60,000 or 50% of the current value – as confirmed through program inspection, or if a feasibility inspection determines that reconstruction is required. Duplication of benefit review is required to ensure no individual receives duplication of benefit for the same purpose and/or effect as funds provided from other sources to recover from the hurricanes. Applicant awardees must subrogate any additional funds received for damage caused by hurricanes Irma or Maria back to the PRDOH. If additional funds are paid to applicant awardees for the same purpose as the housing assistance award received through PRDOH funding (i.e., repair or replacement of the damaged structure) after PRDOH has completed the repair/rehabilitation project, those funds must be returned to the Puerto Rico Department of Housing. The Housing Relocation Program provides homeowners with substantially damaged homes located in high risk areas an opportunity to relocate to a safer location.
2. **Housing Counseling** - provides recovering residents with wrap-around educational services to promote understanding of housing and financial options such as: financial literacy education, homebuyer counseling, credit repair counseling, mitigate default/foreclosure proceedings, etc. Housing Counselors will be equipped to connect program participants with resources including, but not limited to, Voluntary Organizations Active in Disaster (VOAD), and other federally funded programs like Continuums of Care (COC), section 8, and rental subsidy programs. The Program Manager will assign program participants to Housing Counselors retained by the PRDOH.

The PRDOH is conceptualizing the implementation of the housing programs through the use of internal resources and outsourced consultants and contractors. Call Center Services will be managed at a centralized location for all programs implemented under the CDBG-DR grant(s). Call Center Services are being procured by the PRDOH separately from all other services. However, it is expected that selected Program Manager(s) staff offices with adequate staff to answer calls from applicants assigned to the Program Manager Team. For the Housing Counseling Program, the PRDOH will establish agreements with HUD-approved Housing Counseling Agencies.

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These agencies will be the entities responsible for the actual counseling services to be provided. The implementation of the Home Repair, Reconstruction, or Relocation Program will be divided into regions. For these programs the PRDOH will outsource general contractors to be responsible for the implementation of repair and construction works. The PRDOH will also contract independent environmental consulting firms to execute environmental reviews and studies, as well as test for the presence hazardous materials and develop abatement measures. The Proposer will be responsible for everyday management of the different tasks performed by the PRDOH's other contractors and consultants. The Proposer will also be responsible for the inspection of all construction works completed through the housing programs, except for homes located at participating municipalities of which additional details may be found further in this Scope of Work.

The Proposer will be directly responsible for ensuring the accuracy, timeliness, and completion of all tasks assigned under this contract. The scope of work presented is based upon circumstances existing at the time this Scope of Work is released. The PRDOH reserves the right to modify or delete the tasks listed and, if appropriate, add additional tasks prior to and during the term of the contract.

If additional CDBG-DR funds are allocated to Puerto Rico during the life of the contract, Proposer staff may be assigned to work on those future federal grants awarded and potentially expand those services to accommodate other similar programs yet to be defined. There is no guarantee of a minimum level of services which may be requested by the PRDOH under this contract.

#### **Operations Start-Up**

The Program Manager's key staff resources must be ready to begin working within two (2) weeks after the contemplated contract execution date. As the PRDOH may select more than one Program Manager, the specific municipalities or regions where each Program Manager shall perform work will be determined at the sole discretion of the PRDOH. Program Managers may not charge additional costs due to the PRDOH assignment of municipalities or regions. The Proposer must provide and secure the necessary office space, office furniture, office supplies and personnel to staff the offices. The PRDOH may redefine municipalities or regions initially assigned based on Program Managers performance, compliance, and quality of work. The PRDOH will not guarantee a minimum number of applicants or cases to be handled by the Program Manager. The Program Manager's offices must be set up to assist property owners with existing applications and must be located within the region assigned by the PRDOH. Offices must be set up and adequately staffed to accept applicants within thirty (30) days of the contemplated contract execution date.

#### **Task 00: General Program Management and Administration**

**Hourly Rate Task**

The Program Manager must have retained, and must maintain over the life of the contract, the following key staff resources:

- **Program Manager**

**Qty: 1**

The resource assigned to the Program Manager position will be the main point of contact between the PRDOH and the Program Manager. He shall be available on-call and assist program status and progress meetings. The Program Manager position responsibilities include formulating, organizing, and monitoring the overall performance of the projects; deciding on suitable strategies and objectives; coordinating cross-project activities; lead and evaluate other staff; develop and control deadlines, budgets, and activities; apply change, risk, and resource management; assume responsibility for the program's performance and its staff; assess program performance and aim to maximize it; resolve program issues; prepare and review reports to the PRDOH; and any other function required



in support of the program. The Program Manager shall maintain a complete understanding of all applicable Housing Program policies, requirements, and procedures and reviews all cases within the established guidelines; and shall possess knowledge of regulatory and statutory compliance requirements for CDBG disaster recovery and similar programs/projects. Should have a bachelor's degree from an accredited institution and at least ten (10) years of experience in CDBG-DR program funder for disaster recovery and community development or related field.

- **Deputy Program Manager** **Qty. 1**  
The resource assigned to the Deputy Program Manager position shall work together with the Program Manager to ensure the smooth performance of the project. Responsibilities will include: scheduling, assigning staff, allocating resources, assessing and managing risk, coordinating various components that contribute to the project as a whole to ensure on-time delivery, ensuring that deadlines are met, and keeping all parties informed of progress and any outstanding issues. The resource assigned to the Deputy Program Manger positions shall have at least a bachelor's or associate degree from an accredited institution or have at least five (5) years of experience in CDBG-DR, housing, community development, or related fields.
  
- **Operations Manager** **Qty. 1**  
The resource assigned to the Operations Manager position will be responsible for the daily field operations and ensuring that such daily operations are performed in the most efficient manner. He will oversee logistics management, ensuring that procedures are in place to align with the program's goals and objectives. He will oversee standards of performance, safety policies, and procedures, and adjust internal policies as necessary. He will direct human resources and management activities on the operational side of the programs and may determine the staff needed to accomplish the operational tasks. The resource to be assigned to the Operations Manager position shall be a licensed professional engineer in compliance with Puerto Rico's Act Number 173 of August 12, 1988, as amended and must have at least five (5) years of experience in the management of projects.
  
- **Regulatory Compliance Officer** **Qty. 1**  
The resource assigned to the Compliance Officer position will be responsible for ensuring that program activities and contracts follow applicable federal, state, and local regulations. He will create and implement policies, standards, and procedures to monitor compliance of all parties with applicable regulations. In addition, he will enforce standards to ensure that program maintains compliance standards. The Regulatory Compliance Officer shall maintain open lines of communication with all relevant decision makers and stakeholders to keep all parties informed of regulatory changes as they may apply to the programs. The resource assigned to the Regulatory Compliance Officer positions must have be acquainted with the requirements of the Davis-Bacon Act, the Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Fair Housing and Equal Opportunities Standards, Section 3 requirements of the Housing and Urban Development Act of 1968, Minority Business Enterprise, and Women Business Enterprise. Shall have at least five (5) years of experience working in some sort of regulatory compliance field.
  
- **Complaints Coordinator** **Qty. 1**  
The resource assigned to the Complaints Coordinator position will be responsible for coordination and resolution of complaints and appeals by performing tasks such as investigating the complaint or appeal, surveys, interviews, educating the applicants, etc.

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The Complaints Coordinator must pay special attention to applicants and their complaints or appeals and must do anything possible to ensure that complaints are properly mitigated and attended to. If a complaint or appeal merits it, the Complaints Coordinator may escalate the complaint or appeal to a higher management position for the appropriate actions to be taken. He must also ensure that applicant complaints are resolved in a timely matter. The resource assigned to the Complaints Coordinator position must have excellent communication skills with applicants and must have at least five (5) years of experience working in some sort of customer relations position.

- **Safety Officers** **Qty. 2**  
The resources assigned the Safety Officer position shall be responsible for developing, monitoring, and implementing health and safety policies as to ensure that programs follow health and safety laws and regulations, and to reduce or prevent hazards, dangers, and accidents. Safety Officers shall conduct spot inspections at projects to identify potential hazards, assess their risk, report on them, and enforce compliance with policies and regulations. Resources assigned to the Safety Officer positions must have at least five (5) years of experience working as safety officers in construction projects and must have, at the least, an OSHA 30 hours training certification in the construction industry.
  
- **Special Inspectors** **Qty. 2**  
The resources assigned to the Special Inspector position shall be responsible for assessing special cases of work non-compliance and construction-related complaints or appeals. They will also assist in damage assessments requiring special engineering considerations for out of the ordinary conditions that may require specialized knowledge and attention to determine if repairs can or cannot be performed in a way that assures overall safety and integrity of the structures. Resources assigned to the Special Inspector positions shall be licensed professional engineers in compliance with Puerto Rico's Act Number 173 of August 12, 1988, as amended and must have at least ten (10) years of experience performing construction inspections.

Key staff resources must remain assigned to the Programs over the life of the contract and are to be invoiced by the Program Manager to the PRDOH on an hourly basis with a maximum not to exceed monthly amount of the **Task 00: General Program Management and Administration**. Program Managers must notify PRDOH in writing of any changes in key staff resources. All changes to Key Staff are subject to approval of the PRDOH. Additional resources to be employed will be determined by the Program Manager based on the workload assigned and performance, nonetheless PRDOH will not compensate for time worked by any additional positions other than the positions specified above. These will be invoiced by the Program Manager to the PRDOH based on the unit prices of **Tasks 1 through 6** described below.

The Program Manager shall be responsible for program operations, applications processing, and administration of the tasks and services contained herein related to the two (2) assigned CDBG-DR Housing Programs. This task will include the activities listed below. The activities listed under this task also apply to Tasks 01 through 06 to ensure proper management of the two (2) Housing Programs.



- **Operational Support**
  - Work closely with the PRDOH officials, and its designees in preparing and maintaining the overall project plan for all phases of the assigned Housing Programs, manage day-

- to-day operations, improve processes for quality and efficiency, implement policy changes, and adapt to a program closeout environment.
- Develop a Communication Plan to match programs' objectives and include a formal structure for regular reporting, performance milestones, project-wide meetings, and policies on information for the community and press.
  - Assist the PRDOH in the development of program policies and procedures, and, once approved by the PRDOH, their dissemination among all involved parties. Given that more than one Program Manager may be selected by the PRDOH for the programs, different Program Managers will have to collaborate as to ensure program policies and procedures are concise for the entire implementation group. Program Manager will have a lead role in the development of program policies and procedures. All policies and procedures are subject to PRDOH approval.
  - Review contractors and subcontractors (including construction contractors, environmental contractors, etc.) contract deliverables to determine if such contractors and subcontractors are in compliance with their contracts and CDBG-DR requirements.
  - Report on various aspects of the project that reflects the major activities for the reporting period as specified by PRDOH (e.g. monthly, quarterly, etc.).
  - Regularly communicate potential risks, issues, and statuses to PRDOH and pertinent parties.
  - Offer alternatives to utilize IT solutions that support the management and implementation of all assigned disaster recovery programs/projects. The proposal for these IT solution alternatives shall consider the costs of synchronizing data with IT solutions provided by PRDOH.
  - Develop and/or utilize existing processes for PRDOH to properly collect data and document information as necessary to optimize compliance with all funding streams.
  - Ensure PRDOH's documentation is sufficient to respond to Office of Inspector General, HUD, PRDOH, or any other entity that audits or reviews the Programs.
  - Assist PRDOH training sessions regarding programs implementation. The Program Manager's lead staff shall be required to attend PRDOH training sessions. After training has been provided to the Program Manager's lead staff by the PRDOH, such lead staff will be responsible for the knowledge transfer to other PM staff.
  - Document all applicant interactions and communications within the PRDOH system of record.
  - Any other task necessary to support the programs' operations.
- **Project Management**
- Provision of project management for the assigned CDBG-DR Housing Programs as needed by the PRDOH.
  - Provide survey, engineering, and construction oversight for flood zone determinations, elevation certificates, inspections for scope compliance, and HUD quality standards. All applicants must be able to obtain flood insurance in accordance with federal regulations.
  - Perform periodic reviews of construction contractor inspection reports, evaluations of invoices, etc.
  - Ensure compliance with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act (when applicable), Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Fair Housing and Equal Opportunity Standards, and all other applicable federal, state, and local laws and regulations pertaining to labor standards insofar as those acts apply to the execution of the assigned Housing

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- Programs. Take special notes of minimum wage increases planned for Puerto Rico's construction workforce. Program Manager will be required to ensure compliance with minimum wages.
- Perform periodic reviews of construction contractor files to ensure compliance with the statutory and regulatory compliance of Section 3 Housing and Urban Development Act of 1968.
  - Coordinate efforts of compliance over environmental, construction, financial, and HUD regulations.
  - Establish project performance benchmarks and updated budget comparisons to measure progress and compliance with critical objectives in mind. Critical stages will be identified, and a monitoring checkpoint established to ensure follow-up.
  - Adopt portfolio management processes and tools for organizing and managing programs, funds, and project files.
  - Track and control project schedules.
  - Establish program timelines, goals, metrics, and deliverables of services in accordance with project funding allocations and production goals specified by PRDOH.
  - Manage all designated construction, rehabilitation, and repair activities to include, but not limited to, cost analysis, inspections, construction progress, contractors' invoices review, and payment approvals, among others.
  - Manage all acquisition, demolition, and clearance activities in accordance with Uniform Relocation Act (URA), FEMA requirements, and procedures established by the PRDOH.
  - Manage program compliance requirements to include programmatic and financial reporting including, but not limited to, coordinating and preparing project and financial management reports with PRDOH designee for federal, state, and local government audits.
  - Prepare documentation requested by PRDOH appeals board as it may apply. Comply with any requests from the PRDOH appeals board.
  - Any other supporting functions or task necessary for proper project management.
- **Construction and Statutory Compliance**
    - Prepare, review, and approve change orders.
    - Set-up on-site visits and perform on-site monitoring interviews.
    - Hold construction/rehabilitation contractors and suppliers/installers accountable for warranty issues and oversee warranty calls to a firm.
    - Ensure that applicants are conforming to all applicable Uniform Relocation Act (URA) guidelines. If tenants are identified at any point in the process, a due-diligence must be performed to relocate the tenant, if required, and log appropriate actions into the system of record.
    - Any other task necessary to ensure construction and statutory compliance of the programs.
  - **Document Control and Management**
    - Store, archive, and retrieve physical documents and electronic images of all paper documents, applicant-related emails, correspondence, training material, and policies and procedures.
    - Establish and maintain protocols for physical file management to include, among other things, access to a file, tracking of location and possession of a file, and return of a file. This assumes that the Proposer will provide the necessary secure space and

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- storage equipment to perform such function. It also assumes that the Proposer will maintain soft copy backups of originals in their custody.
- Ensure all project information and documentation is available at all times in the PRDOH system of record.
  - Any systems, tools, or technology provided must meet PRDOH's Personal Identifiable Information requirements.
  - Provide sufficient, appropriate document control and management to meet the financial and documentation requirements for CDBG-DR grants. At a minimum, the following records are required:
    - Records providing full description of each activity;
    - Records verifying that activity meets national and grant objectives;
    - Records related to demonstrating eligibility of activities;
    - Records required to document activity related to real property;
    - Records documenting compliance with Davis-Bacon Act, Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Minority Business Enterprise, Women Business Enterprise, Section 3 of the Housing and Urban Development Act of 1968, fair housing and equal opportunity requirement;
    - Financial records and reports required by the Program; and
    - Records supporting any specific requirements of the Housing Programs or the CDBG-DR allocations.
  - Please note that the PRDOH will not pay for any work not documented in the PRDOH system of record.
  - Any other task necessary for the proper document control management.
- **Accounting and Reporting**
- Provide status reports on a regular basis to keep the PRDOH informed of progress.
  - As requested, meet with the PRDOH to discuss the status of the project, applicant concerns, and any other issues that may have arisen during the administration of the assigned Housing Programs.
  - Provide the PRDOH with project progress reports on demand, as well as access to the project management system for PRDOH to monitor the project.
  - Report on information that includes project activity deemed critical by the PRDOH.
  - Compile and review information necessary to prepare reports required under HUD regulations.
  - Account for and reconcile, (a) all federal funds requested and drawn from HUD and awarded to grant recipients, (b) all funds returned by applicants and their insurance companies (through the insurance subrogation process), (c) all funds deposited by applicants to reduce duplicative benefits potential award gap, and (d) all other funds returned by applicants.
  - Administer the collection and processing of insurance subrogation funds and funds provided by applicants to reduce duplicative benefits potential award gap. These funds will be reviewed and accounted for according to Program policies and procedures.
  - Reconcile with the PRDOH, on an established periodic basis, a complete inventory of all items furnished by the PRDOH, including items such as: equipment, furniture, computers, phones, laptops, network printers, network equipment, etc., if applicable.
  - Review and submit recommendations for approval of CDBG-DR funding requests if needed.
  - Review requests for payment from grantees and subrecipients for CDBG-DR awards. This will include review of all reimbursement of eligible costs as well as cost feasibility.

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- Any other task necessary to ensure proper accounting and reporting as related to the programs.
- **Applicant Relations**
  - Set up a local Program Manager Call Center to receive and handle calls forwarded from the CDBG-DR Call Center. The Program Manager will receive calls from the CDBG-DR Central Call Center with potential applicants for the Program Manager staff to guide them through the application process; collect eligibility requirements, duplication of benefits, and other documents; and to make sure that complaints are properly addressed all throughout the process.
  - The portfolio of applications will require the staff to provide program support for inquiries made by the applicants via phone, email, or online web submission.
  - Track all inquiries in the PRDOH system of records.
  - Coordinate outreach efforts, including call-out campaigns and letter campaigns as required by the PRDOH.
  - Provide written correspondence to all applicants to relay the status of their file at critical stages.
  - Provide applicant consultation services to applicants as required. This includes providing technical assistance to facilitate communication between applicant and work site personnel for timely completion of construction.
  - Respond to applicants within a 48-hour period from the time applicants make any requests.
  - Adhere to reasonable customer service standards established by PRDOH. This may include tasks such as sending mass texts to applicants whose applications may be on hold for any number of reasons.
  - Assist in the identification of vulnerable populations, develop and execute application intake strategies for specific geographies or applicant demographics.
  - Refer to PRDOH any inquiries or complaints from elected offices or high-profile organizations such as mayors, representatives, or senators, media, cabinet members, etc.
  - Document outreach efforts and outcomes.
  - Any other task necessary to ensure proper relations of the Program Manager with its assigned applicants.

**Task 01: Complete Applications of the R3 Program**

**Per Unit Task**

As related to the R3 Program the Program Manager shall be responsible for the collection of all required information related to eligibility and duplication of benefits analysis. Program Manager will be responsible for making recommendations for determinations as to eligibility and award amounts. These recommended determinations must be approved by PRDOH staff. The Program Manager will submit application packages, including all required documentation and the recommended determination, to the PRDOH for the corresponding eligibility and award amounts review and approval. The Program Manager is responsible for remedying deficiencies associated with the recommendation, as requested by PRDOH staff. This task shall include the following:

▪ **Intake**

- Intake of applications for programs/projects. Take care, receive, and process all applicants referred by the CDBG-DR Call Center or Municipalities Offices and related to the assigned Housing Programs. Intake can be performed by the Program Manager at on-site or off-site locations for special events or for applicants with special needs. Intake will also be done using housing applications from a web-site or phone.

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- Educate and guide the applicant through the requirements and timing.
  - Assist the applicant in the evaluation of his/her options.
  - Perform initial application screening and processing, including completeness review and threshold eligibility review.
  - Collect required documentation for the applicable program such as income documentation, proof of ownership, proof of primary residence, pre-disaster housing conditions and values, status of applicant's property taxes, mortgage, insurance, etc.
  - Interview applicants and collect all relevant information required to make a Benefit Determination and Verification, including Duplication of Benefits (DOB).
  - Evaluate documentation to be later submitted for PRDOH's determination of eligibility for CDBG-DR award based on program and federal requirements.
  - Request any additional information that may be required from the applicants.
  - Follow due-diligence processes established by PRDOH to provide opportunity for applicants to supply missing and supporting information.
  - Verify that information submitted by applicants is recorded in the PRDOH system of record; contact the applicant to resolve any missing or incomplete items.
  - Document communications with applicants regarding the status of their applications and subsequent related processes. All communication with applicants shall be recorded in the PRDOH system of record.
  - Any other task necessary to complete the intake process of applicants.
- **Eligibility**
- Confirm applicant ownership/title. Identify owners from recorded documents. Coordinate efforts for title clearance with Title Clearance Program representatives when necessary.
  - Review Uniform Relocation Act (URA) implications for each applicant.
  - Identify/verify applicant disabilities and need for accommodations.
  - Work with applicant, municipalities, taxing authorities, insurance companies, third-party inspectors, title companies, lenders, and other vendors to collect information to perform a complete eligibility verification of the applications.
  - Perform a review of all documents required from applicants and third parties and ensure that the provided documents are sufficient according to Program policies and procedures.
  - Work in coordination with PRDOH to maintain records and communications for detection and prevention of fraud, waste and abuse of federal funds.
  - Review receipts provided for previous work and calculate the preliminary amount of funding the applicant is eligible to receive. Determine reimbursement for materials and labor charges, if applicable.
  - Mail eligibility, ineligibility, withdrawal confirmation letters and any other required program notifications. Program Manager is responsible for the payment of any postage, certified mail, mail delivery, and expedited delivery, among others as needed.
  - Advise applicants who are deemed ineligible and inform them of the applicable appeals process.
  - Provide eligibility decision justification to appeals team.
  - Review all open application, eligibility award determination, and/or owner-occupant issues.
  - Document communications with applicants regarding the status of their applications and subsequent related processes.
  - Any other task necessary to complete the eligibility process of applicants.

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The PRDOH will only issue payments for completed applications that are deemed eligible by the PRDOH. No payment will be issued by the PRDOH to the Program Manager for applications deemed ineligible or for applications where the applicant withdraws from the assigned Programs or is found to be non-responsive to the assigned Programs. Also, Program Manager may be required to perform intake tasks outside of normal business hours to accommodate program needs (i.e. weekends or evenings).

**Task 02: R3 Damage Assessments**

**Per Unit Task**

As related to the R3 Program the Program Manager shall be responsible for the assessment of damages to homes and the development of a scope of work for their rehabilitation. Damages to homes must have been caused by Hurricanes Irma and/or María. Damage Assessments shall be performed after the PRDOH has deemed an applicant eligible for the R3 Program. Damage assessments must be certified by a licensed professional engineer or licensed architect in Puerto Rico. This task shall include the following:

- **Preparation**
  - Coordinate with the applicant, the appraiser, and the environmental inspector, the date and time for the damage assessment to be conducted. The damage assessment, appraisal, and on-site environmental review should be conducted at the same date and time.
  - Assign the inspection team that will conduct the damage assessment.
  - Identify if the home to be assessed for damages is located in a flood plain or other flood-risk zone.
  - Identify if there is any record of hazards in the soil or water on or near the home.
  - Identify if the home has potential for lead based materials.
  - Coordinate with the PRDOH's Environmental Consultants the environmental site visit to the home. Damage assessment and environmental site visits should be performed in parallel as to minimize disturbances to the applicants.
  - Damage Assessments shall be performed by the Program Manager within a week from the time the PRDOH deems an applicant eligible. If Damage Assessment cannot be performed within the required timeframe, the Program Manager must document the reasons for not complying. PRDOH will only accept non-compliance with the established timeframe for reasons out of the control of the Program Manager.
  - Any other task necessary to prepare for the Damage Assessment.
  
- **Damage Assessment**
  - Assess the home's site elements and determine their conditions and damages. Home site elements may include (but is not limited to):
    - Site restrictions;
    - Site accessibility;
    - Drainage systems;
    - Site improvements such as: plantings, fences, lighting, paved areas, stairs, and retaining walls, among others;
    - Outbuildings; and
    - Yards and courts.
  - Assess the home's exterior elements and determine their conditions and damages. Home exterior elements may include (but is not limited to):
    - Foundation walls and piers;



- Exterior wall elements such as: wood elements, siding, shingles, stucco, brick or stone veneers, and exterior insulation and finish systems, among others;
  - Windows and doors;
  - Weather stripping;
  - Shutters;
  - Awnings;
  - Garage doors;
  - Decks, porches, and balconies;
  - Exterior railings and stairs;
  - Roof weatherproofing and covering including: asphalt shingles, wood shingles or shakes, metal roofing, cement shingles, built-up roofing, single-ply membranes, and roll roofing, among others;
  - Skylights;
  - Gutters and downspouts, as well as drainage issues;
  - Parapets and gables;
  - Lighting protection;
  - Electrical service entry including: overhead wires, electric meter, service entry conductor;
  - Water service entry including: curb valve, house service main, master shut-off valve, and water meter; and
  - Septic tanks.
- Assess the home's interior elements and determine their conditions and damages. Home interior elements may include (but is not limited to):
- Basement and crawl spaces;
  - Fungal and insect infestation;
  - Thermal insulation;
  - Structural, electrical, plumbing, and HVAC systems;
  - Walls and ceilings;
  - Floors;
  - Columns;
  - Interior doors;
  - Windows;
  - Closets;
  - Trim and finishes;
  - Convenience outlets and lighting;
  - HVAC sources;
  - Skylights;
  - Plumbing;
  - Tub and shower enclosures;
  - Ceramic tile;
  - Counters and cabinets;
  - Electrical service;
  - Storage spaces;
  - Stairs and hallways;
  - Smoke detectors;
  - Handrails and guardrails;
  - Laundries;
  - Roof trusses and joist spaces;
  - Main panelboard;
  - Branch circuits;

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- Water distribution piping;
- Equipment such as water heaters, plumbing components, water wells, pumps, gas supply components; air conditioning units and their components, among others.
- Review Tier 2 Environmental Questionnaire – Execute Tier 2 Questionnaire while on-site with the applicant.
- Quantify and document the value of work performed by the applicant at his/her home after the disaster that may result in a reduction to the applicant's duplication of benefits determination.
- Affirm home location on lot and gather GPS coordinates for home site to confirm flood zone designation.
- Complete any other surveys requested by the PRDOH while on-site with the applicant.
- Any other task necessary to complete the Damage Assessment.
- **Damage Assessment Report**
  - Prepare a detailed report on the condition of the home and damages identified during the damage assessment.
    - Include the total cost of the rehabilitation to bring the home within the Program parameters.
    - Include the quantification of the value of work performed by the applicant at his/her home after the disaster.
    - Include a detailed item-by-item take-off of the damages identified. For cost determination, take-offs shall be combined with standardized unit prices for each type of damage.
    - Include photographic evidence of the home's exterior including photos of the front, back, and sides. Include any additional photograph required to document the overall building structure and site.
    - Include photographic evidence of the damages identified during the damage assessment. Pictures must be of reasonable resolution to adequately discern the subject matter.
    - Include any conditions identified (engineering or otherwise) during the assessment that may not allow rehabilitation works to be performed at the home and, as such, may trigger reconstruction or relocation.
    - Ensure that the Damage Assessment Report is certified by a licensed professional engineer or licensed architect in Puerto Rico.
    - Include any other pertinent information to the Damage Assessment Report.
  - For damage assessment reports Program Managers are required to acquire, be proficient, and make use of Xactimate software for the damage assessment reports. Xactimate will be used throughout the R3 Program for consistency in line item pricing as well as damage assessment reports format. Costs associated with Xactimate product licenses are the responsibility of the Program Manager.
  - Program Managers must work with PRDOH to provide reports and line item data directly to the PRDOH system of record via Xactanalysis or other suitable alternatives.
  - Upload the report to the PRDOH system of record for review and approval of the PRDOH. Reports and data re to be uploaded in the format established by PRDOH.

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Damage Assessment Reports shall be submitted by the Program Manager within a 5-day period of the damage assessment on-site inspection. Otherwise, the Program Manager may be subject to liquidated damages as set forth in the Contract.

**Task 03: R3 Program Award Coordination**

**Per Unit Task**

As related to the R3 Program the Program Manager, once the PRDOH has made a final eligibility determination, shall be responsible for the coordination of the award benefits with the applicant and the PRDOH's construction/rehabilitation contractors. Award coordination shall be completed when a notice to proceed with repair, reconstruction, or new construction works is issued to the construction/rehabilitation contractors. This task shall include the following:

- **Environmental Coordination**
  - Broad review of Tier I for GIS based environmental criteria.
  - Review of all environmental package (performed by PRDOH's Environmental Consultant that includes Tier II, Lead-Based Paint and Asbestos Assessment) to evaluate its completeness and to identify significant environmental issues.
  - Issue written comments on any inaccuracies identified in the environmental package during the site inspections.
  - Ensure that mitigation element notes of environmental assessments are included in construction documents.
  - Prepare suggested "conditions approval" to be added to the final environmental assessment prior to approval by the PRDOH to ensure all information shared during review process.
  - Ensure appropriate permitting for environmental (including lead-based paint and floodplain), drainage, storm water pollution prevention plan, building and other necessary permits have been acquired.
  - Any other task necessary to ensure environmental compliance of the project.
  
- **Finalize Benefit Determination and Verification, Duplication of Benefits, and Scoping**
  - Perform final feasibility analysis – rehabilitate, reconstruct, or relocate
  - Verification of benefits available to applicants
  - Identify and prevention of any remaining DOB.
  - Complete DOB review, including review of owner investment, insurance, FEMA or other funds are available. DOB determination is subject to PRDOH review
  - Incorporate findings of the Damage Assessment performed to the applicant's total need.
  - Incorporate environmental mitigation requirements to applicant's total need (LBP, SHPO, Radon, Asbestos, mold, flood plains, etc.).
  - Incorporate elevation requirements to the applicant's total need, if required.
  - Develop work order – scope and price the feasibility decision incorporating all hard (construction, elevation, accessibility, remediation) and soft costs (surveys, site plans, elevation certification, permits).
  - Deduct scope for DOB adjustments when necessary, red line changes and document justification.
  - Perform final review of the work order and file. Send for final approval by PRDOH.
  - Prepare and mail/email the applicant's award letter, notate duplication of benefit findings, and offer appeal.
  - Any other task necessary to finalize the award to the applicant.
  
- **Coordination with Applicant**

- Inform the applicant about the award and provide him with guidance as to the next steps to be taken by the Program.
  - Ensure that the applicant is informed about the process, the works to be performed, and the conditions of the award prior to any work being performed. This information should be shared in-person, whenever feasible.
  - Obtain and upload to the PRDOH system of record all required documents, signed and/or notarized when necessary. Required documents include, but are not limited to, the subrogation agreement, the right of entry, the grant agreement, promissory note and lien, from the applicant. Record the grant agreement and lien with appropriate jurisdictional entity. Program Manager is responsible for providing notary services.
  - Escrow applicant funds – hold applicant funds for duplication of benefits reduction/cancellation, distribute to the builder at the first construction draw.
  - Coordinate with the applicant the date to start construction works and his relocation during construction.
  - URA relocation services to permanent current occupants, permanent vacated tenants and temporary relocation of tenants to be performed by the Program Manager, will include but are not limited to the following categories: 1) Intake – Information Gathering; 2) Eligibility calculation; 3) Relocation Advisory and Technical Assistance; 4) Assist in drafting/reviewing procedures, forms, etc.; and 5) File Closing.
  - Any other task necessary to ensure proper coordination of works with the applicant.
- **Coordination of Construction/Rehabilitation Contractor**
- Assign a PRDOH approved construction/rehabilitation contractor to the project. Prior to assigning the project, the Program Manager shall perform and have available an evaluation of performance and bonding availability of the contractors in order to make an informed decision. Evaluation may require coordination with other Program Managers.
  - Once selected, coordinate with the construction/rehabilitation contractor and the applicant regarding the design, permitting, specific scope of work, plans, and specifications required for the project.
  - Ensure the inspectors to conduct R3 Progress Inspections participate in construction-ready documents review process along with required reviews of plans and specifications where applicable, these responsibilities carrying over to the construction phase services.
  - Issue a notice to proceed with the works to the selected construction/rehabilitation contractor.
  - Coordinate, perform, and lead a pre-construction meeting with the participation of the construction/rehabilitation contractor, the applicant, and personnel from the Program Manager.
  - Any other task necessary to ensure proper coordination of works with the construction/rehabilitation contractor.
- **Coordination of Housing Counseling for Relocation**
- Refer applicant to Housing Counseling Agency in the appropriate geographic region.
  - Coordinate with assigned Housing Counseling Agency to transfer knowledge of any pertinent information as related to relocation, including, but not limited to: applicant relocation preferences, desired amenities in a replacement property/community, household composition, or accessibility needs of household members.

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- Perform review of all information and documentation submitted by the Housing Counseling Agency to ensure relocation efforts are properly documented in the PRDOH system of record.
- Any other tasks necessary to ensure provision of proper Housing Counseling services.

**Task 04(A1): R3 Progress Inspections & Payment Request (by the PM)**

**Per Unit Task**

As related to the R3 Program the Program Manager shall be responsible for certifying work progress during rehabilitation or construction works by the Program. For this purpose, milestone inspections shall be conducted by the Program Manager at specific intervals of progress. Intervals of progress that require a milestone inspection and certification of works are determined by the PRDOH. All progress inspections and certifications shall be conducted and certified by a licensed professional engineer or licensed architect in Puerto Rico. This task shall include the following:

▪ **Coordination of R3 Progress Inspection**

- Review documentation submitted by the construction/rehabilitation contractor in support of the requested progress inspection as to ensure that current project progress merits a progress inspection, including code compliance and project permits necessary up to the requested inspection. If documentation submitted by the construction/rehabilitation contractor does not merit a progress inspection, the Program Manager shall deny the progress inspection request to the construction/rehabilitation contractor and state the reasons as to why the progress inspection requested was denied.
- If the project's progress warrants a progress inspection, coordinate the date and time for the progress inspection with the construction/rehabilitation contractor and the assigned inspector.
- The assigned progress inspector shall be acquainted with the scope of work, plans, and specifications of the project to be inspected.
- R3 Progress Inspections shall be performed within a 72-hour period from the time the construction/rehabilitation contractor requests the inspection.
- Any other task necessary to properly coordinate the R3 Progress Inspection.

▪ **R3 Progress Inspection**

- Visit the project site along with the construction/rehabilitation contractor and inspect works for overall progress and quality standards.
- Assess compliance of the work performed with the project scope of work, plans, and specifications when applicable.
- Take photographic evidence of the project's progress, paying special attention to items that will be later covered by other items of work.
- Assess materials and/or equipment incorporated to the project by the construction/rehabilitation contractor and ensure that such materials and/or equipment are in compliance with the project's scope of work, plans, and specifications when applicable.
- Any other task to ensure that a complete and thorough inspection is performed in the field.

▪ **Report on R3 Progress Inspection**

- Prepare a detailed report on the progress and compliance of the work performed by the construction/rehabilitation contractor.
  - Include a brief narrative of the overall assessment of the project's progress.

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- Clearly indicate the overall result of the inspection (i.e. pass or fail).
  - Clearly indicate in the report the scope of work items completed by the construction/rehabilitation contractor.
  - Include photographic evidence that supports the project's progress.
  - Indicate in the report any non-compliance items identified during the progress inspection.
  - Ensure that the progress inspection report is certified by a licensed professional engineer or licensed architect.
  - Include any other information pertinent to the findings of the R3 Inspection.
  - Upload inspection reports to the system of record in a format directed by the PRDOH.
- 
- **Review of R3 Progress Report, Contractor Invoice, and Statutory Compliance**
    - Collect all appropriate information and record documents to meet the standards set forth by the CDBG-DR and the PRDOH at the onset of every project.
    - Provide assurance that all appropriate bonding and insurance requirements are in place.
    - Monitor and collect documentation to support Davis-Bacon Act requirements, when applicable.
    - Ensure that applications conform to all applicable Uniform Relocation Act (URA) guidelines. If tenants are identified at any point in the process, a due-diligence must be performed to relocate the tenant, if required, and log appropriate actions into the system of record.
    - Review the R3 Progress Report for compliance and overall completeness.
    - Submit the report to the PRDOH and the construction/rehabilitation contractor. This report shall become part of the construction/rehabilitation contractor's application for progress payment.
    - If required by federal, state, or local laws or regulations, submit the report to pertinent third-party regulatory entities such as OGPe.
    - Review and provide recommendation for approval of contractor's payment request.
    - Assist in the review and submittal of properly completed and compliant CDBG-DR funding requests to the PRDOH finance division.
    - Track construction expenditures of CDBG-DR funds.
    - If, final R3 Progress Inspection of works, complete performance evaluation of construction contractor at the completion of the project, whether it is rehabilitation, reconstruction, or relocation.
    - Any other task necessary to ensure compliance of the reports and the processing of payments to contractors.

Milestone Inspection Reports shall be completed and submitted to the PRDOH within a 3-day period of the actual on-site inspection being performed. Contractor Invoices shall be reviewed, and comments (if any) issued to the Contractor, within a 5-day period of the Program Manager receiving the draft invoice documents.

For those cases where a progress inspection is failed by the construction/rehabilitation contractor and the Program Manager needs to perform an additional R3 Progress Inspection the PRDOH will only pay 50% of the cost of a full R3 Progress Inspection. This is in consideration that the follow-up inspection will not have the same scope as the original inspection. For follow-up inspections the Program Manager only needs to inspect items that failed during the original inspections. The follow-up inspection report will be developed in such a way that it supplements the original R3

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Progress Inspection report. PRDOH may deduct from the construction contractor's payment any Program Manager failed inspection cost.

**Note:** There are four (4) R3 Progress Inspections to be performed by the Program Manager. The milestones identified for R3 Progress Inspections are (a) demolition and forming of new foundation, (b) structure completion, (c) home finishes, and (d) final inspection after all punch list items identified at the home finishes inspection are completed. For reconstruction cases, the progress and compliance of the demolition portion of the project shall be assessed along with the progress and compliance of the new home's foundations. For relocation cases, the demolition of the storm-damaged home shall be the final inspection for the project.

**Task 04(A2): R3 Progress Inspections & Payment Request (by Municipalities) Per Unit Task**

For the R3 Program the PRDOH will provide local municipal governments with the option of conducting the R3 Progress Inspections. If a project is located within a participating municipal government's jurisdiction, the R3 Progress Inspection shall be conducted by staff to be contracted by the local municipal government. For these cases, the Program Manager shall only be responsible for coordinating the progress inspection between the construction/rehabilitation contractor and the local municipal government assigned inspector. The Program Manager shall also be responsible for reviewing the Progress Inspection Report submitted by the local municipal government. This task shall include:

- **Coordination of R3 Progress Inspection**
  - Review documentation submitted by the construction/rehabilitation contractor in support to the requested progress inspection as to ensure that current project progress merits a progress inspection, including code compliance and project permits necessary up to the requested inspection. If documentation submitted by the construction/rehabilitation contractor does not merit a progress inspection, the Program Manager shall deny the progress inspection request to the construction/rehabilitation contractor and state the reasons as to why the progress inspection requested was denied.
  - If the project's progress warrants a progress inspection, coordinate with the construction/rehabilitation contractor and the assigned local municipal government inspector the date and time for the progress inspection.
  - The assigned progress inspector shall be acquainted with the scope of work, plans, and specifications of the project to be inspected.
  - R3 Progress Inspections shall be performed within a 72-hour period from the time the construction/rehabilitation contractor requests the inspection.
  - Any other task necessary to properly coordinate the R3 Progress Inspection.
  
- **Review of R3 Progress Report, Contractor and Municipal Invoice, and Statutory Compliance**
  - Collect all appropriate information and record documents to meet the standards set forth by the CDBG-DR and the PRODH at the onset of every project.
  - Provide assurance that all appropriate bonding and insurance requirements are in place.
  - Monitor and collect documentation to support Davis-Bacon Act requirements, when applicable.
  - Ensure that applicants are conforming to all applicable Uniform Relocation Act (URA) guidelines. If tenants are identified at any point in the process, a due-diligence must

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- be performed to relocate the tenant, if required, and log appropriate actions into the system of record.
- Review the R3 Progress Report for compliance and overall completeness.
  - Submit the report to the PRDOH and the construction/rehabilitation contractor. This report shall become part of the construction/rehabilitation contractor's application for progress payment.
  - If required by federal, state, or local laws or regulations, submit the report to pertinent third-party regulatory entities such as OGPe.
  - Review and provide recommendation for approval of contractor's payment request.
  - Review and provide recommendation for approval of pay requests for inspector services by participating municipalities.
  - Review and provide recommendation for approval of pay requests for services provided by participant municipalities, other than inspection services.
  - Assist in the review and submittal of properly completed and compliance CDBG-DR funding requests to the PRDOH finance division.
  - Track construction expenditures of CDBG-DR funds.
  - If, final R3 Progress Inspection of works, complete performance evaluation of construction contractor at the completion of the project, whether it is rehabilitation, reconstruction, or relocation.
  - Any other task necessary to ensure compliance of the reports and the processing of payments to contractors.

Contractor and Municipality Invoices shall be reviewed, and comments (if any) issued to the Contractor and Municipality, within a 5-day period of the Program Manager receiving the draft invoice documents.

**Task 05: R3 Applications Closeout**

**Per Unit Task**

For the R3 Program the Program Manager shall be responsible for the final closeout of applications once all work under an award is completed. This task shall include the following:

- Ensure that construction/rehabilitation contractors or installers/suppliers have completed all tasks required by the award to the applicant by PRDOH.
- Ensure that all payments for tasks performed as related to the applicant and his/her awards have been performed by the PRDOH.
- Ensure that all supporting documentation is included in the application file.
- Ensure that any permits obtained for the project, that require a closeout process, are diligently closed by the construction/rehabilitation contractor and the installers/suppliers as may be applicable.
- Ensure that all environmental activities were performed, and the all environmental permits are closed out.
- Ensure that a use permit was obtained by the construction/rehabilitation contractor for the work performed for the award, if applicable.
- Ensure that the applicant was able to obtain flood insurance, if applicable, after rehabilitation works are completed.
- Review project list for closeout operations.
- Ensure compliance with 2 CFR 200 Subpart F, 24 CFR 570.509, CPD Closeout Notices, and DR Closeout Process, as may be applicable to the application.
- Any other task necessary to ensure proper closeout of the R3 Application.

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**Task 06: R3 HQS Inspections**

**Per Unit Task**

In relocation awards under the R3 Program applicants will have the option of purchasing an existing home to replace the storm damaged one. Program Manager will be responsible for inspecting such homes prior to program purchase for compliance with Housing Quality Standards. This task shall include the following:

- Scheduling the HQS Inspection with seller within a week from the Program Manager being notified of the applicant's selection of a home.
- Coordinating an environmental assessment of the home with the PRDOH's Environmental Consulting firm and appraisal of the home.
- Inspect units, common areas, and exteriors to ascertain compliance with HUD's HQS.
- Document each inspection by completing an inspection report as approved by the PRDOH, and noting thereon when appropriate, information relating to the unit, deficiencies, and failures.
- Inform R3 applicants in writing, within five (5) days of the HQS inspection, as to the home's compliance with HQS.
- Ensure that all HQS inspections are certified by licensed professional engineer or architect in Puerto Rico.
- Any other activity required by HUD's or PRDOH's guidelines to ascertain HQS compliance.

If repairs are required to the unit to comply with HQS the Program Manager shall proceed with a damage assessment of the home to determine the scope of the work necessary to comply.

**Additional Services (Allowance)**

**Per Unit Tasks**

Specific cases may require the Program Manager to provide additional services to those stated above. For such services, the contract shall include an allowance and the Program Manager shall provide the PRDOH with unit pricing of the additional tasks to be performed. No additional task may be performed by the Program Manager without authorization of the PRDOH. Identified additional tasks are as follows:

▪ **Intake Centers**

The PRDOH may request the Program Manager to set up additional intake centers for the programs. These additional intake centers are separate from the Program Manager's regional office and must be requested by PRDOH. The PRDOH is contemplating to set up these intake centers at municipal offices, local government offices or at regional offices of the PRDOH. Regardless of the location determined by the PRDOH the Program Manager is expected to set-up requested intake offices and provide the necessary equipment for these offices to function. Intake centers will be paid by the PRDOH based on a per-office monthly lump sum amount. The Program Manager shall provide his proposed monthly lump sum amounts for the intake offices in the RFP Cost Form. Intake centers will be set-up at local municipal government offices or PRDOH regional offices. Therefore, it is not expected that the Program manager will have to incur in costs such as rent, utilities, etc. However, the Program Manager, for the intake centers, is expected to provide items such as furnishings and equipment for the centers (including such items as computers, printers, office materials, etc.). Program Manager will be responsible for the proper operation of the intake centers. Intake centers shall each have two (2) resources for the intake and processing of applications. The contract will include an allowance item from which, with the prior approval of the PRDOH, the Program Manager may be able to bill for the Intake Offices in operations for a specific period. At no time whatsoever may the Program Manager bill to the PRDOH over the total allowance amount included in the contract for Intake Offices. If additional funds are required for the allowance, then the proper

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amendment to the contract shall be executed between the parties to allow for the additional budget.

▪ **Appraisal of Home Market Values**

Certain cases may require the appraisal of a home's current value. For such cases the Program Manager will be responsible for developing an opinion of market value. Such opinion shall be developed by analyzing such factors as utility, scarcity, desire, and effective purchasing power of the community. The analysis shall require the study of all value influences and may take the following approaches: the current cost of reproducing or replacing the home, minus an estimate for depreciation plus the value of land; the value indicated in recent sales of comparable properties in the market; and the value that the property's net earning power will support. Once the appraisal process is completed the Program Manager must submit the corresponding valuation report to the PRDOH for the specific case requested. This task shall also include any other task necessary to complete the appraisal of a home's fair market value. The contract will include an allowance item from which the Program Manager may be able to bill for the appraisal of home fair market values. At no time whatsoever may the Program Manager bill to the PRDOH over the total allowance amount included in the contract for Appraisal of Home Market Value. If additional funds are required for the allowance, then the proper amendment to the contract shall be executed between the parties to allow for the additional budget.

**END OF SCOPE OF WORK**

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**Compensation Schedule**

Program Management Services  
Alliance for the Recovery of Puerto Rico

**Program Management & Administration Task (Maximum Per Month)**

Position	Qty.	Hours/Month	Rate	Cost
Program Manager	1	200	\$ 86.12	\$ 17,224.50
Deputy Program Manager	1	200	\$ 78.73	\$ 15,745.10
Operations Manager	1	200	\$ 78.73	\$ 15,745.10
Regulatory Compliance Officer	1	200	\$ 72.39	\$ 14,477.04
Compliance Officer	1	200	\$ 48.08	\$ 9,616.13
Safety Officers	2	200	\$ 48.08	\$ 19,232.27
Special Inspectors	2	200	\$ 47.55	\$ 19,020.92
<b>Sub-Total Monthly Cost</b>				<b>\$ 111,061.06</b>
Overhead			103.040%	\$ 114,435.00
Profit			9.00%	\$ 20,294.65
<b>Maximum Monthly Cost/PM</b>				<b>\$ 245,790.71</b>
<b>Services Total for 3 Years (36 Months)</b>				<b>\$ 8,848,465.38</b>

**R3 Applications Per Unit Tasks (Applications 1 to 1,000)**

Task	Qty. Applications	Units / Application	Unit Price	Total Cost
R3 Complete Applications	1,000	1	\$ 2,555.00	\$ 2,555,000.00
R3 Damage Assessments	1,000	1	\$ 2,550.00	\$ 2,550,000.00
R3 Award Coordination	1,000	1	\$ 1,045.00	\$ 1,045,000.00
R3 Progress Inspections & Payment Requests (by PM)	500	4	\$ 862.50	\$ 1,725,000.00
R3 Progress Inspections & Payment Requests (by Municipality)	500	4	\$ 142.50	\$ 285,000.00
R3 Application Closeout	1,000	1	\$ 500.00	\$ 500,000.00
				<b>\$ 8,660,000.00</b>

**R3 Applications Per Unit Task (Application 1,001 to 3,000)**

Task	Qty. Applications	Units / Application	Unit Price	Total Cost
R3 Complete Applications	500	1	\$ 2,310.00	\$ 1,155,000.00
R3 Damage Assessments	500	1	\$ 2,320.00	\$ 1,160,000.00
R3 Award Coordination	500	1	\$ 995.00	\$ 497,500.00
R3 Progress Inspections & Payment Requests (by PM)	250	4	\$ 775.00	\$ 775,000.00
R3 Progress Inspections & Payment Requests (by Municipality)	250	4	\$ 130.00	\$ 130,000.00
R3 Application Closeout	500	1	\$ 472.50	\$ 236,250.00
				<b>\$ 3,953,750.00</b>

**R3 Applications Per Unit Task (Applications >3,000)**

Task	Qty. Applications	Units / Application	Unit Price	Total Cost
R3 Complete Applications	0	1	\$ 2,000.00	\$ -
R3 Damage Assessments	0	1	\$ 2,010.00	\$ -
R3 Award Coordination	0	1	\$ 850.00	\$ -
R3 Progress Inspections & Payment Requests (by PM)	0	4	\$ 725.00	\$ -
R3 Progress Inspections & Payment Requests (by Municipality)	0	4	\$ 120.00	\$ -
R3 Application Closeout	0	1	\$ 450.00	\$ -
				<b>\$ -</b>

**Other Tasks**

Task	Quantity	Unit Price	Total Cost
R3 HQS Inspections	500	\$ 600.54	\$ 300,270.00
Appraisal of Home Market Value	1,200	\$ 424.85	\$ 509,820.00
Intake Centers	360	\$ 1,169.34	\$ 420,962.40
			<b>\$ 1,231,052.40</b>

**Total Contract Amount: \$ 22,693,267.78**

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GOVERNMENT OF PUERTO RICO  
Department of Housing

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Attachment E

ATTACHMENT 5  
OSPA  
Request for Proposals  
Program Management Services  
Community Development Block Grant – Disaster Recovery  
Puerto Rico Department of Housing

DEPARTAMENTO DE LA VIVIENDA  
SECRETARIA AUXILIAR PARA ASUNTOS LEGALES  
SECCIÓN DE SEGUROS

CONDICIONES ESPECIALES SOBRE SEGUROS Y/O FIANZAS

CONTRATO DE SERVICIOS PROFESIONALES

NÚMERO DE LICITACIÓN: \_\_\_\_\_

ATENCIÓN A TODOS LOS LICITADORES Y SUS CORREDORES DE SEGUROS

A. Invitación a Licitador Condiciones Especiales de Seguros y Fianzas

Antes de comenzar su trabajo o de recibir una notificación para proceder con el mismo, o que se le permita comenzar a trabajar, el licitador agraciado debe someter a la **Autoridad de Vivienda Local\*** (Departamento de la Vivienda de Puerto Rico y Administración de Vivienda Pública) según sea el caso, en adelante la "AVL" en original o dos (2) copias certificadas de las pólizas de seguros y/o fianzas mencionadas a continuación, incluyendo todos los endosos y acuerdos según convenidos y requeridos bajo estas condiciones contractuales especiales, conforme a la siguiente lista de cotejo bajo los artículos marcados con una (X):

- (X) 1. PÓLIZA DE SEGURO DE COMPENSACIÓN LABORAL DEL FONDO DEL SEGURO DEL ESTADO

Conforme a la Ley de Compensaciones por Accidentes del Trabajo Núm. 45, para facilitar su adquisición, la "AVL" le proveerá al licitador exitoso una carta dirigida al Fondo del Seguro del Estado.

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**(X) 2. RESPONSABILIDAD GENERAL COMERCIAL**

<b>CUBIERTAS</b>		<b>LIMITES</b>
<b>I. Commercial General Liability:</b>		\$1,000,000.00
• General Agregate		\$2,000,000.00
• Products & Complete Operations		\$1,000,000.00
• Personal Injury & Advertising		\$1,000,000.00
• Each Occurrence		\$1,000,000.00
• Fire Damage		\$100,000.00 (Any one Fire)
• Medical Expense		\$10,000 (Any one person)
<b>II. Employer's Liability Stop Gap:</b>		
• Bodily Injury by Accident Each Employee		\$1,000,000.00
Each Accident		\$1,000,000.00
• Bodily Injury by Disease Each Employee		\$1,000,000.00
Each Accident		\$1,000,000.00
<b>III. Personal Property under care, custody and control:</b>		\$1,000,000.00
<b>IV. Garage Liability and Garage Keepers – Legal Liability Forms</b>		\$1,000,000.00 (occ.agg)

( ) k. OTRO: \_\_\_\_\_

**(X) 3. CUBIERTA DE CRIMEN:**

<b>CUBIERTAS REQUERIDAS</b>	
<b>I. Employee Dishonesty:</b>	
• Limit - \$250,000 Per Occurrence	
• Deductible \$2,500 Per Occurrence	
<b>II. Forgery &amp; Alteration Form:</b>	
• Limit - \$250,000 Per Occurrence	
• Deductible \$2,500 Per Occurrence	
<b>III. Theft, Dissappearance &amp; Destruction (Inside/Outside):</b>	
• Limit \$100,000 Per Occurrence	
• Deductible \$1,000 Per Occurrence	
<b>IV. Computer Fraud:</b>	
• Limit \$100,000 Per Occurrence	
• Deductible \$1,000 Per Occurrence	

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**4. RESPONSABILIDAD COMPRENSIVA DE AUTOMÓVIL COMERCIAL**

LIMITES
<ul style="list-style-type: none"><li>• Auto Liability - \$500,000.00</li><li>• Physical Damages - \$500,000.00</li><li>• Medical Payments - \$5,000.00</li></ul>
<b>La cubierta de Auto Comercial debe aplicarse a los siguientes símbolos:</b>
<ul style="list-style-type: none"><li>• Liability Coverage -1</li><li>• Physical Damages - 2 and 8</li><li>• Hired - Borrowed Auto - 8</li><li>• Non-Owned Auto Liability - 9</li></ul>

h. OTRO: \_\_\_\_\_

**5. POLIZA PROFESSIONAL LIABILITY**

a. Riesgo, interés, localización y límites

i. Descripción del trabajo a realizarse

ii. LÍMITES:

Cada reclamación U.S. \$5,000,000.00  
Agregado U.S. \$1,000,000.00  
Deducible U.S. \$ 5,000.00

iii. Certificación de que el contrato de seguros ha sido otorgado como cubierta de líneas e excedentes con arreglo al Código de Seguros del E.L.A.

e. OTRO: \_\_\_\_\_

**6. UMBRELLA**

Limite - \$10,000,000.00

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(X) 7. CYBER LIABILITY

(X) Limite - \$3,000,000.00

(X) 8. LAS POLIZAS A OBTENERSE DEBERAN CONTENER LOS SIGUIENTES ENDOSOS INCLUYENDO COMO ASEGURADOS ADICIONALES AL "AVL" Y AL GOBIERNO 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. 90 Days Cancellation Clause

B. EVIDENCIA DE COBERTURA DE SEGURO DE CADA SUB-CONTRATISTA A SOMETERSE POR EL LICITADOR AGRACIADO COMO CONTRATISTA PRINCIPAL:

El licitador agraciado como Contratista Principal tiene el deber, de exigir de cada uno de los sub-contratistas o sub-sub-contratistas, mantengan vigentes todas las pólizas de seguros y/o fianzas necesarias para cubrir su participación individual en el riesgo o riesgos relacionados con el trabajo sub-contratado o el servicio a prestarse.

Por lo tanto, recalcamos, que antes de comenzar a trabajar o de recibir una notificación escrita de proceder con dicho trabajo o de que se le autorice a comenzar el trabajo, el licitador agraciado como Contratista Principal tiene la responsabilidad de proveerle a la "AVL" evidencia a los efectos de que todos los seguros y/o fianzas requeridos bajo las condiciones especiales o requeridos bajo el sub-contrato a cada uno de los sub-contratistas o sub-sub-contratistas, están vigentes y debidamente aprobados por la Sección de Seguros de la "AVL".

Todas las pólizas de seguros se mantendrán vigentes durante el periodo contractual completo, de modo que con cualquier enmienda que resulte en la alteración de la fecha original de terminación del proyecto o de su costo total original, el Contratista principal tomara las medidas necesarias para solicitar del asegurador que incluya dichos cambios en todas las pólizas de

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seguros y/o fianzas relacionadas y someter evidencia mediante los endosos apropiados con las fechas de vigencia. Las cancelaciones sin consentimiento no son aceptadas.

La "AVL" reserva el derecho de parar cualquier trabajo o servicio bajo control hasta que la infracción a estos requisitos se haya subsanado, de modo que cualquier retraso en el cumplimiento del contrato basado en cualquier incumplimiento con los requisitos de cobertura del seguro se considerara de la exclusiva responsabilidad del Contratista Principal.

- C. Las compañías aseguradoras al emitir las pólizas y las fianzas deben estar autorizada para hacer negocios en Puerto Rico, tener una sólida reputación económica estar clasificadas como "A" por el "Best Key Rating Guide" y/o ser aceptadas por la agencia contratante a través de la Sección de Seguros.
- D. El contratista antes de comenzar los trabajos, o de recibir comunicación escrita para proceder, o que le sea permitido empezar a trabajar deberá someter a la agencia contratante para revisión, aprobación y certificación por la Sección de Seguros, original o copia certificada de cada una de las pólizas y/o fianzas mencionadas incluyendo todos los endosos y acuerdos según lo requerido y acordado bajo las Condiciones Contractuales Especiales de Seguros según se describe en este anejo.

**E. CERTIFICACION**

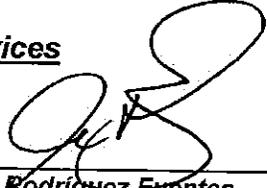
Por todo lo cual, certificamos, que según nuestro mejor conocimiento y a nuestro mejor entender, hemos preparado las "Condiciones Especiales de Seguros y Fianzas" mencionadas anteriormente, luego de la evaluación adecuada de los riesgos relacionados, en base a la información sobre la naturaleza y la descripción del proyecto que nos fue sometida a petición del Programa Contratante mediante solicitud escrita.

**NÚMERO DE LICITACIÓN:**

**DESCRIPCIÓN COMPLETA DEL SERVICIO:**

**Program Management Services**

Sept - 6 - 18  
FECHA

  
\_\_\_\_\_  
Arlyn Rodríguez Fuentes  
Sección de Seguros  
Secretaría para Asuntos Legales  
arodriguez@vivienda.pr.gov  
(787) 274-2527 x6311

  
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**HUD GENERAL PROVISIONS**

Given that the Contract 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 Contract. In addition, Contractor 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 CONTRACTOR shall include these terms and conditions in all subcontracts or purchase orders directly servicing the Contract.

These general provisions may be updated from time to time. It is the sole responsibility of the CONTRACTOR 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 Contract shall be deemed to be inserted herein and the Contract 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 Contract shall forthwith be physically amended to make such insertion or correction.

**2. STATUTORY AND REGULATORY COMPLIANCE**

CONTRACTOR 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 CONTRACT TERMS**

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

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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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR which are related to this Contract, 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 Contract 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 CONTRACTOR 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

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

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The CONTRACTOR agrees that no qualified individual with handicaps shall, solely on the basis of handicap, 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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR shall notify the PRDOH as soon as possible if this Contract or any aspect related to the anticipated work under this Contract 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 CONTRACTOR 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 CONTRACTOR shall provide the PRDOH any additional information necessary to fully assess and address such actual or potential conflict of interest. The CONTRACTOR 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 CONTRACTOR 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

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- 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 CONTRACTOR 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 Contract.

The CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR in the performance of the services called for in this Contract.

**18. COPELAND "ANTI-KICKBACK" ACT**

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

Salaries of personnel performing work under this Contract 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 CONTRACTOR 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.)**

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The CONTRACTOR 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 CONTRACTORS 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 CONTRACTORS 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 CONTRACTOR 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 CONTRACTORS or subcontractors, including employees of other governments, on construction work assisted under this Contract, 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 CONTRACTOR 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 CONTRACTOR shall fail to fulfill in a timely and proper manner his or her obligations under this Contract, or if the CONTRACTOR shall violate any of the covenants, agreements, or stipulations of this Contract, the PRDOH shall thereupon have the right to terminate this Contract by giving written notice to the CONTRACTOR 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 CONTRACTOR under this Agreement shall, at the option of the PRDOH, become the PRDOH's property and the CONTRACTOR shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, the CONTRACTOR 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 CONTRACTOR, and the Government of Puerto Rico and/or PRDOH may withhold any payments to the

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CONTRACTOR 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 CONTRACTOR is determined.

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

The PRDOH may terminate this Contract at any time by giving at least ten (10) days' notice in writing to the CONTRACTOR. If the Contract is terminated by the PRDOH as provided herein, the CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR;
  - (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 CONTRACTOR including social or recreational programs; and
  - (ix) Any other term, condition, or privilege of employment.

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- 2) The CONTRACTOR 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 CONTRACTOR'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 CONTRACTOR 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 CONTRACTOR'S obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The CONTRACTOR must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the CONTRACTOR 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 CONTRACTOR will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR agrees as follows:

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- 1) The CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- 3) The CONTRACTOR will, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- 4) The CONTRACTOR 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 CONTRACTOR'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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR's non-compliance with the non-discrimination clause of this Agreement or with any of such rules, regulations or orders, this

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Agreement may be cancelled, terminated or suspended in whole or in part and the CONTRACTOR 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) CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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

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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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR will take such action as the government may direct as a means of enforcing such provisions.

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**27. ANTI-LOBBYING**  
**(Applicable to contracts exceeding \$100,000)**

By the execution of this Contract, the CONTRACTOR 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 CONTRACTOR, 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 CONTRACTOR shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- 3) The CONTRACTOR 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 CONTRACTOR shall comply with Puerto Rico bonding requirements, unless they have not been approved by HUD, in which case the CONTRACTOR 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

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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 CONTRACTOR 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 CONTRACTOR's obligations under such contract.
- 3) A payment bond on the part of the CONTRACTOR 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 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.
- 4) 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

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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.

- 5) 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.
- 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 CONTRACTOR 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**

CONTRACTOR 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, handicap 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.

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### **31. ENERGY POLICY AND CONSERVATION ACT**

CONTRACTOR 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**

CONTRACTOR 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 CONTRACTOR, 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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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 Contract.

**35. WITHHOLDING OF WAGES**

A handwritten signature in black ink, appearing to read "J. L. DeL..." with a stylized flourish at the end.

If in the performance of this Agreement, there is any underpayment of wages by the CONTRACTOR or by any subcontractor thereunder, the PRDOH may withhold from the CONTRACTOR 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 CONTRACTOR 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 Contract shall be promptly reported in writing by the CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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.

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**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 CONTRACTOR**

The CONTRACTOR 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 CONTRACTOR further agrees that no person having any such interest shall be employed in the performance of this Agreement.

**41. POLITICAL ACTIVITY**

The CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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 CONTRACTOR 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).

*JGE*  
*Del*