



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

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

**AGREEMENT FOR
FINANCIAL AND ACCOUNTING CONSULTING SERVICES
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND
ASSURANCE AND CONSULTING GROUP LLC**



This **AGREEMENT FOR FINANCIAL AND ACCOUNTING CONSULTING SERVICES (Agreement or Contract)** is entered into in San Juan, Puerto Rico, this 5 of December, 2023, by and between the **PUERTO RICO DEPARTMENT OF HOUSING (PRDOH)**, a public agency created under Act No. 97 of June 10, 1972, as amended, 3 LPR § 441, *et seq.*, known as the "Organic Act of Department of Housing" with principal offices at 606 Barbosa Avenue, San Juan, Puerto Rico, herein represented by William O. Rodríguez Rodríguez, attorney, of legal age, single, and resident of Guaynabo, Puerto Rico, in his capacity as Secretary; and **ASSURANCE AND CONSULTING GROUP LLC (CONTRACTOR)**, with principal offices in F-19 9th Street Cupey Gardens, San Juan, Puerto Rico, herein represented by Abraham Santiago Irizarry, in his capacity as Partner, of legal age, married, and resident of Bayamón, Puerto Rico, duly authorized by Corporate Resolution issued on July 26, 2023.

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

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

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

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

WHEREAS, on August 14, 2018, a Notice was published in the Federal Register Vol. 83, No. 157, (83 FR 40314) that made an additional allocation to Puerto Rico of \$8.22 billion for recovery. With these allocations of funding, the PRDOH aims to lead a transparent, comprehensive recovery to benefit the residents of Puerto Rico. PRDOH holds accountability and is committed to the responsible, efficient, and transparent administration of CDBG-DR grant funding.

WHEREAS, On September 20, 2018, the Governor of Puerto Rico and the Secretary of HUD signed the Grant Agreement.

WHEREAS, under the Further Additional Supplemental Appropriations Act for Disaster Relief Requirements Act, 2018, (Division B, Subdivision 1 of the Bipartisan Budget Act of 2018, Pub. L. 115-123, approved February 9, 2018), \$8.285 billion were allocated by HUD for mitigation activities and assistance to the Government of Puerto Rico under the Community Development Block Grant – Mitigation (**CDBG-MIT**) Program. These funds are intended to provide financial assistance in areas impacted by recent disasters. Moreover, CDBG-MIT funds represent a unique and significant opportunity for Puerto Rico to carry out strategic and high-impact activities to mitigate disaster risks and reduce future losses.

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WHEREAS, on August 30, 2019, a Notice was published in the Federal Register, Vol. 84, No. 169, (84 FR 45838), which described the grant requirements and procedures applicable to future allocations of CDBG-MIT funds to the Government of Puerto Rico.

WHEREAS, on May 12, 2021, the PRDOH Secretary and the Secretary of HUD signed Grant Agreement Number B-18-DP-72-0002; allowing PRDOH access to \$8,285,284,000 in CDBG-MIT funding, obligated under Pub. L. 115-123, as amended.

WHEREAS, the PRDOH is the government agency designated as the grantee of the CDBG-MIT funds allocated to the Government of Puerto Rico.

WHEREAS, the PRDOH is interested in contracting professional services to assist PRDOH with financial and accounting consulting services, including but not limited to, financial statements auditing, financial capacity evaluation, financial requirements for federal grants, and evaluations of the line credit. This firm will support PRDOH's objectives of ensuring compliance with all CDBG-DR/MIT, 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 July 13, 2023, the PRDOH issued CDBG-DRMIT-RFP-2023-03 for "**Financial and Accounting Consulting Services**" with CDBG-DR/MIT funds. This request was placed through the "Registro Unico de Subastas del Gobierno" (**RUS**, for its Spanish acronym) and the CDBG-DR Program website. Through this procurement process, PRDOH received **four (4) proposals**. The proposals were evaluated by an Evaluation Committee appointed pursuant to Administrative Order No. 23-54 dated August 30, 2023. The Evaluation committee performed an evaluation of the Proposals based on the criteria stated in the RFP.

WHEREAS, on August 23, 2023, the CONTRACTOR submitted a proposal, which fully complied with the requirements set forth by the PRDOH.

WHEREAS, the PRDOH desires to enter into an Agreement with **ASSURANCE AND CONSULTING GROUP LLC** to secure its services and accepts the CONTRACTOR's Proposal and reasonable costs, and the CONTRACTOR by its acceptance of the terms and conditions of this Agreement is ready, willing, and able to provide the requested services contemplated 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 fixed fee and hourly contract. Under this Agreement, the CONTRACTOR shall submit monthly invoices to the PRDOH based on **Attachment C** (Compensation Schedule) 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	Proposal
Attachment B	Scope of Services
Attachment C	Compensation Schedule
Attachment D	Performance Requirements
Attachment E	Insurance Requirements
Attachment F	HUD General Provisions
Attachment G	Contractor Certification Requirement
Attachment H	Non-Conflict of Interest Certification

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. The Agreement shall prevail if any inconsistency appears between the Attachments and this Agreement.

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 on December, 4, 2026.
- B. Contract Extensions:** PRDOH may, at its sole discretion, extend the Agreement's term for **two (2)** additional terms of **twelve (12) months**, or expressed in days, **three hundred and sixty-five (365) days** upon mutual written agreement of the Parties.
- C.** The term of this Agreement shall not exceed the lifetime of the initial Grant Agreement between PRDOH and HUD unless the term of the initial Grant Agreement is extended by HUD, in which case the Agreement shall not exceed said extended period.

III. SCOPE OF SERVICES

The CONTRACTOR will provide the services described in **Attachment B** (Scope of Services) of the Agreement. The Parties agree that the CONTRACTOR shall furnish all permits, consents, licenses, equipment, software, and supplies necessary to perform the Services, at the CONTRACTOR's sole cost.

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 C** (Compensation Schedule) of this Agreement.

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- B.** The PRDOH will pay the CONTRACTOR, for allowable services performed during the term of this Agreement, a maximum amount not to exceed **ONE MILLION THIRTY-SIX THOUSAND EIGHT HUNDRED DOLLARS (\$1,036,800.00)**; **Account Number mita12adm-doh-na 4170-01-000; r02a01adm-doh-na 4170-01-000.**
- C.** Such payment shall be compensation for all allowable services required, performed, and accepted under this Agreement included in **Attachment B** (Scope of Services), **Attachment C** (Compensation Schedule), and **Attachment D** (Performance Requirements).
- D.** 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.
- E.** 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, timesheets, invoice and photo 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.
- F.** The services rendered under the Agreement, shall be payable within **forty-five (45) business days** from the date the invoice is received and approved by a PRDOH representative for payment. If PRDOH raises any objections, PRDOH will return the invoice for corrections and the CONTRACTOR shall modify the invoice and return it within **five (5) business days**. Once the CONTRACTOR returns the modified invoice, the PRDOH shall resume and conclude the payment process within the next **forty-five (45) business days**.
- G.** 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 it deems necessary. The CONTRACTOR agrees to cooperate fully with any such audit or audits.
- H.** While providing the services under this Agreement, the CONTRACTOR must adhere to applicable requirements of the CDBG-DR/MIT grant. If the CONTRACTOR performs ineligible activities under the CDBG-DR/MIT grant or program, the CONTRACTOR cannot include them in the invoice for payment to the CONTRACTOR.
- I.** CONTRACTOR shall be liable to the PRDOH for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Agreement. CONTRACTOR shall reimburse such disallowed costs from funds other than those CONTRACTOR received under this Agreement.
- J.** The CONTRACTOR acknowledges and agrees to repay any CDBG-DR/MIT funds used for ineligible costs.
- K.** 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:

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

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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.

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, the CONTRACTOR acknowledges the PRDOH's ownership of all information, 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 information, 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.** 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 shall be open for the PRDOH examination at all reasonable times during the term of this Agreement, and up to **five (5) years** from the closeout of the grant to the state, or the period required by other local applicable laws and regulations.

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 the 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/MIT 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/MIT assistance; Records documenting compliance with the fair housing and equal opportunity requirements of the CDBG-DR/MIT program regulations; Financial records as required by 24 C.F.R. § 570.506, 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 auditors to have access to the CONTRACTOR's records and financial statements as necessary for the PRDOH to meet its audit requirements under the Federal award.
- C. Record Retention and Transmission of Records to the PRDOH:** Prior to close out of this Agreement, the CONTRACTOR must transmit to the PRDOH 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 confidential 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.
- E. PII Policy:** The CONTRACTOR must comply with the PRDOH CDBG-DR/MIT Personal Identifiable Information Policy, as found in the CDBG-DR/MIT Website (www.cdbg-dr.pr.gov), which is herein included and made an integral part of this Agreement, as it may be updated from time to time.

IX. 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 representatives access to any books, documents, papers, and records of the CONTRACTOR which are directly pertinent to this Agreement for the purposes of making 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.

X. 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.
- 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

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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 a 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.

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D. Equitable Relief: The CONTRACTOR acknowledges and agrees that a breach of the provision of subparagraphs 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 monetary 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.

XI. PERFORMANCE WARRANTY

- (a) CONTRACTOR warrants that it will perform all work and provide all Deliverables under this Contract in a manner consistent with the degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances.
- (b) CONTRACTOR warrants that all Deliverables it completes under this Contract shall: meet or exceed the standards of CONTRACTOR's trade, profession, or industry; meet or exceed the specifications set forth in the Attachments to this Agreement; and be fit for ordinary use, of good quality, and with no material defects, if applicable.
- (c) If CONTRACTOR submits Deliverables that do not meet specifications, fails to complete Deliverables timely, or fails to perform its obligation under this Contract, PRDOH may require CONTRACTOR, at its sole expense, if applicable, to:
1. repair or replace Deliverables that do not meet specifications;
 2. refund payment for Deliverables that do not meet specifications and accept the return of such Deliverables;
 3. pay liquidated damages for any past due Deliverables; and
 4. take necessary action to ensure that future performance and Deliverables meet specifications and conform to the Contract.

XII. 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 obligations. The PRDOH shall terminate this Agreement by delivering to the CONTRACTOR a **thirty (30) calendar day** 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) calendar 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 immediately discontinue all such services 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/MIT 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.

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- 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) calendar days'** 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. 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 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 and will immediately, automatically and retroactively deduct from any future reimbursement, all funds from the day such unilateral abandonment took place. The PRDOH will not be compelled to continue the performance of this Agreement, should the CONTRACTOR breach this 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) calendar days'** 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) business days'** written notice of such suspension. Upon receipt of said notice the CONTRACTOR shall immediately discontinue 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 non-compliant, 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 the performance of the Services to the PRDOH or a third party designated by the PRDOH. PRDOH reserves the right to provide for the execution of a Transition Services Agreement for the Transition Period. In such instance, the CONTRACTOR will be paid at a reasonable, agreed upon, hourly rate for any work performed for the PRDOH during the Transition Period. Moreover, during that Transition Period, all finished or unfinished records (files, data, work product) connected with this Agreement will be turned over to PRDOH.

XIII. 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 B** (Scope of Services) and **Attachment D** (Performance Requirements) and this Section. Refer to all required provisions set forth at 2 C.F.R. § 200.326 and 24 C.F.R. § 570.489(g), if applicable, and the Contract and Subrecipient Agreement Manual, Section 2, Subsection 2.4.1(a), as found in the CDBG-DR/MIT Website (www.cdbg-dr.pr.gov) which is herein included and made an integral part of this Agreement, as it may be updated from time to time.
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.

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- 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 pay to PRDOH, as liquidated damages, **ONE HUNDRED FIFTY DOLLARS (\$150.00)** for each calendar day that any task deliverable required is late until deemed in compliance subject to a maximum of **ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500.00)** established in this Contract between PRDOH and the CONTRACTOR, in accordance with **Attachment B** (Scope of Services) and **Attachment D** (Performance Requirements). 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 the CONTRACTOR's obligation to indemnify the PRDOH pursuant to this Contract, or to any other remedy provided for in this Contract or by Law. Liquidated damages may be assessed at the sole discretion of PRDOH. For the purpose of applying and calculating such liquidated damages, a grace period of **ten (10) business days** shall be observed. The PRDOH may deduct and retain out of the monies which may become due hereunder, the amount of any such liquidated 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, the CONTRACTOR shall be liable to pay the difference.

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

XV. 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 Insurance Requirements, attached hereto and made an integral part hereof as **Attachment E** (Insurance Requirements). The CONTRACTOR shall meet all other insurance requirements as may be imposed by PRDOH from time to time.

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** (Insurance Requirements) and any other evidence PRDOH may request as to the policies' full force and effect.

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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 a waiver of subrogation coverage for all insurance policies provided or herein in favor of PRDOH and its respective officers, agents, and employees.
3. The insurer shall be required to give PRDOH written notice at least **thirty (30) days** in advance of any cancellation of 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 CONTRACTOR 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 Contract Administration of the Legal Division and/or the Finance area of the CDBG-DR/MIT program prior to the 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 costs 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 **thirty (30) 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 maintain in force all insurance policies and/or bonds necessary to cover their individual participation in the risk or risks related to the subcontracted work or service to be rendered. 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, 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.

XVI. 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.

XVII. FORCE MAJEURE

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

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

XVIII. 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 and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which

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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 he or she discovers an organizational conflict of interest with respect to this Agreement, it shall make an immediate (within the next **seventy-two (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 of participating 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 an organizational 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.

XIX. 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,

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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 the employment of any CONTRACTOR Personnel of, and/or hiring by, CONTRACTOR in connection with the Services.

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XX. NOTICES

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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

William O. Rodríguez Rodríguez, Esq.
Secretary
Puerto Rico Department of Housing
606 Barbosa Ave.
Juan C. Cordero Dávila Bldg.
San Juan, PR 00918

To: CONTRACTOR

Abraham Santiago Irizarry
Partner
Assurance and Consulting Group LLC
PO Box 3675
Bayamón, PR 00958

XXI. 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.

XXII. SUBCONTRACTS

A. General: All subcontracts shall contain the applicable provisions described in **Attachment F** (HUD General Provisions), 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.

E. Notification: Within **three (3) business days** of its execution, the CONTRACTOR shall notify the Contract Administration Area of the PRDOH CDBG-DR/MIT Legal Division and provide a copy of all subcontracts related to this Agreement and CDBG-DR/MIT funds, as well as any other subcontracts listed in **Attachment G** (Contractor Certification Requirement). The CONTRACTOR is in charge of obtaining all certifications from the subcontractors listed in Article XXIII of this Agreement that are required for technical, professional, or consulting services, as well as submitting them with the copy of the subcontract and adhering to all other requirements set forth in Circular Letter 1300-16-16 from the Puerto Rico Department of Treasury. Technical, professional, or consulting services that are employed to carry out the terms of this Agreement are referred to as subcontractors for the purposes of this article if they spend at least 25% of their time on it.

XXIII. 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), **Attachment G** (Contractor Certification Requirement) and following provisions:

- A. Compliance with Executive Order No. 24:** Pursuant to Executive Order No.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**. 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. 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 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 No. 52 of August 28, 1992, amending Executive Order No.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

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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. Compliance with Circular Letter No. 1300-16-16 of the Puerto Rico Department of Treasury:** The CONTRACTOR accepts and acknowledges its responsibility of acquiring the certifications required in the Puerto Rico Department of Treasury Circular Letter No. 1300-16-16 issued on January 19, 2016. All certifications must be submitted during their term of validity, in accordance with applicable laws. Certifications expired or issued more than **sixty (60) calendar days** prior to the contract date will not be accepted. The last payment to be made under the contract will only be issued if the 'Debt Certifications' by the Puerto Rico Department of Treasury indicate that the CONTRACTOR has no debt with the Department of Treasury. The CONTRACTOR agrees to cancel any debt that cannot be clarified with the Department of the Treasury through a withholding made by PRDOH from the payments to which it is entitled to receive under the contract.
- D. 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.
- E. 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 with 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.
- F. Income Tax Withholding:** The PRDOH shall retain the corresponding amount from all payments made to the CONTRACTOR, as required by the Puerto Rico Internal Revenue Code. The PRDOH will advance such withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as *Departamento de Hacienda del Gobierno de Puerto Rico*). The PRDOH will adjust such withholdings provided the CONTRACTOR produces satisfactory evidence of partial or total exemption from withholding.
- G. Compliance with Act No. 45 of April 18, 1935, as amended, 11 LPRA § 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

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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. 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, 8 LPRA § 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 LPRA § 1854, et seq.:** The PRDOH and the CONTRACTOR hereby certify that in signing this Agreement they are in compliance with Act No. 1-2012, as amended, known as the "Puerto Rico Government Ethics Act of 2011", in connection with the possibility of a conflict of interest.
- K. Clause of Governmental Ethics Certification of Absence of Conflict of Interests:** The CONTRACTOR certifies that: (1) No public servant of this executive agency has a pecuniary interest in this contract, purchase or commercial transaction. (2) No public servant of this executive agency has requested me or accepted from me, directly or indirectly, for him (her), for any member of his family unit or for any person, gifts, bonuses, favors, services, donations, loans or anything else of monetary value. (3) No public servant (s) requested or accepted any good of economic value, linked to this transaction, from any person of my entity as payment for performing the duties and responsibilities of their employment. (4) No public servant has requested from me, directly or indirectly, for him (her), for any member of her family unit, or for any other person, business, or entity, some of the economic value, including gifts, loans, promises, favors or services in exchange for the performance of said public servant is influenced in my favor or of my entity. (5) I have no kinship relationship, within the fourth degree of consanguinity and second by affinity, with any public servant who has the power to influence and participate in the institutional decisions of this executive agency.
- L. Ethics:** CONTRACTOR also acknowledges receipt and agrees to obey the Anticorruption Code for the New Puerto Rico known in Spanish as "Código Anticorrupción para el Nuevo Puerto Rico".
- M. 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:
1. 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 No. 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.
 2. 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

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whichever Government Agencies, Instrumentalities, Public Corporations, Municipalities and the Legislative or Judicial Branches.

3. It declares under oath the above mentioned in conformity with what is established as in Act No. 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.
4. The CONTRACTOR represents and guarantees that none of its employees, officials or agents have been convicted of a felony or misdemeanor as described in this sub-section. Moreover, the CONTRACTOR agrees to notify PRDOH should any employee, official, or agent is convicted of a felony or misdemeanor as described in this sub-section after the date of this Agreement. Said notice shall be made within **ten (10) business days** from the time of the conviction.

N. 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.

O. 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 money received under this Agreement.

P. Non-Conflict of Interest Certification: The CONTRACTOR shall comply with **Attachment H** (Non-Conflict of Interest Certification), attached herein and made an integral part of this Agreement, which outlines several situations that may reasonably be considered as conflicts of interest. The aforementioned certification aids PRDOH, in its role as grantee, to identify, evaluate, disclose, and manage apparent potential, or actual conflicts of interest related to CDBG-DR and CDBG-MIT-funded projects, activities, and/or operations.

XXIV. ACT NO. 18 OF OCTOBER 30, 1975, as amended, 2 L.P.R.A. §§ 97-98

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 of Puerto Rico. No rendering or consideration subject matter 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. 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 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*.

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XXV. MEMORANDUM NO. 2021-003; CIRCULAR LETTER 001-2021 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 (*Secretaría de la Gobernación*). These services will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Agreement. For purposes of this clause, the term "Executive Branch entity" includes all agencies of the Government of Puerto Rico, as well as public instrumentalities and corporations and the Office of the Governor.
- B. Termination Clause:** The Chief of Staff (*Secretario de la Gobernación*) of the Governor shall have the power to terminate this Agreement at any time.
- C. Contract Review Policy of the Financial Supervision and Administration Board for Puerto Rico:** The Parties acknowledge that the CONTRACTOR has submitted the certification entitled "Contractor Certification Requirement" required in accordance with the Contract Review Policy of the Financial Oversight and Management Board (**FOMB**) for Puerto Rico, effective as of November 6, 2017, as amended on October 30, 2020, signed by the Contractor's Executive Director (or another official with an equivalent position or authority to issue such certifications). A signed copy of the "Contractor's Certification Requirement" is included as **Attachment G** (Contractor Certification Requirement) to this contract.

XXVI. MEMORANDUM NO. 2021-029; CIRCULAR LETTER NO. 013-2021 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.** The PRDOH certifies that the CONTRACTOR was selected as the provider of the services described in this Agreement, pursuant to Executive Order No. 2021-029.
- B.** The Parties certify that they acknowledge the provisions stated in Executive Order No. 2021-029 and CC 013-2021. Any failure to comply with the requirements set forth in Executive Order No. 2021-029 and CC 013-2021 will result in the termination of this Agreement.
- C.** The CONTRACTOR certifies that it has informed PRDOH of any current contractual relationship with any government entities of the Government of Puerto Rico. Accordingly, the CONTRACTOR certifies, as of the date hereof, that it is in a contractual relationship with the following entities of the Government of Puerto Rico: Puerto Rico Health Insurance Administration. The CONTRACTOR also certifies that said entities are all the entities of the Government of Puerto Rico with which they maintain a contractual relationship. In addition, the CONTRACTOR recognizes and accepts that omitting any information regarding any current contractual relationship with any governmental entity could result in the termination of this Agreement if so, required by PRDOH.
- D.** The CONTRACTOR certifies that it has informed the PRDOH whether or not the entity is a public corporation whose shares are exchanged in a stock exchange properly regulated. In the event that the CONTRACTOR certifies that it is not a public

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corporation that exchanges shares in a stock change, the CONTRACTOR certifies it has completed the applicable certification as stated in CC-013-2021.

XXVII. COMPLIANCE WITH FEDERAL LAW, REGULATIONS, & EXECUTIVE ORDERS

The CONTRACTOR acknowledges that HUD financial assistance will be used to fund the Agreement only. Also, the CONTRACTOR shall comply with all applicable Federal, state and local laws, rules, regulations, and policies relating to CDBG-DR/MIT and CDBG Program services. This includes without limitation, applicable Federal Registers; 2 C.F.R. part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Housing and Community Development Act of 1974; 24 C.F.R. part 570 Community Development Block Grant; applicable waivers; Fair Housing Act, 24 C.F.R. Part 35, 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, the CONTRACTOR shall comply, without limitation, with those set forth in **Attachment F** (HUD General Provisions) and in compliance with all the requirements described in **Attachment G** (Contractor Certification Requirement).

XXVIII. CDBG-DR/MIT POLICIES AND PROCEDURES

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

XXIX. SECTION 3 CLAUSE

A. The work to be performed under this contract 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 contract agree to comply with HUD's regulations in 24 C.F.R. part 75, which implement Section 3. As evidenced by their execution of this contract, the Parties to this contract certify that they are under no contractual or other impediments that would prevent them from complying with the part 75 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 the minimum number and job titles subject to hire,

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availability of apprenticeship and training positions, the qualifications for each; 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 75 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. part 75. The 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 75.

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E. The CONTRACTOR acknowledges that subrecipients, contractors, and subcontractors are required to meet the employment, training, and contraction requirements of 24 CFR 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

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F. 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 75 require employment opportunities to be directed, were not filled to circumvent the CONTRACTOR'S obligations under 24 C.F.R. part 75.

G. Noncompliance with HUD's regulations in 24 C.F.R. part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD-assisted contracts.

H. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (46 U.S.C. § 5307) also applies to the work to be performed under this contract. 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 contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

I. The CONTRACTOR agrees to submit, and shall require its subcontractors to submit to them, quarterly reports to the PRDOH detailing the total number of labor hours worked on the Section 3 Project, the total number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 Workers and Targeted Section 3 Workers.

XXX.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.

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- 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 subrecipients shall certify and disclose accordingly. This certification is a material representation of the 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.

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XXXI.EQUAL OPPORTUNITY

- A.** The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, 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 consideration 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 Exec. Order No. 11246 of September 24, 1965, as amended by Exec. Order No. 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 Exec. Order No. 11246 of September 24, 1965, as amended, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, 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 Exec. Order No. 11246 of September 24, 1965, as amended, and such other sanctions as may be imposed and remedies invoked as provided in Exec. Order No. 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 Exec. Order No. 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.

XXXII. SOLID WASTE DISPOSAL ACT

- 1) In the performance of this contract, the CONTRACTOR shall make maximum use of products containing recovered materials that are Environmental Protection Agency (**EPA**)- designated items unless the product cannot be acquired:
 - 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 website, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.
- e
- 3) CONTRACTOR must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include:
 - a. procuring only items designated in guidelines of the EPA at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable,

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consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds ten thousand dollars (\$10,000) or the value of the quantity acquired during the preceding fiscal year exceeded ten thousand dollars (\$10,000);

- b. procuring solid waste management services in a manner that maximizes energy and resource recovery; and
- c. establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

XXXIII. 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 are convicted of a criminal drug offense in the workplace no later than **ten (10) days** after such conviction.

XXXIV.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 2424. 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 2424, 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 2424, in addition to remedies available to PRDOH, 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 2424, while this Agreement is valid. The CONTRACTOR further agrees to include a provision requiring such compliance in its lower-tier covered transactions.

XXXV. SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION

The CONTRACTOR certifies that it is cleared and eligible for the award of a contract and is not suspended, debarred, or on a HUD-imposed limited denial of participation. Subsequently, the CONTRACTOR must be registered in the System for Award Management (**SAM**) and shall maintain its registration active during contract performance and through final payment. The CONTRACTOR is responsible during performance and through final payment for the accuracy and completeness of the data within SAM. Failure to maintain registration in SAM may impact obligations and payments under this Agreement.

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XXXVI. 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.

XXXVII. 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.

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XXXVIII. 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.

XXXIX. 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 a written document signed by both PRDOH and the CONTRACTOR.

XL. 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. Those amendments shall make specific reference to this Agreement, and comply with programmatic policies, procedures, and guidelines. Such amendments shall not invalidate this Agreement, nor relieve or release the Parties from their obligations under this Agreement.

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

XLI. 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.

XLII. 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.

XLIII. 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.

XLIV. ORDER OF PRECEDENCE

In the event of an inconsistency in this Agreement or if a conflict occurs between this Agreement and any Attachment, Appendix, Exhibit, or Schedule, unless otherwise specifically stated in those documents, the order of precedence shall be: Federal laws, regulations, and policies applicable to this Agreement, this Contract and **Attachment F** (HUD General Provisions), **Attachment B** (Scope of Services), **Attachment D** (Performance Requirements), **Attachment C** (Compensation Schedule), and lastly, **Attachment A** (Proposal).

XLV. GOVERNING LAW JURISDICTION

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

XLVI. CONSOLIDATIONS, MERGERS, CHANGE OF NAME, OR DISSOLUTIONS

A. Consolidation or Merger

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

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

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Amendment. **No amendment to the Agreement will be necessary if the Subrecipient, Contractor, or Subcontractor becomes the surviving entity following a merger.**

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

B. Change of Name

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

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

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

C. Dissolution

In the event that the signing party (e.g. Subrecipient, Contractor, or Subcontractor) of the Agreement with the PRDOH moves for dissolution of the entity, written notice of such decision or event shall be delivered to the PRDOH **at least fifteen (15) business days** prior to the effective date of such event. The notice shall include, but not limited to, a description of the expected effective date of the dissolution; and contact information of one or more of its directors, officials or agents. Upon dissolution, becoming effective, and supporting evidence of such event is notified to PRDOH, termination of the Agreement will follow. Consequently, the signing party acknowledges and agrees to provide to the PRDOH, after termination of the Agreement, the assistance reasonably requested to facilitate the orderly transfer of responsibility for performance of the tasks or services to the PRDOH or a third party designated by the PRDOH. Moreover, all finished or unfinished records (files, data, work product) connected with this Agreement will be turned over to PRDOH following the Agreement termination.

XLVII. 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.

XLVIII. FEDERAL FUNDING

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

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XLIX. RECAPTURE OF FUNDS

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

L. OVERPAYMENT

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

LI. 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.

LII. COUNTERPARTS

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

LIII. SURVIVAL OF TERMS AND CONDITIONS

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

[SIGNATURES ON THE FOLLOWING PAGE]

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

PUERTO RICO DEPARTMENT OF HOUSING

ASSURANCE AND CONSULTING GROUP LLC

William O. Rodríguez Rodríguez

William O. Rodríguez Rodríguez (Dec 5, 2023 19:33 AST)

William O. Rodríguez Rodríguez, Esq.
Secretary

Abraham Santiago Irizarry

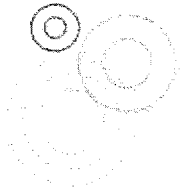
Abraham Santiago Irizarry
Partner

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Grant Management and Business Consultants

CDBG-DRMIT-RFP-2023-03

EXECUTIVE SUMMARY

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GOVERNMENT OF PUERTO RICO
Department of Housing



DEPARTMENT OF
HOUSING
Government of Puerto Rico



EXECUTIVE SUMMARY

The Project Approach described in the accompanying Technical Proposal will allow ACG's team to perform the services requested in CDBG-DRMIT-RFP-2023-03 in accordance with PRDOH's quality and time expectations. The key elements of our Work Approach are summarized as follows:

Approach for General Administration and Coordination of the Efforts Under the Engagement with PRDOH

Our approach for general administration and coordination of the efforts under the engagement with PRDOH will be based on the establishment of a quality control plan on which ACG's General Partners, spearheaded by CPA Abraham Santiago-Irizarry, appointed as the Senior Manager for this project, will be constantly monitoring the performance, scheduling and progress of the work in accordance with the work plan while maintaining timely communication with PRDOH's Designated Officials.

This approach will put together ACG's experience providing financial and grant management services to the PRDOH and its experience with the CDBG-DR program in performing financial and accounting assessments, and in providing general guidance on accounting services and support to PRDOH.

Approach or Plan for Managing, Developing and/or Implementing Each Element of The Scope of Services

Our approach for **Task 1 - Financial and Assessments** is to assist with PRDOH's Procurement Processes evaluation and Subrecipients' Procurement Processes evaluation upon request by the PRDOH, as follows:

- 1) Development of guidelines to establish appropriate Financial Requirements to be included on the acquisitions of goods and services over the Simplified Acquisition Threshold in compliance with the CDBG-DR and CDBG-MIT Federal regulations.
- 2) Technical assistance to develop and implement customized methods for each procurement to establish the requirements for availability of lines of credit of each financial institution and/or the availability of cash, when required.
- 3) Provide technical assistance to the PRDOH for evaluating documentation requirements and establish compliance with the required financial capabilities of the bidders participating in acquisition processes.

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The key deliverables to be produced during the contract term for Task 1 - Financial and Assessments will include a report for each proposal evaluation. We will perform a preliminary overview of the documents submitted by each proposer for each bidding process. This will allow PRDOH to maximize the number of proposers with the required documents by giving the proposers an additional opportunity to present the required documents. Once PRDOH informed us that the time for bidders to present documents is over, we will complete our tests and analysis and prepare a draft report for PRDOH review and comments. Within this report, we will make raise any issues noted during the documents review for PRDOH attention. Finally, once any issues raised by PRDOH during the drafted report review have been properly resolved and the report have been approved, we will issue our final report.

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Our approach for **Task 2 - Additional Services** will include, but will not be limited to, providing general guidance on accounting services and support to PRDOH on an as needed basis to comply with GASB No. 34 and any other accounting pronouncement and other support on compliance with federal regulations and local laws and regulations.

The key deliverables to be produced for Task 2 - Additional Services shall be determined by mutual agreement on each separate request.

Approach to Provide Timely Submittal and Quality Services

Our approach to provide timely submittal and quality services to the PRDOH is to develop a complete strategic plan through the identification of the critical processes necessary to provide timely submittal and quality services. To ensure the best quality of services, all deliverables will be properly and timely reviewed by our Senior Accountant, CPA Abraham Santiago-Irizarry. Our strategic plan is composed of an Overall Risk Management Plan, a Financial Risk Assessment Plan, and an Information Exchange Plan.

The Overall Risk Management Plan will include a risk worksheet that will identify possible risks that can affect project turnout and the respective actions to be taken to mitigate the risk.

The risk management plan for Task 1 - Financial and Accounting Assessments, will include ACG's Risk Assessment Summary Form that will identify possible risks that can affect project turn out and the actions the project team will take to mitigate risks.

The Information Exchange Plan will allow ACG's Team to comply with the requirements set forth in CDBG-DRMIT-RFP-2023-03 with the PRDOH's quality and time expectations.

Approach For Overall Plan to Ensure Compliance with Applicable Federal, State, And Local Laws and Regulations as Related to The Financial and Accounting Services

Our approach to ensure compliance with applicable federal, state, and Local laws and regulations as related to the Financial and Accounting Services will be mostly based on the pronouncements issued by the Governmental Accounting Standards Board (GASB), which is the source of U. S. generally accepted accounting principles used by state and local governments in the United States.

Approach To Identify and Solve/Mitigate Issues During The CDBG-DR And CDBG-MIT Projects

As mentioned above, ACG's have extensive experience providing financial and grant management services to the PRDOH, including CPA Santiago-Irizarry's previous experience with the CDBG-DR program in performing financial and accounting assessments, assisting in the preparation of the PRDOH cost allocation and indirect cost plan, and in providing general guidance on accounting services and support to PRDOH. Hence, as shown in the accompanying Technical Proposal, our approach to identify and solve/mitigate issues during the CDBG-DR and CDBG-MIT project is based on our extensive experience.

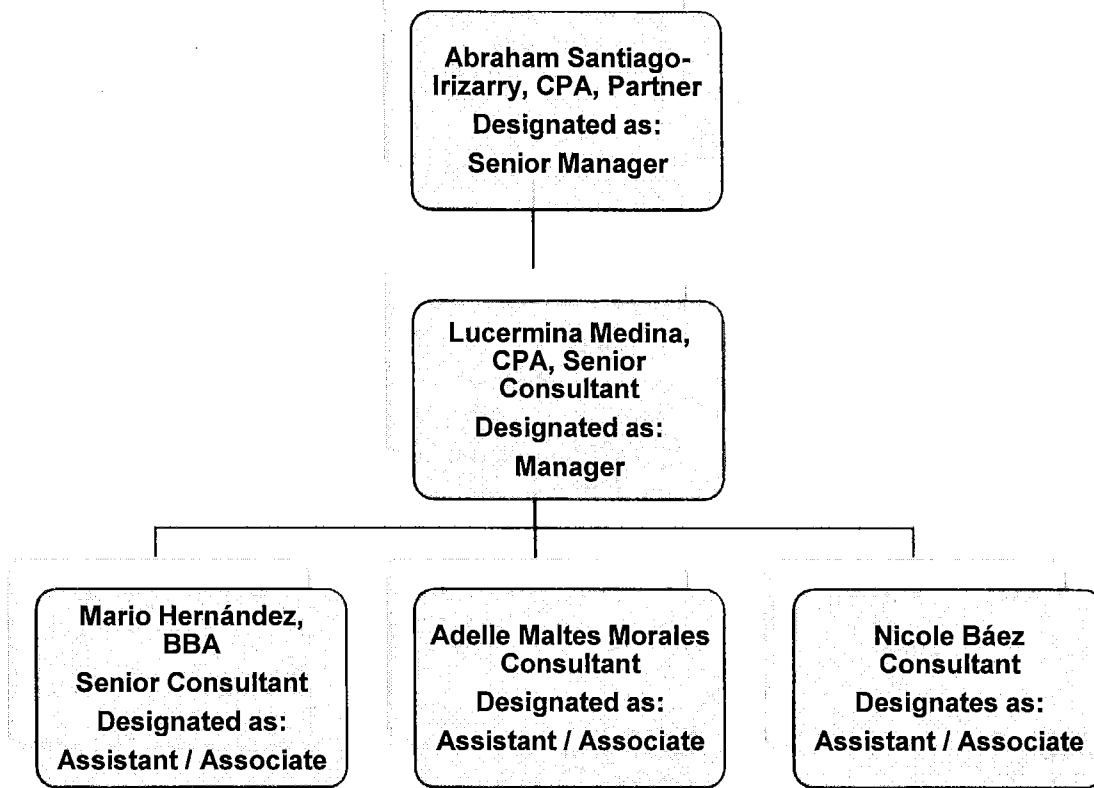
The following is the Organizational Chart for the professional Team to be assigned to the engagement, including the corporate structure and lines of responsibility and authority in the performance of the Financial and Accounting Consulting Services.

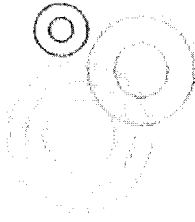
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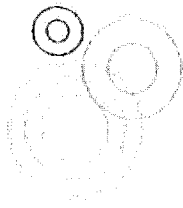
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FIRM PROFILE

CONTACT PERSONS	
JULIO C. RIVERA-CAMACHO, CPA (787) 900-7676 E-MAIL: JRIVERA@ACGPR.NET	ABRAHAM SANTIAGO-IRIZARRY, CPA (787) 225-9251 E-MAIL: ASANTIAGO@ACGPR.NET
P.O. BOX 3675 BAYAMÓN, PR 00958	

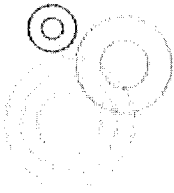


Assurance and Consulting Group, LLC
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Assurance and Consulting Group, LLC
Grant Management and Business Consultants

WHO WE ARE

Assurance and Consulting Group, LLC (ACG) is a consulting firm organized in January 2016 and accumulates an extensive experience in governmental, financial and compliance regulations and requirements, especially on grant management and accounting services. **ACG's** Partners bring over 30 years each of professional experience in public accounting, and financial and grant management consulting.

We provide subject matter expertise in the evaluation, design, implementation and maintenance of internal control policies and procedures to ensure compliance with all financial and programmatic state and federal requirements. ACG is a highly respected, service-oriented business built on strong client relationships, tailoring its services to meet its customers' specific needs.

We appreciate the opportunity to present this Firm Profile. If you have any questions or need additional information, please do not hesitate to contact us at (787) 900-7676.

Sincerely,

Julio C. Rivera-Camacho, CPA
Partner

Abraham Santiago-Irizarry, CPA
Partner

INDUSTRIES

To provide a high-level service and subject matter expertise to our clientele we have established a specific-industry structure. Such a structure enhances the in-depth understanding of the industries in which our customers work. It provides a targeted perspective for the specific industry issues and complex market challenges that our customers embrace.

Our specific-industry approach also provides the framework to identify and adapt to key business, regulatory and performance issues and provide the Assurance and Consulting services that consider their unique specific-industry processes, risks, regulations, and accounting and reporting practices.

Our professionals have extensive experience in the following industries:

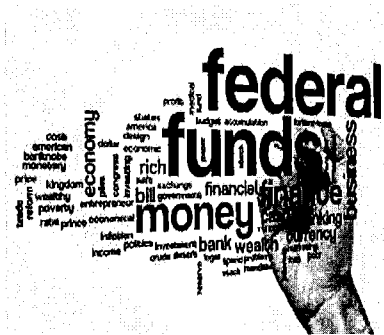
INDUSTRIES SERVED	
<ul style="list-style-type: none">➤ Manufacturing Industries➤ Telecommunication Companies➤ Nonprofit Organizations➤ Credit Unions➤ Construction Companies➤ Real Estate➤ Government (Including Single Audits)➤ Municipalities	<ul style="list-style-type: none">➤ Retail, Wholesale and Distribution➤ Insurance and Bonding Companies➤ Housing Projects➤ Colleges and Universities➤ Automotive Dealers➤ Professional Services Enterprises➤ Hospitals



SERVICES

ACG provides a wide variety of services to meet your organization's accounting needs through the following lines of services. Please look to see how we can be of service to you.

Grant Management Services



We provide Grant Management Services on all aspects of a grant's life cycle – Pre-Award – Award – Post Award - Close-out. Our methodology provides the foundation for ensuring effective compliance and monitoring of grants including accounting and grant management functions. We work closely with Grantors and Grantees through each phase of the grant's life cycle to validate:

Pre-Award (Planning and Announcement Preparation)

- Develop grant plan and schedule
- Identify evaluation criteria and prepare application packet
- Establish performance measures

Award (Application Review/Award Selection)

- Receive and review applications
- Conduct budget and cost analysis
- Complete business and technical reviews
- Establish grant files



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jrivera@acgpr.net

Post Award (Grant Reporting and Oversight)

- Obtain, evaluate and monitor periodic progress
- Perform onsite monitoring or compliance reviews
- Provide technical assistance

Close-Out

- Obtain final financial progress report
- Perform final cost reconciliation (de-obligation of unused funds)
- Reconciliation, closeout and measurement

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Grant Management Services

- Provide overall specialized technical assistance in federal funds grant management. This includes the development and implementation of new effective and efficient policies and procedures related to the administration of funds.
- Obtain an understanding of the fiscal and programmatic internal controls in place to provide recommendations for improvements that will reduce the risk of noncompliance with state and federal requirements. During this phase we are always alert to identify risks of noncompliance in the internal controls' environment.
- Assist in the development and implementation of policies and procedures based on the understanding of actual fiscal and programmatic procedures of federal and state funds.
- Provide training personnel on fiscal and programmatic policies and procedures and on applicable laws and regulations related to all federal programs.
- Technical assistance to execute monitoring visits to the sub-recipients of federal funds, if any, to comply with sub-recipient monitoring requirements.
- Support and assistance with any other matter necessary for the better functioning of management, financial or operational aspects of the administration.
- Reconciliation of federal and regulatory reports with accounting records.



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Federal Programs Serviced

ACG's staff has had extensive experience in federal grant audits, non-profit organizations and government services to manage effectively the requirements of any kind of government engagement. This is demonstrated by the heavy individual experience in this industry of our key personnel.

Our partners have audited and provided consulting services to several federal programs sponsored by the U.S. Departments of Housing, Health, Education, and Law Enforcement. The following are some of the Federal Grant Programs for which ACG's Partners have provided audit and/or grants management services:

Federal Grant Program	CFDA #
Child Nutrition Cluster	10.555
State Administrative Expenses for Child Nutrition	10.560
Nutrition Assistance Program for Puerto Rico - Cluster	10.566
Emergency Food Assistance Program - Cluster	10.568
WIC Farmer Market Nutrition	10.572
Senior Farmer Market Nutrition	10.576
Urban and Community Forestry Program	10.675
Forest Stewardship Program	10.678
Interjurisdictional Fisheries Act of 1986	11.407
Coastal Zone Management Adm. Awards	11.419
Coastal Zone Management Estuarine Research	11.420
Financial Assistance National Center for Coastal Ocean Science	11.426
Cooperative Fishery Statistics	11.434
Southeast Area Monitoring & Assessment Program	11.435
Marine Mammal Data Program	11.439
ARRA-Habitat Conservation	11.463
Community Development Block	14.228
Continuum of Care Program	14.267
Section 8 Housing Choice Vouchers Program	14.871
Public and Indian Housing	14.850
Juvenile Accountability Block	16.523
Juvenile Justice and Delinquency	16.540
Title V Delinquency Prevention Program	16.548
Violence Against Woman Formula Grant	16.588
Public Safety Partnership and Community Policing Grants	16.710

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Federal Grant Program	CFDA #
Edward Byrne Memorial Justice Assistance Grant Program	16.738
Victim of Crime Act Victim Assistance Grant Program	16.801
Edward Byrne Memorial Justice Assistance Grant Program - Recovery Act	16.803
State Energy Program (SEP-REG)	81.041
ARRA-State Energy Program (SEP-ARRA)	81.041
ARRA-Weatherization Assistance for Low Income Persons	81.042
Weatherization Assistance for Low Income Persons	81.042
Wind Energy Alliance for Sustainable Dev	81.042
ARRA-Energy Efficient Appliance Rebate Program	81.127
ARRA-Energy Efficiency and Conservation Block Grant	81.128
Adult Education - State Grant Program	84.002
Student Financial Assistant Cluster	84.007
Title I Grant to Local Education Agencies	84.010
Title I Part A Cluster	84.010
Special Education Cluster	84.027
Vocational Education - Basic Grants to States	84.048
Even Start - State Educational Agencies	84.213
Tech - Prep Education	84.243
Twenty - First Century Community Learning Centers	84.287
Education Technology State Grants Cluster	84.318
School Improvement Grants Cluster	84.352
Improving Teacher Quality State Grants	84.367
Education Jobs Funds	84.410
Temporary Assistance for Needy Families	93.558
Child Support Enforcement	93.563
Community Service Block Grant	93.569
Child Care and Development Block Grant	93.575
Head Start - Cluster	93.600
Social Services Block Grant	93.667
Social Security Disability Insurance	96.001
Children's Health Insurance Program	93.767
Medicaid Assistance Program	93.778
National Explosive Detection Canine Team Program	97.072
ARRA-Enhancing State Government Energy Assurance	N/A
FBI Criminal Investigation Task Force	N/A
Drug Enforcement Administration	N/A
US Immigration Custom Enforcement Task Force	N/A

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Audit and Assurance Services



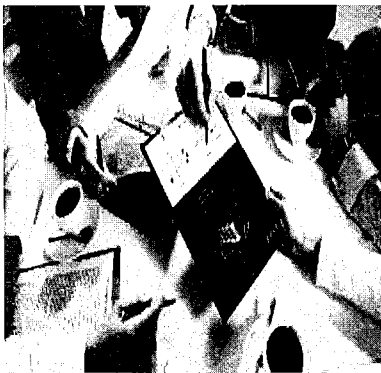
The march to success is governed by increasingly complex and broadening regulatory requirements and stakeholder demands. Strong independent assurance provides critical information for investors, the general public, and other stakeholders, a robust and clear picture to audit committees and/or management and timely and constructive input as well.

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Agreed upon Procedures	Mock Audits
Computer Application Audits (SSAE 16)	Internal Control Assessments
Examinations Reports	Reviews and Compilations
Financial Statements Audit	Documentation
Governmental Entities and Single Audits	Technical Accounting Advisor

Consulting Services



ACG's Partners have extensive experience with data base management and providing benchmarking with industry data, the market, and integration into computerized planning trends; accordingly, can help improve the performance of its customers. This starts by implementing a step by step developing a process of orientation and planning goals to achieve tangible results. Among

several professional services offered by our professional consultants to our diversified clientele, are the following:



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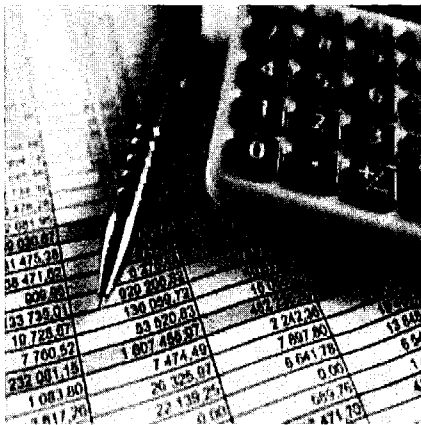
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Financial Institutions Advisory Services	Data Mining Services
Forensic Accounting and Investigations	Compliance Tests
Government Contracting	Budgeting Procedures
Litigation Support	System Analysis and Design
Risk Advisory Services (RAS)	Administrative and Financial Consulting
Strategic and Business Planning	Analysis of Return on Investments (ROI)
Valuations and Business Analytics	Productivity Analysis
Financial Planning	GAP & Spread Analysis
Data Base Management	Data Mining Services

Accounting and Outsourcing Services



Outsourcing accounting functions help our clients in focusing on managing their business while leaving the specialized accounting functions to us. How organizations manage their resources today will define their competitive position tomorrow. We offer integrated, objective advisory services that are designed to help you make better decisions about how you strategically manage capital and transactions.

Accounting Services
Financial statements preparation
General ledger maintenance

Assistance with monthly and year-end closing procedures
Business Services & Outsourcing for Startups



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Subject Matters Expert Services for Single Audits

- Analysis of preliminary findings issued in relation to the Single Audits to identify ways to challenge them based on relevant criteria established by each federal program applicable laws and regulations.
- Design, implement and follow-up of a corrective actions plan (CAP) to address final findings issued in relation to the Single Audits.
- Serve as liaisons with the external auditors to delineate strategies to avoid unnecessary and irrelevant findings in the Single Audits. This area can be effectively developed, implemented, and monitored by **ACG's** Partners due to their in-depth knowledge and past performance successfully working on CAP's with appropriated federal funds.
- Technical assistance in the accounting and closing of books in preparation of the annual audits, including assistance in the accounting closing cycle to deliver the financial information required by the external auditors.

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TECHNICAL APPROACH METHODOLOGY

Our technical approach methodology will incorporate the concepts set forth by COSO's updated Internal Control—Integrated Framework (2013 Framework). The 2013 Framework provides principles that represent the fundamental concepts associated with each component of internal control. In that regard, we will assist in the enhancement of the control activities and entity-level controls by principle, including risk assessment, information and communication, and monitoring.

In that regard, our technical approach methodology for performing the services specified in the Scope of Services section of this proposal, is ought to be in the context of achieving the principles and control objectives relevant to the program and fiscal reporting activities and designing and implementing of standard operating procedures for federal grant management processes at the Entity-Level, as follows:

TECHNICAL ASSISTANCE ON CONTROL ENVIRONMENT ACTIVITIES

1. Exercising oversight of the development and performance of internal controls over financial reporting
2. Establishing structures, reporting lines, and appropriate authorities and responsibilities to achieve financial reporting objectives
3. Developing personnel in alignment with the financial reporting objectives

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TECHNICAL ASSISTANCE ON RISK ASSESSMENT ACTIVITIES

1. Specifying the objectives with clarity to enable the identification and assessment of risks relating to financial reporting objectives
2. Identifying risks to achieve the objectives and analyzing risks to determine how the risks should be managed
3. Considering the potential for fraud in assessing risks to the achievement of financial reporting objectives
4. Identifies and assessing changes that could significantly impact the system of internal control

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TECHNICAL ASSISTANCE ON INFORMATION AND COMMUNICATION ACTIVITIES

1. Obtaining, generating, and using relevant quality information to support the functioning of internal control over financial reporting
2. Communicating information to internal parties, including objectives and responsibilities for internal control, to support the functioning of internal control over financial reporting
3. Communicating with external parties regarding matters affecting the functioning of internal control

TECHNICAL ASSISTANCE ON MONITORING ACTIVITIES



1. Selecting, developing, and performing ongoing and/or separate evaluations to determine whether the components of internal control are present and functioning
2. Evaluating and communicating internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management, as appropriate

TECHNICAL ASSISTANCE ON FINANCIAL CLOSE AND REPORTING ACTIVITIES

1. Defining the financial closing and reporting process
2. Assisting in the performance of the accounting period close
3. Capturing and processing non-routine information requiring significant estimates and judgments
4. Preparing and reviewing internal financial statements with applicable disclosures
5. Reviewing the financial reporting packages

TECHNICAL ASSISTANCE ON GRANT MANAGEMENT ACTIVITIES

1. Streamlining the cash requirement projection procedures
2. Developing a set checklist to enforce the review and approval of the provision of services to ensure that recipients are eligible under specific program requirements
3. Preparing management responses to external auditors' preliminary findings
4. Preparing management responses and Corrective Action Plans for Single Audit findings
5. Reviewing grant financial reports with supporting accounting



OUR FIRM

In this section we provide a summary of the qualifications and background information of the **ACG's** team members and their experience in consulting services to governmental units and agencies.

The General Partners are responsible for the overall management of the projects. Our project administration team ensures that the Firm's and personnel's technical resources are available to complete each stage of the work successfully, and that all stages are coordinated to produce a unique product. The team will provide review and administration to ensure that quality control levels are maintained during the term of the project.

Our management consulting department is composed of a group of qualified human resources who could assist clients in planning, installing and maintaining management information and control systems which are required to effectively plan and control operations.

PARTNER - JULIO C. RIVERA-CAMACHO, CPA

General Professional Expertise

CPA Julio C. Rivera-Camacho brings over 30 years of professional experience in public accounting, and financial and grant management consulting. He has gained extensive accounting experience through senior accountant and management roles for a variety of companies and CPA firms. His responsibilities included the audit, consolidation, and preparation of all corporate, partnership, trust and individuals' compliance and tax returns for a corporate conglomerate, planning and coordination of audit and consulting engagements for government entities, analysis, review and preparation of financial statements and supervision and training of staff auditors.

Since 2012 he has been conducting Cash Management and Reporting technical assistance for the Puerto Rico Health Insurance Administration (ASES in PR) and the Medicaid Program of the Puerto Rico Health Department (PRHD), by means of providing financial and grant management consulting as a Subject Matter Expert (SME).



CPA Julio Rivera Camacho has extensive experience in the preparation and audit of financial statements and audits of compliance with the requirements of federal and state funds given to public and private entities. Professional audit and consulting services were provided within the following industries: Manufacturing, Auto Dealership, Construction, and Governmental Agencies (Single Audits and Agreed upon Procedures). Other agencies audited included, among others, the Puerto Rico Police, the Sports and Recreation Department, the Administration of Energetic Affairs, and the Administration for the Training of Future Entrepreneurs and Workers. The most significant achievements, among others, include:

- a) Corrected historical financial reporting errors of the Puerto Rico Health Insurance Administration from fiscal years 2008 through 2011 and improved financial reporting accuracy. A positive result of this tedious analysis is that Puerto Rico was able to identify an additional \$61.2 million in prescription drug costs attributable to dually eligible (Medicare and Medicaid) beneficiaries, of which the federal share amounted to \$30.6 million.
- b) In charge of the Cash Management and Reporting requirements for the Puerto Rico Medicaid Program since 2012. During that endeavor assisted the Puerto Rico Medicaid Program to manage the ACA and BBA funding without any questioned costs related to cash management, reporting and/or Period of Performance requirements.
- c) Managing the financial audits of 17 credit unions with \$2.4 Billion in assets and approximately 300,000 members. Six of those audits included compliance audit in accordance with the Government Auditing Standards and the Consolidated Audit Guide for Audits of HUD Programs for FHA Mortgagees. Such audits were managed concurrently with other audit and consulting engagements within the following industries, among others: Non-for-Profit Organizations, Hospitals, Insurance, Construction, Professional Services Corporations, and Governmental Agencies and Municipalities (Single Audits, Consulting and Agreed Upon Procedures).
- d) In charge of Single Audit engagement of the Puerto Rico Department of Education that resulted in the decrease (in just one audit year) of the audit hours from 6,500 to 4,500 (and external consulting hours from 650 to 150 in two years), an agency classified as a High-Risk Auditee by the U.S. Department of Education. Additionally, the documentation and organization of the audit documentation for the 2001 engagement obtained an excellent QCR from the U.S. Office of the

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Inspector General, whose Chief Auditor stated that “this was the best set of work papers that we have seen in about 20 years, at the nationwide level”. Finally, since the fiscal year 2002, all Single Audit Reports have been delivered before March 31, an endeavor not being achieved by this agency in many years.

- e) In charge of the Single Audit engagement of the Puerto Rico Department of the Family, a governmental agency with a \$2.5 Billion budget, for the fiscal years 2005 through 2007, being the fiscal year 2007 delivered before March 31, 2008, which has not been achieved once by this agency in many years. Both audits were conducted in a year and half period. Additionally, in charge of the Yellow Book audit of the Head Start program, this was composed on 22 delegated agencies (local governments and non-profit organizations).
- f) In charge of the preparation of the financial statements in accordance with GASB No. 34 of the Single Audit engagement of the Puerto Rico Department of Housing (PRDOH) for the fiscal year 2017 thru 2019, including the implementation of GASB No. 68, *Accounting and Financial Reporting for Pensions* and GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Has also provided grant management consulting services as Subject Matter Expert and assisted in the maintenance of reporting policies and procedures to ensure compliance with federal requirements of the Housing Choice Voucher Program (Section 8).

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General Professional Expertise

With over 30 years of experience in public accounting, CPA Abraham Santiago-Irizarry has had significant and varied exposure including, among others, audit and consulting work in the following industries: government sector, non-profit organizations, colleges and universities, manufacturing, retail and distribution, and credit unions, including the performance of single audits under the Single Audit Act of the federal government.

During the past seven years, he conducted monitoring, accounting and grant management assistance for the following entities of the Commonwealth of Puerto Rico:

- Department of Housing
- Department of Labor
- Administration of Socioeconomic Development of the Family (agency ascribed to the Department of the Family)
- The Secretariat of the Department of the Family
- The Office of Management and Budget
- Medicaid Program, part of the Department of Health

During these 30 years the CPA Abraham Santiago-Irizarry served as auditor and consultant up to the position of Senior Manager. His responsibilities included, among others, the planning and coordination of audit and consulting projects, and the development and implementation of programs and audits of uniform policies and procedures to streamline the organization of the audits and project documentation. In addition, studies and evaluations of internal control systems, supervision and training of professional staff. The most significant achievements, among others, were:

As a Grant Management Consultant:

1. Preparation of federal financial and special reports for many grants precluding the imposition of penalties.
2. Assisted in the identification of matching funds for federal grants, saving millions of dollars in penalties.
3. Developed and implemented corrective action plans and internal control procedures to correct and preclude the recurrence of findings and deficiencies noted by external auditors in government agencies.
4. Implemented measures to eliminate penalties and questioned costs for saving millions of dollars in the agencies.



5. Developed and implemented monitoring procedures for subrecipients of federal programs and analyzed corrective actions.
6. Developed a tool for the evaluation of single audit reports based on risks assessment. Implemented the developed tool to all single audits of government entities (over one hundred) for three fiscal years and prepared a report on findings and recommendations to Puerto Rico Office of Management and Budget.
7. Developed a grant management manual to be used by central government as a reference and tutorial tool and similar control manuals and standard operating procedures in the management of federal and state grants.

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While in Public Accounting:

1. Planning, management and execution of financial audits and consulting services for approximately 50 entities each year overseeing a staff of approximately 10 auditors and consultants. The fees for this work approached between \$800,000 to \$1,000,000 per year. For the last six years in public accounting, these projects included the largest recipients of federal funds in Puerto Rico (such as the Department of Education, Department of Family and University of Puerto Rico) in assurance services and consulting. In addition, private entities such as the Polytechnic University, the University of the Virgin Islands and Waste Management.
2. Technical assistance in the implementation of new accounting pronouncements in the private sector and government.
3. Technical assistance in the implementation of new regulations on the administration of federal and state funds in public and private entities.
4. Execution of consulting, research and interpretation of accounting standards, laws and regulations of the state and federal government.
5. Tax compliance with corporate returns and consulting on tax planning.
6. In charge of the quality control and peer review of the accounting firms.

Memberships

- Member of the Puerto Rico Society of Certified Public Accountants since 1993
- Financial Secretary of Union Church of San Juan

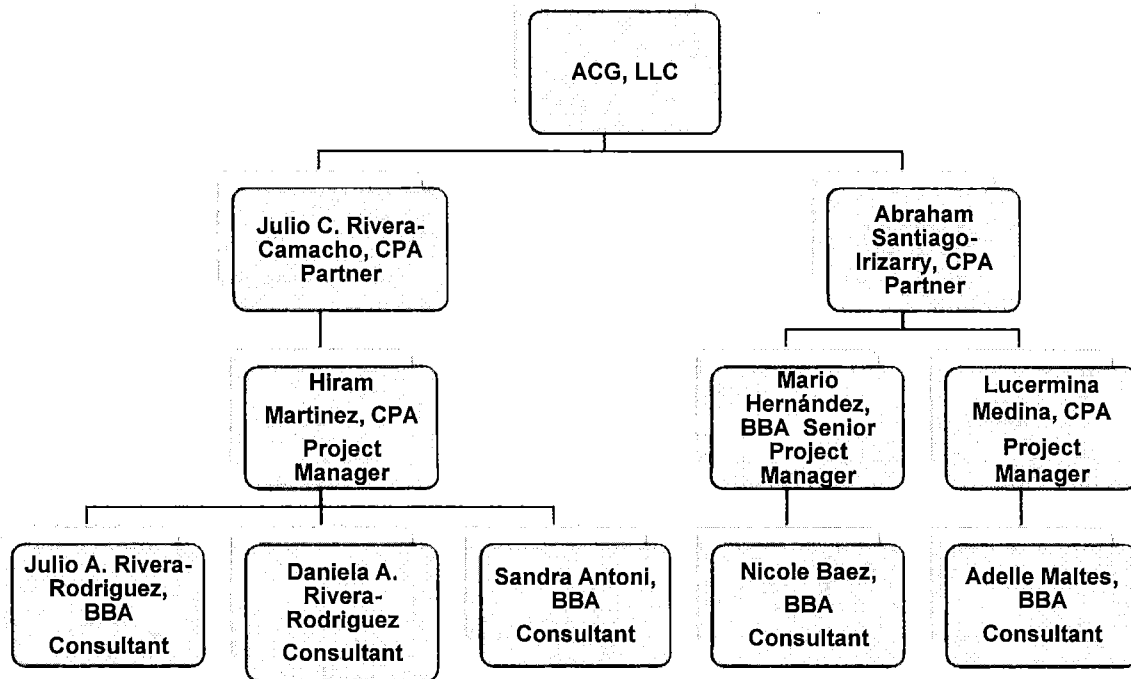


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ORGANIZATIONAL CHART

ACG has become one of the leading consulting firms in Puerto Rico. Our success in the business community is the reward to our efforts in providing our clients with quality services. At present our staff consists of 10 professional personnel, including four CPA's and two CFE's. Presented below is our Organizational Chart.



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CONTINUING PROFESSIONAL EDUCATION

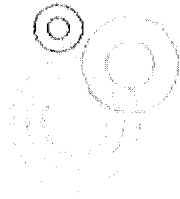
ACG's members have completed at least 80 hours of continuing professional education (CPE) in the last two years, with more than 24 hours related to government auditing and consulting and have provided several related seminars and trainings as well.

It is ACG's policy that all professional personnel comply with the continuing professional education requirements of the AICPA, and the Puerto Rico Board of Accountancy; that all professional staff maintain an adequate awareness and understanding of current development in technical literature; and that all professional staff assist in the training and development of staff members under their supervision.



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CDBG-DRMIT-RFP-2023-03

TECHNICAL PROPOSAL

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GOVERNMENT OF PUERTO RICO
Department of Housing



DEPARTMENT OF
HOUSING
Government of Puerto Rico



TECHNICAL PROPOSAL

We have designed the Work Approach described below that will allow ACG's team to perform the services requested in CDBG-DRMIT-RFP-2023-03 in accordance with PRDOH's quality and time expectations. The key elements of our Work Approach are comprehensively described below:

APPROACH FOR GENERAL ADMINISTRATION AND COORDINATION OF THE EFFORTS UNDER THE ENGAGEMENT WITH PRDOH

Our approach for general administration and coordination of the efforts under the engagement with PRDOH will be based on the establishment of a quality control plan on which ACG's General Partners, spearheaded by CPA Abraham Santiago-Irizarry, appointed as the Senior Manager for this project, will be constantly monitoring the performance, scheduling and progress of the work in accordance with the work plan. Also, the Partners will be available to meet PRDOH officials to discuss observations, instructions and recommendations, as deemed appropriate.

This approach will put together ACG's experience providing financial and grant management services to the PRDOH and his experience with the CDBG-DR program in performing financial and accounting assessments, and in providing general guidance on accounting services and support to PRDOH. To assist CPA Santiago-Irizarry perform the functions set forth in the Scope of Services section of the CDBG-DRMIT-RFP-2023-03, ACG's Team will also have a manager and other assistants and associates assigned to this project in accordance with this RFP requirements.

We expect to locate our team on-site at spaces designated by the CDBG-DR and CDBG-MIT programs to facilitate the processing of the information (or remotely during the pandemic, as CDBG-DR and CDBG-MIT programs management request). Since we already have a team on-site in the PRDOH's Finance Division, we will have the ability to perform the engagement at both sites, having the main data and documentation therein. Our team has been on-site since 2017.

Our approach for general administration and coordination of the efforts under the engagement with PRDOH will include the development of a Calendar Schedule that will include all the significant due dates and estimates of time and resources once approved by CDBG-DR and CDBG-MIT programs' management. The Calendar Schedule would be adjusted on an ongoing basis as determined by the planning changes that will emerge and for unforeseen events and conditions. For purposes of this work approach, we assumed the following:

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APPROACH FOR GENERAL ADMINISTRATION AND COORDINATION OF THE EFFORTS UNDER THE ENGAGEMENT WITH PRDOH (CONTINUED)

- a) The PRDOH will provide adequate working space for all our staff.
- b) The PRDOH will provide us access to the documentation submitted by the proponents of all procurements.
- c) The contract term will be three (3) years with optional extensions of up to two (2) additional years, as stated in the RFP.
- d) ACG's Team will be able to connect to the actual internet communication infrastructure of the PRDOH.

The Calendar Schedule and the significant due dates and time and resources estimates described above will be included in the strategic plan discussed in the Section *APPROACH TO PROVIDE TIMELY SUBMITTAL AND QUALITY SERVICES* below.

APPROACH OR PLAN FOR MANAGING, DEVELOPING AND/OR IMPLEMENTING EACH ELEMENT OF THE SCOPE OF SERVICES

Our approach for managing, developing and implementing each task will consist of the following:

TASK 1 - FINANCIAL AND ACCOUNTING ASSESSMENTS

Activities Required

Our approach for Task 1 is to assist with PRDOH's Procurement Processes evaluation and Subrecipients' Procurement Processes evaluation upon request by the PRDOH. The activities required include, but will not be limited to:

- 1) Assist the PRDOH (as related to the CDBG-DR and CDBG-MIT programs) with the development of guidelines to establish appropriate Financial Requirements to be included on the acquisitions of goods and services over the Simplified Acquisition Threshold in compliance with the CDBG-DR and CDBG-MIT Federal regulations. In accordance thereof, it will include:
 - Provide technical assistance to develop the criteria to evaluate the financial capacity of the Proposers/Bidders.
 - Provide technical assistance to ensure that the financial requirements to be implemented comply with CDBG-DR/CDBG-MIT Regulations and provides for full and open competition.

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APPROACH OR PLAN FOR MANAGING, DEVELOPING AND/OR IMPLEMENTING EACH ELEMENT OF THE SCOPE OF SERVICES (CONTINUED)

- Implement and follow the evaluation criteria and calculate a score for each financial information requirement.
 - Development of a report to document the assessment and the recommendations on the compliance evaluation with the criteria developed.
- 2) Provide technical assistance to develop and implement customized methods for each procurement to establish the requirements for availability of lines of credit of each financial institution and/or the availability of cash, when required.
- 3) Provide technical assistance to the PRDOH for evaluating documentation requirements and establish compliance with the required financial capabilities of the bidders participating in acquisition processes. In accordance thereof, our procedures will include:
- Preparation of a list of the documents evaluated as submitted by each Potential Contractor.
 - Verification of the financial statements, including interim periods, submitted by the bidders to determine compliance with the financial requirements established for each acquisition processes and development of working papers to document the corresponding evaluation process and the subsequent determination as to the proposers' financial capacity in accordance with the established evaluation criteria.
 - Preparation of an evaluation report stating whether the Potential Contractor complied or not complied with the information requirements for each procurement. In cases of noncompliance, the report will include the reasons for such a determination.
 - Documentation of the results of the evaluations results of each of the bidder according to the value granted and the established criteria.
 - Among the documents to be assessed should be the following: audited, compiled or reviewed financial statements, most recent interim financial statements, bank accounts information and commercial credit lines information. Complete set of financial statements include balance sheet, statement of revenues and expenses and cash flows. Perform any other service necessary to complete this task.

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APPROACH OR PLAN FOR MANAGING, DEVELOPING AND/OR IMPLEMENTING EACH ELEMENT OF THE SCOPE OF SERVICES (CONTINUED)

Deliverables

The key deliverables to be produced during the contract term for Task 1 - Financial and Assessments will include a report for each proposal evaluation. We will perform a preliminary overview of the documents submitted by each proposer for each bidding process. This will allow PRDOH to maximize the number of proposers with the required documents by giving the proposers an additional opportunity to present the required documents. Once PRDOH informed us that the time for bidders to present documents is over, we will complete our tests and analysis and prepare a draft report for PRDOH review and comments. Within this report, we will raise any issues noted during the documents review for PRDOH attention. Finally, once any issues raised by PRDOH during the drafted report review have been properly resolved and the report has been approved, we will issue our final report.

These deliverables are to be provided in both, hard copy and electronically and enough copies as indicated by PRDOH and in the requested format and shall be delivered in accordance with the RFP requirements, as follows:

- 1) First draft revision - 5 days after requested
- 2) Second draft revision - 5 days after requested
- 3) Third draft / Final report - 5 days after requested
- 4) Additional revisions - 3 days after requested

Timeframe for Performance of Task

The timeframe for the performance of the Financial and Accounting Assessments of Task 1 is assumed to be spread evenly during the expected 36 months term of the contract. The specific period timeframe will start upon the execution of the contract.

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APPROACH OR PLAN FOR MANAGING, DEVELOPING AND/OR IMPLEMENTING EACH ELEMENT OF THE SCOPE OF SERVICES (CONTINUED)

TASK 2 - ADDITIONAL SERVICES

Activities Required

Our approach for Task 2 - Additional Services will include, but will not be limited to, the following required activities:

- 1) Provide general guidance on accounting services and support to PRDOH on an as needed basis to comply with GASB No. 34 and any other accounting pronouncement and other support on compliance with federal regulations and local laws and regulations. It will include providing guidance to the PRDOH in other tasks related to financial accounting and reporting issues, fiscal and operational matters that PRDOH believes necessary for which our assistance and guidance is requested.
- 2) Provide support to the PRDOH during reconsideration or appellate processes on procurement issues.
- 3) Other related consulting services as deemed necessary by PRDOH.

Deliverables

The key deliverables to be produced for Task 2 - Additional Services shall be determined by mutual agreement on each separate request. We commit ourselves to deliver the information requested in a manner that is more useful and meaningful to PRDOH.

APPROACH TO PROVIDE TIMELY SUBMITTAL AND QUALITY SERVICES

Our approach to provide timely submittal and quality services to the PRDOH is to develop a complete strategic plan through the identification of the critical processes necessary to provide timely submittal and quality services. The development of the strategic plan is fundamental to achieve efficiency and effectiveness. Our strategic plan is composed of an Overall Risk Management Plan, a Financial Risk Assessment Plan, and an Information Exchange Plan. To ensure the best quality of services, all deliverables will be properly and timely reviewed by our Senior Accountant, CPA Abraham Santiago-Irizarry.

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APPROACH TO PROVIDE TIMELY SUBMITTAL AND QUALITY SERVICES (CONTINUED)

Overall Risk Management Plan

The Overall Risk Management Plan will include a risk worksheet that will identify possible risks that can affect project turnout and the respective actions to be taken to mitigate the risk.

Risk	Initial Risk Level	Control	Response
Incomplete and/or Outdated Information	High	Identify in writing the attributes of the information requested and establish reasonable due dates to submit information.	Deliver a list of documents to client and establish a single Point of Contact (POC) for exchange of information
Poor communication among stakeholders	Medium	Identify Key Team Members	Establish line of communication with the assigned POC.
Incompliance with Time Frame	Medium	Identify Key Team Members	Establish line of communication with the assigned POC.

Financial Risk Assessment Plan

The risk management plan for Task 1 - Financial and Accounting Assessments, will include ACG’s Risk Assessment Summary Form that will identify possible risks that can affect project turn out and the actions the project team will take to mitigate risks.

The Risk Assessment Summary Form is designed for identifying significant financial statements areas, documenting the risks of material misstatement affecting each area (including fraud risks or other significant risks), assessing those risks, selecting an approach that is appropriately tailored to respond to the assessed level of risk, and documenting the linkage of the assessed risks to the procedures that respond to those risks.

Our risk assessments would consider materiality, the results of preliminary analytical procedures, information obtained about the entity and its environment, engagement teams discussions, results of other project’s acceptance or continuance, other projects performed by the PRDOH, and any other sources that provide information relevant to identifying and assessing risks.

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APPROACH TO PROVIDE TIMELY SUBMITTAL AND QUALITY SERVICES (CONTINUED)

We will document any identified risks of material misstatement at the overall financial statement level and the planned responses as follows:

Description	Approach
Significant Financial Area	We will be alert to financial areas that will be generally considered significant if they contain a material account balance or requires significant disclosures. We will also be alert to unique financial areas that may pose specific risks related to matters such as related party transactions, subsequent events, significant estimates, or disclosures.
Identified Risks/Assertions Affected	Based on our understanding of the entity obtained when performing the financial and accounting assessments procedures and the conclusions reached, we will report (1) any specifically identified risk that is of a magnitude that could result in material misstatement of the financial statements and (2) the related assertions.
Indicate If Significant Risk	When considering if an identified risk is a significant risk, we will determine if it relates to (1) significant economic, accounting, or other developments needing specific attention; (2) complex transactions; (3) significant related party transactions; (4) measurements that are subjective or uncertain, especially estimates with a high degree of uncertainty; or (5) significant transactions outside the normal course of business or that otherwise appear unusual. Related party transactions outside the normal course of business will be treated as significant risks.
I/R	We will document the assessed level of inherent risk as High (H), Moderate (M), or (L) low.
Approach	Our approach will be responsive to the assessed risk of material misstatement. Regardless of the risk assessment, we will perform our procedures for all relevant assertions for each material class of transactions, account balance, and disclosure.

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APPROACH TO PROVIDE TIMELY SUBMITTAL AND QUALITY SERVICES (CONTINUED)

Description	Approach
Risk Assessment Documentation Approach	We will assess the risk of material misstatement, if any, at the relevant assertion level. When documenting the risk assessment at the assertion level, we will consider the following assertions when making your risk assessments: <ul style="list-style-type: none"> • Completeness (C) • Accuracy or Classification (A/CL) • Valuation or Allocation (V)
Comments/Linkage	We will provide comments as considered necessary about the risk assessment, planned responses, or to clarify the linkage between risks and responses.

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Information Exchange Plan

The Information Exchange Plan will allow ACG’s Team to comply with the requirements set forth in CDBG-DRMIT-RFP-2023-03 with the PRDOH’s quality and time expectations. The key elements of our plan are the following:

Process	Purpose	Audience	Delivery Method	Schedule	Owner
Startup	Gather information	All teams	Entry meeting	Upon execution of the Contract	All teams
Planning	Develop work plan	Partners	Email	Upon execution of the Contract	Senior Manager
Work plan distribution	Work plan outreach	All teams	Meeting and/or email	Upon execution of the Contract	Senior Manager
Plan execution	Reach project objectives	ACG Team	On going	Daily	Manager
Status reports	Progress assessment	ACG Team	Email	Weekly	Manager

APPROACH TO PROVIDE TIMELY SUBMITTAL AND QUALITY SERVICES (CONTINUED)

Process	Purpose	Audience	Delivery Method	Schedule	Owner
Team meetings	Discuss planning updates	ACG Team	Email, meetings, presentations	Weekly	Manager
Client meetings	Discuss status and issues	All teams	Email, meetings, presentations	Monthly and as needed	ACG Team
Supervision and review	Ensure compliance	ACG Team	Email, meetings, presentations	Daily	Senior Manager

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The Information Exchange Plan will also be activated whenever there is any request for additional services from the PRDOH Team. Upon such request, the Senior Accountant will submit to the PRDOH a Request for Authorization (RFA) that will include the justification and costs (unit pricing and/or hourly rates) for the services. An allowance would be included in the contract for these additional services available on as-needed basis, after the RFA is approved by the PRDOH. No additional services will be performed without prior authorization of the PRDOH.

APPROACH FOR OVERALL PLAN TO ENSURE COMPLIANCE WITH APPLICABLE FEDERAL, STATE, AND LOCAL LAWS AND REGULATIONS AS RELATED TO THE FINANCIAL AND ACCOUNTING SERVICES

Our approach to ensure compliance with applicable federal, state, and Local laws and regulations as related to the Financial and Accounting Services will be mostly based on the pronouncements issued by the Governmental Accounting Standards Board (GASB), which is the source of U. S. generally accepted accounting principles used by state and local governments in the United States. Accordingly, we will use the following GASB tools:

- 1) The GASB's implementation guides for the decision-making process to solidify our understanding of their application provisions.
- 2) The Statements of Governmental Accounting Standards issued by the GASB since its establishment in 1984 to obtain all the information that is useful to the decision-making process regarding the PRDOH accounting transactions.

APPROACH FOR OVERALL PLAN TO ENSURE COMPLIANCE WITH APPLICABLE FEDERAL, STATE, AND LOCAL LAWS AND REGULATIONS AS RELATED TO THE FINANCIAL AND ACCOUNTING SERVICES (CONTINUED)

- 3) The Governmental Accounting Research System Online (GARS). With the GARS we have access to all U.S. Generally Accepted Accounting Principles (GAAP) and related literature for state and local governments. GARS Online is available through four service plans to accommodate the varying needs of different stakeholders.
- 4) HUD's specific accounting guidelines (such as the Accounting Briefs) as they relate to any specific transaction.
- 5) Puerto Rico Treasury Department ("Hacienda") instructions and circular letters as they relate to the CDBG-DR and CDBG-MIT accounting transactions.

We will also enhance our review and analysis of the CDBG-DR and CDBG-MIT Programs' related laws and regulations by reviewing the program regulation on 24 CFR 570 and Public Laws 115-56, 115-72, 115-123, and 115-141 and the grant agreement. That way we will ensure that the PRDOH adheres to the requirements on the use of grant funds.

APPROACH TO IDENTIFY AND SOLVE/MITIGATE ISSUES DURING THE CDBG-DR AND CDBG-MIT PROJECTS

As mentioned above, ACG's have extensive experience providing financial and grant management services to the PRDOH, including CPA Santiago-Irizarry's previous experience with the CDBG-DR program in performing financial and accounting assessments, assisting in the preparation of the PRDOH cost allocation and indirect cost plan, and in providing general guidance on accounting services and support to PRDOH. Additionally, our Partners have over 30 years of experience in federal grant audits and management. Accordingly, our approach to identify and solve/mitigate issues during the CDBG-DR and CDBG-MIT project is based on that long experience.

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APPROACH TO IDENTIFY AND SOLVE/MITIGATE ISSUES DURING THE CDBG-DR AND CDBG-MIT PROJECTS (CONTINUED)

TASK 1 - FINANCIAL AND ACCOUNTING ASSESSMENTS

Since 2019 CPA Santiago-Irizarry's assisted the CDBG-DR program reviewing pertinent financial information as part of the financial and accounting assessments for two procurement processes. Accordingly, our approach to identify and solve/mitigate issues during this Task will consist of a comprehensive evaluation of the financial information submitted by the Proposers, in connection with the prospective RFP's to be issued by the PRDOH under the CDBG-DR and CDBG-MIT programs. Said evaluation of the financial information will be limited to the mandatory financial requirements to be established in the prospective RFP (or RFQ) and the information provided by the CDBG-DR and CDBG-MIT programs.

The management of the PRDOH will be responsible for approving the sufficiency of the requirements to be defined for the prospective RFP. Notwithstanding, the services to be provided will consist, at a minimum and without limitation, to the following:

- Review of third party's confirmation of Lines of Credit and/or Bank Accounts
- Review of financial statements
- Review of financial related procurement document
- Prepare a detailed report of findings

Our procedures will be limited only to the review of the information provided by management of the PRDOH, Procurement Office, and in accordance with the prospective RFP's. During our work, we will determine whether the Proposers demonstrated that they have adequate financial resources to perform the services or goods under the prospective contract.

TASK 2 - ADDITIONAL SERVICES

Since July 2017 ACG has provided specialized grant management and financial and accounting professional services to the PRDOH. During this period, we have overseen the preparation of PRDOH's financial statements for the fiscal years 2017 through 2022 in accordance with GASB No. 34. Currently, we are in the initial stages of the financial statements of the fiscal year 2023. The final issuance of the financial statements of the PRDOH has been subjected to the availability of the pension liability information from the Employee Retirement System.

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APPROACH TO IDENTIFY AND SOLVE/MITIGATE ISSUES DURING THE CDBG-DR AND CDBG-MIT PROJECTS (CONTINUED)

The scope of our work therein includes, without being limited to, the preparation of the Management and Discussion Analysis, the Government Wide and Funds Financial Statements, and the notes to the financial statements. It also includes the implementation of GASB No. 68, Accounting and Financial Reporting for Pensions and GASB No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Also, we have assisted the PRDOH in the preparation (and implementation) of the Corrective Action Plan on findings within the Single Audit Report.

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Please be aware that the main users of the financial information from the CDBG-DR and CDBG-MIT programs will be the ACG Team in charge of preparing consolidated financial statements for the PRDOH. As part of the preparation of the financial statements of the PRDOH for the fiscal year 2019, our Team has collaborated with the CDBG-DR Program Financial Division, and we have recommended the adjusting journal entries necessary to conform with the requirements established by GASB No. 34. Accordingly, ACG is the only firm at the nationwide level that has the unique mix of experience and resources that will be very valuable in creating the synergy necessary to produce, in the most efficient and effective way, the financial data in compliance with Single Audit Act.

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As with our current engagement with the PRDOH, our technical approach methodology incorporates the concepts set forth by the COSO's updated Internal Control—Integrated Framework (2013 Framework). The 2013 Framework provides principles that represent the fundamental concepts associated with each component of internal control. In that regard, we will assist in the enhancement of the control activities and entity-level controls by principle, including risk assessment, information and communication, and monitoring.

The technical approach methodology for performing the services specified in the Scope of Services section of this proposal is ought to be in the context of achieving the principles and control objectives relevant to the program and fiscal reporting activities and designing and implementing of standard operating procedures for federal grant management processes at the Entity-Level, as follows:

APPROACH TO IDENTIFY AND SOLVE/MITIGATE ISSUES DURING THE CDBG-DR AND CDBG-MIT PROJECTS (CONTINUED)

Technical Approach on Control Environment Activities

- Exercising oversight of the performance of internal controls over financial reporting
- Establishing structures, reporting lines, and appropriate authorities and responsibilities to achieve financial reporting objectives
- Developing personnel in alignment with the financial reporting objectives

Technical Approach on Risk Assessment Activities

- Specifying the objectives with clarity to enable the identification and assessment of risks relating to financial reporting objectives
- Identifying and analyzing risks to achieve the objectives to determine how to manage them.
- Considering the potential for fraud in assessing risks on financial reporting objectives
- Identifying and assessing changes that could significantly impact the system of internal control

Technical Assistance on Information and Communication Activities

- Obtaining, generating and using relevant, quality information to support the functioning of internal control over financial reporting
- Communicating information to internal parties, including objectives and responsibilities for internal control, to support the functioning of internal control over financial reporting
- Communicating with external parties on matters affecting the functioning of internal control

Technical Assistance on Monitoring Activities

- Selecting, developing, and performing ongoing and/or separate evaluations to determine whether the components of internal control are present and functioning
- Evaluating and communicating internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management, as appropriate

Technical Assistance on Financial Close and Reporting Activities

- Defining the financial closing and reporting process
- Assisting in the performance of the accounting period close
- Capturing and processing non-routine information requiring significant estimates
- Preparing and reviewing internal financial statements with applicable disclosures
- Reviewing the financial reporting packages

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GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

ATTACHMENT B

SCOPE OF SERVICES
Request for Proposal
Financial and Accounting Consulting Services
Community Development Block Grant Disaster Recovery
Community Development Block Grant – Mitigation
Puerto Rico Department of Housing
CDBG-DRMIT-RFP-2023-03

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1. Introduction and Overview

The Puerto Rico Department of Housing (**PRDOH**) is issuing this Request for Proposals (**RFP**) to engage Financial and Accounting Consulting Services firm or firm(s) with the required expertise and knowledge to provide objective assurance for a broad range of financial and accounting activities for all Community Development Block Grant – Disaster Recovery (**CDBG-DR**), Community Development Block Grant – Mitigation (**CDBG-MIT**) and all other allocations made to the Government of Puerto Rico.

The PRDOH anticipates awarding the resultant contract(s) for an initial **three (3) year term with the option of two (2) annual extensions**. All services to be performed as a result of the contract(s) will be issued through task orders.

This scope of services is based upon circumstances existing at the time the RFP 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 contemplated contract.

The Selected Proposer(s) will be directly responsible for ensuring the accuracy, timeliness, and completion of all tasks assigned under this contract. This scope of services is based upon circumstances existing at the time of solicitation. The PRDOH is not liable for the rejections or cancellation of this RFP.

2. PRDOH's Reservation of Rights

See Section 2.3. of the document with the instructions of this RFP which contains a full list of the PRDOH's reservation of rights.

3. **Key Staff Requirements, Roles, and Responsibilities**

The Proposer(s) shall have or will secure, at its own expense, all personnel required in performing the services under the Financial and Accounting Consulting Services procurement process. **Key Staff** are resources that must be ready to begin working within two (2) weeks after the contemplated contract execution date and may be working throughout the term of the contract. The PRDOH reserves the right to request

the removal of any staff not performing to standard at PRDOH's sole discretion. Replacements to the Key Staff require written consent of the PRDOH.

PRDOH expects the Proposer(s) to provide competent and fully qualified staff that are authorized or permitted under federal, state, and local law to perform the scope of services under the contract.

The Proposer(s) shall provide detailed information and evidence about the experience and qualifications of the Key Staff to be assigned, including degrees, certifications, licenses, and years of relevant experience. Proposer(s) shall specifically identify resources currently employed by the Proposer(s) who will serve as Key Staff. This includes the Proposer(s)' own staff and staff from any subcontractors to be used. The Proposer(s) should demonstrate that its Key Staff meet the desired requirements listed below and have the necessary experience and knowledge to successfully implement and perform the tasks and services. Also, the Proposer(s) shall be capable of working within deadlines.

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Key Staff	Requirements	Roles & Responsibilities
Senior Manager	+ Must be a Certified Public Accountant	+ Document and monitor internal controls
	+ Must have seven (7) years of solid core accounting experience in major government/Business cycles to include work paper preparation and documentation	+ Evaluate complex financial and accounting reports and records
	+ Must be able to work within deadlines and prioritize work	+ Provide advice and direction to other accountants
	+ Must have good communication and analytical skills	+ Review and certify the financial capacity report
	+ Must be bilingual (Spanish and English)	+ Review deliverables

Staff	Requirements	Roles & Responsibilities
Manager	+ Must have a bachelor's degree in Accounting, Finance, or related areas + Must have three (3) years of related experience + Must be bilingual (Spanish and English)	+ Prepare/Review deliverables + Examine the completeness of financial statements + Validate reports, statements, and other financial and accounting information + Examine assigned financial and accounting documents to verify the accuracy of computations and uniform application of policies + Review valuation analyses and reports
Assistant or Associate	+ Must have a bachelor's degree in Accounting, Finance, or related areas. + Must have one (1) year of related experience + Must be bilingual (Spanish and English)	+ Examine assigned financial documents + Prepare deliverables + Assess financial statements and related accounting information + Assist the Senior Manager and Manager

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4. Services Requested

4.1. Task 1: Financial and Accounting Assessments

The PRDOH is seeking consultants with expertise and capabilities in financial and accounting consulting services, including, but not limited to, financial statements auditing, financial capacity evaluation, financial requirements for federal grants, and evaluations of the line of credit. The Proposer(s) will assist with PRDOH's procurement evaluation and Subrecipients procurement's evaluation upon request from the PRDOH. The Proposer(s) will be assigned to evaluate all CDBG-DR and CDBG-MIT processes, and any future allocation, whether new or ongoing, at the time that the awarded contracts have been executed. All Proposer(s) shall demonstrate they possess adequate resources to perform the requested services that may include but are not limited to the following:

- 4.1.1. Assist the PRDOH with the preparation of guidelines to establish appropriate Financial Requirements to be included in acquisitions in compliance with the

CDBG-DR and CDBG-MIT Regulations and full and open competition. The Selected Proposer(s) will:

- (i) Recommend the criteria to be used to evaluate the financial capacity of Selected Proposers/Bidders.
- (ii) Assure the Financial Requirements comply with CDBG-DR/CDBG-MIT Regulations.
- (iii) Assure the Financial Requirements comply with full and open competition.
- (iv) Assess the evaluation criteria and scoring for each financial information requirement.
- (v) Perform any other service required to complete these tasks.

4.1.2. The Selected Proposer(s) will:

- (i) Provide guidance to determine the available methods to establish the availability of lines of credit of each financial institution and/or the availability of cash.
- (ii) Perform any other service required to complete these tasks.

4.1.3. The Selected Proposer(s) will assist the PRDOH in evaluating documentation to establish the financial capabilities of Potential Contractors participating in acquisition processes. The Selected Proposer(s) will:

- (i) Identify and prepare a list of the evaluated documents from each Potential Contractor.
- (ii) Verify each of the documents based on the established financial requirements for the acquisition processes.
- (iii) Analyze the financial capacity of the Proposer(s) based on the established evaluation criteria.
- (iv) Review of Interim operational results.
- (v) Prepare a report stating whether the Potential Contractor complied or not complied with the information requested.
- (vi) Compile the evaluations of each of the Potential Contractors according to the value granted.
- (vii) Among the documents to be assessed should include the following: audited financial statements or most recent financial statements, bank information, and commercial credit lines information.
- (viii) Perform any other service required to complete these tasks.

4.2. Task 2: Additional Services

The services listed above are not meant to be an exhaustive list of the services the Selected Proposer will be asked to provide during the term of the Contract; additional services may be required throughout the contract term. Additional services required, may include, but are not limited to:

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4.2.1. Provide general guidance on accounting services and support to PRDOH on an as needed basis to comply with GASB 34, and support compliance with federal and local regulations.

4.2.2. The Selected Proposer(s) will provide guidance to the PRDOH in other tasks related to the financial area, fiscal matters, and operational matters that PRDOH understands necessary and requests the guidance.

- Provide support to the PRDOH during reconsiderations or appellate processes.

5. Deliverables

5.1. Task 1: Financial and Accounting Assessments

The key deliverables to be produced during the contract term for the Financial and Accounting Consulting Services shall include, but are not limited to:

Deliverable	Timeline
First draft revision	On or before five (5) days after request
Second draft revision	On or before five (5) days after request
Third draft / Final report	On or before five (5) days after request
Additional revisions	On or before three (3) days after request

5.2. Additional Services

Deliverables for additional services and support shall be determined by mutual agreement. The key deliverables are to be provided as PDF format by email.

6. Payment

Payments shall be issued for services provided previously approved by the PRDOH. It is the Selected Proposer's responsibility to provide all services as set forth under the Scope of Services. The Selected Proposer shall submit an invoice to PRDOH after delivery of the goods is provided. If PRDOH determines that the submitted invoice and supporting documentation is acceptable, then the invoice will be approved for payment.

An authorized representative of the PRDOH will review each invoice and, if adequate, will approve and process its payment. Payments to the Selected Contractor shall be made by electronic funds transfer (**EFT**). PRDOH reserves the right to conduct any audits it deems necessary. The Selected Contractor(s) agrees to cooperate fully with any such audit or audits.

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7. Response Requirements

In response to this Solicitation, the Proposer(s) should return the entire completed Proposal Submission package. Proposer(s) should carefully follow the format and instructions outlined therein. All documents and information must be fully completed and signed as required.

The proposal should include enough details to permit the PRDOH to conduct a meaningful evaluation of the proposed services. However, overly elaborate responses are not requested or desired.

Proposer(s) shall submit in their proposal resources for all the staff requested in this Scope of Services to be considered a responsive proposal. Evidence of compliance with the Key Staff requirements must also be submitted.

NOTE: FALSE OR MISLEADING STATEMENTS REGARDING STAFF QUALIFICATIONS OR PRIOR PROJECTS WILL RESULT IN THE DISQUALIFICATION OF THE RESPONSE AND CANCELLATION OF ANY RESULTING PURCHASE ORDER IF DISCOVERED AFTER THE AWARD.

7.1. SAM Registry

Proposer(s) s must be registered in the System for Award Management (**SAM**) at the time of the Proposal submission or initiate the registration process right after the Proposal submission. For more information about SAM go to <https://www.sam.gov/SAM/>. Awards will only be issued to entities which are cleared and not ineligible for award of a contract due to suspension, debarment, or HUD imposed limited denial of participation.

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ATTACHMENT C
COMPENSATION SCHEDULE
Assurance and Consulting Group LLC
Financial and Accounting Consulting Services

Request for Proposals No. CDBG-DRMIT-RFP-2023-03

The following sections contain cost information that considers the annual cost and hourly costs distributed by the Procurement Division in compliance with the Request for Proposals (RFP) CDBG-DRMIT-RFP-2023-03 and the Price Forms submitted by the awarded proposers.

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The Contractor presented an hourly rate that would be compensated for the actual hours worked.

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Assurance and Consulting Group LLC was awarded a total amount of \$1,036,800.00 and an initial contract for the term of three (3) years with the option of two (2) annual extensions upon mutual agreement. The Proposer will be compensated based on hours worked and hourly rates for each staff as identified in RFP-2023-03.

Distribution Table **Assurance and Consulting Group LLC**

Key Staff Positions	Qty:	Total hours	Hourly Rates	Total
Project Manager	1	60	\$140.00	\$8,400.00
Technical Staff Positions				
Manager	1	120	\$100.00	\$12,000.00
Assistant or Associate	1	120	\$70.00	\$8,400.00
Monthly Sub-Total				\$28,800.00
[E] Maximum Cost of Cost Estimating Services for 3 Years (36 Months)				\$1,036,800.00
TOTAL PROPOSAL COST				\$1,036,800.00

Notes on: Cost Estimating Services and Tasks

1. The contract is expected to function on an on-call basis by the contractor. Therefore, there could be months where the estimated monthly cost is less or more than that stated in the estimate. The contract is expected to function as a not-to-exceed contract from which services will be invoiced based on actual hours worked by each resource.
2. Estimated costs for each position should not be interpreted as a cap of costs or hours that may be invoiced for a specific position. Invoicing shall be based on the actual needs of resources for the services requested by the PRDOH.
3. Rate Per Hour includes overhead, profit, royalties, reimbursements, travel, fringe benefits, taxes, as well as any other additional fees and administrative costs applicable to the services.



ATTACHMENT D
PERFORMANCE REQUIREMENTS
FINANCIAL AND ACCOUNTING CONSULTING SERVICES
ASSURANCE AND CONSULTING GROUP, LLC.

The Financial and Accounting Consulting Services shall provide services in accordance with the Scope of Services (SoS) (**Attachment B**) of this contract.

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Task	Sub-Task	Description	Timeframe	Deliverables
Task 1: Financial and Accounting Consulting Assessments	SoS Section 4.1.1 Preparation of Guidelines Financial Requirements	Assist the PRDOH with the preparation of guidelines to establish appropriate Financial Requirements to be included in acquisitions in compliance with the CDBG-DR and CDBG-MIT Regulations and full and open competition.	First draft revision On or before five (5) days after request. Second draft revision On or before five (5) days after request. Third draft / Final report On or before five (5) days after Request. Additional revisions On or before three (3) days after request.	Final Capacity Report The Corresponding document must be submitted in the established or required format, as per PRDOH parameters.
	SoS Section 4.1.2 Guidance to determine line of credit	Provide guidance to determine the available methods to establish the availability of lines of credit of each financial institution and/or the availability of cash. Perform any other service required to complete these tasks.	First draft revision On or before five (5) days after request. Second draft revision On or before five (5) days after request. Third draft / Final report On or before five (5) days after Request. Additional revisions On or before three (3) days after request.	Guidance to determine line of credit The Corresponding document must be submitted in the established or required format, as per PRDOH parameters.
	SoS Section 4.1.3 Evaluation of Financial Capacity of Potential Contract.	Assist the PRDOH in evaluating documentation to establish the financial capabilities of Potential Contractors participating in acquisition processes.	First draft revision On or before five (5) days after request. Second draft revision On or before five (5) days after request. Third draft / Final report On or before five (5) days after Request. Additional revisions On or before three (3) days after request.	Evaluation of Financial Capacity of Potential Contract The Corresponding document must be submitted in the established or required format, as per PRDOH parameters.
Task 2: Financial and Accounting Consulting Assessments	SoS Section 4.2.1 Additional Services	Additional services may be required throughout the contract term.	Mutual Agreement	The Corresponding document must be submitted in the established or required format, as per PRDOH parameters.
	SoS Section 4.2.2	Provide guidance to the PRDOH in other	Mutual Agreement	

	Additional Services	tasks related to the financial area, fiscal matters, and operational matters that PRDOH understands necessary.		The Corresponding document must be submitted in the established or required format, as per PRDOH parameters.
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INSURANCE REQUIREMENTS
Request for Proposals
CDBG-DRMIT-RFP-2023-03
Financial and Accounting Consulting Services
Community Development Block Grant – Disaster Recovery
Community Development Block Grant - Mitigation
Puerto Rico Department of Housing

SPECIAL INSURANCE AND BONDING SPECIFICATIONS

A. The successful **subrecipient**, before the **Contract execution**, must submit to the **Puerto Rico Department of Housing (*PRDOH)** the hereafter mentioned certificates of insurance policies and/or bonds including all endorsements and agreements required under the special contractual conditions, in form satisfactory to ***PRDOH**, as provided in detail in this Insurance Requirements as per the following:

1. (X) State Insurance Fund Workers' Compensation Insurance Policy

In accordance with the Worker's Compensation Act No. 45, the successful **subrecipient**, shall provide Worker's Compensation Insurance. The successful **subrecipient**, shall furnish the ***PRDOH** the certificate from the State Insurance Fund Corporation (Spanish Acronym, CFSE).

2. (X) Commercial General Liability (Special Form) with LOC Classification that must include and a brief description of operations to be realized detail in all the Certificates of Insurance and including the following insurance limits and Coverages

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

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INSURANCE REQUIREMENTS
Request for Proposals
CDBG-DRMIT-RFP-2023-03
Financial and Accounting Consulting Services
Community Development Block Grant – Disaster Recovery
Community Development Block Grant - Mitigation
Puerto Rico Department of Housing

SPECIAL INSURANCE AND BONDING SPECIFICATIONS

COVERAGE	LIMIT
Each Employee	\$1,000,000
Each Accident	\$1,000,000

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

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

4. (X) Professional Liability &/or Errors & Omissions Policy

(X) *Professional Liability Certified Public Accountant and any other professional related to the project.*

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

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

(X) A.2 Limit:

- (X) each occurrence \$1,000,000
- (X) Aggregate \$1,000,000
- (X) Deductible \$ 10,000

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

5. (X) Umbrella



INSURANCE REQUIREMENTS
Request for Proposals
CDBG-DRMIT-RFP-2023-03
Financial and Accounting Consulting Services
Community Development Block Grant – Disaster Recovery
Community Development Block Grant - Mitigation
Puerto Rico Department of Housing

SPECIAL INSURANCE AND BONDING SPECIFICATIONS

Limit - \$1,000,000

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

- (X) a.** Breach of warranty
- (X) b.** Waiver and / or Release of Subrogation
- (X) c.** Additional Insured Clause
- (X) d.** Hold Harmless Agreement
- (X) e.** 30 Days Cancellation Clause

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

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

1. Be authorized to do business within the ***Commonwealth of Puerto Rico*** and have the corresponding ***license issued by the Commissioner of Insurance.***
2. To be enjoying a good economic situation and classified under the Category of ***B+ by the AM Best Rating Guide.***
3. Submit to the ****PRDOH*** a written certification as evidence of full payment of premiums by the Contractor. Mention each risk coverage premium separately.
4. Avoid sub-contractual obligations of premium financing or any other kind, which may be detrimental to the public interest.
5. Avoid any request for cancellation by the contractor prior to the expiration date of the policy, without the consent of the Contract Division of the ****PRDOH***: Discuss any refund of unearned premium.

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INSURANCE REQUIREMENTS
Request for Proposals
CDBG-DRMIT-RFP-2023-03
Financial and Accounting Consulting Services
Community Development Block Grant – Disaster Recovery
Community Development Block Grant - Mitigation
Puerto Rico Department of Housing

SPECIAL INSURANCE AND BONDING SPECIFICATIONS

6. Follow all Federal Bail and Acceptance Insurance Regulations, when applicable.
7. Indicate in the appropriate place of all insurance policies and/or bonds, **the full description of the project, work or service to be rendered.**
8. Not to make any **Endorsement** to insurance policies and bonds issued under the special conditions mentioned above, unless approved by the Insurance Section of the ***PRDOH**. To ensure that all insurance policies or bonds are issued to comply with all of our special insurance conditions with respect to the period of coverage, type of risk coverage, as well as all limits, as specified,
9. Clarify any questions regarding insurance requirements by any means of communication with the Insurance Section of the ***PRDOH** under the Secretary for Legal Affairs.
10. The Contractor shall, throughout the performance of Work under the Contract and until the Final Acceptance of the Program, maintain current, and in effect all the required insurance, except the Builder's Risk, which shall terminate on the date of substantial completion.
11. Insurance coverage in the minimum limit amounts set forth herein shall not be construed to release the Contractor from liability in excess of such coverage limit. Contractor must give thirty (30) calendar days written notice to PRDOH before any policy coverage is change, canceled or not renewed and shall cause the insurance carrier to do the same.

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

The successful **subrecipient**, as the prime contractor, has the duty to require each of the subcontractors to maintain in force all insurance policies and/or bonds necessary to cover their individual participation in the risk or risks related to the subcontracted work or service to be rendered.



INSURANCE REQUIREMENTS
Request for Proposals
CDBG-DRMIT-RFP-2023-03
Financial and Accounting Consulting Services
Community Development Block Grant – Disaster Recovery
Community Development Block Grant - Mitigation
Puerto Rico Department of Housing

SPECIAL INSURANCE AND BONDING SPECIFICATIONS

Therefore, prior to commencing work or receiving written notice to proceed with such work, the successful prime contractor has the responsibility to provide the ***PRDOH** with all the **certificates of insurance and/or bonds required** under the Special conditions approved by the Insurance Section of the ***PRDOH**. All insurance policies shall remain in effect for the entire contractual period.

In case of any **change order** and/or amendment resulting in alteration of the original project completion date or total original cost, the prime contractor shall take the necessary steps to request the insurer to include such changes in all related insurance policies and/or bond and to submit evidence by appropriate endorsements with effective dates. Cancellations without consent are not accepted.

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

D. CONFLICT OR DIFFERENCE BETWEEN THE SPECIFICATIONS OF THE TENDERING, PROCEDURE AND SPECIAL INSURANCE CONDITIONS AND BONDS

In the event of any conflict or difference in the description of coverage or amount or limits, etc., with respect to insurance requirements, the **"Special Conditions of Insurance and Bonds"** as set forth in this **Insurance Requirements** shall prevail over any other insurance specifications. ***PRDOH reserves the right to modify any Insurance Requirements at any time, in accordance with the Program's needs.**

E. CERTIFICATE OF CONTRACT DIVISION

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

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GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

INSURANCE REQUIREMENTS
Request for Proposals
CDBG-DRMIT-RFP-2023-03
Financial and Accounting Consulting Services
Community Development Block Grant – Disaster Recovery
Community Development Block Grant - Mitigation
Puerto Rico Department of Housing

SPECIAL INSURANCE AND BONDING SPECIFICATIONS

Request for Proposals
Financial and Accounting Consulting Services
Community Development Block Grant – Disaster Recovery
Puerto Rico Department of Housing

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June 30, 2023

Date

Sonia Damaris Rodríguez

Sonia Damaris Rodríguez
Insurance Specialist
CDBG-DR Program



ATTACHMENT F

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.

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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.

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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 Continuing Appropriations Act, 2018, and Supplemental Appropriations for Disaster Relief Requirements, 2017 (**Pub. L. 115-56**) approved on September 8, 2017, as amended; the Bipartisan Budget Act of 2018 (**Pub. L. 115-123**) approved on February 9, 2018, as amended; the Additional Supplemental Appropriations for Disaster Relief Act, 2019, (**Pub. L. 116-20**) approved on June 6, 2019, as amended; as well as 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 Puerto Rico Department of Housing (**PRDOH**) reserves its right to all administrative, contractual, or legal remedies, including but not limited to suspension or termination of this 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 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 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;

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

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

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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 C.F.R. Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements", and any implementing regulations issued by HUD.

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 timelines 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, religion or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with 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.

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.

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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.

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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 24 C.F.R. §578.95; 24 C.F.R. §570.489(g) and (h); and 24 C.F.R. §570.611, 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 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

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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)

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

All laborers and mechanics employed by 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. §§ 3141, *et seq.*) 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.

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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 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:

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- (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.
- 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

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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.

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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 C.F.R. chapter 60).

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

- 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.

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- 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 Exec. Order No. 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 Exec. Order No. 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 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 Exec. Order No. 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.

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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 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)

CLEAN AIR ACT

- 1)--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.*
- 2)--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.

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- 3)--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.

WATER POLLUTION CONTROL ACT

- 1)--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.*
- 2)--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.
- 3)--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.

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The CONTRACTOR and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 U.S.C. § 7401 *et seq.*, the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 *et seq.*, and the regulations of the Environmental Protection Agency with respect thereto, at 5 C.F.R. Part 919 Subpart E and 24 C.F.R. Part 58 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. Part 32 or on the List of Violating Facilities issued by the Environmental Protection Agency (**EPA**) pursuant to 24 C.F.R. Part 58, 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. § 7414) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 U.S.C. § 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified

in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.

- 3) A stipulation that as a condition for the award of the Agreement, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized, or to be utilized for the Agreement, is under consideration to be listed on the Excluded Party Listing System or the EPA List of Violating Facilities.
- 4) Agreement by the 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 of Lobbying Activities", 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 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 the 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 the 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.

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- 2) The parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. Part 75 which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.
- 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 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 75. The 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 75.
- 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 75 require employment opportunities to be directed, were not filled to circumvent the CONTRACTOR's obligations under 24 C.F.R. Part 75.
- 6) Noncompliance with HUD's regulations in 24 C.F.R. Part 75 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- 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 (46 U.S.C. § 5307) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible: (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian

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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.

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 76-252, 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.

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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

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

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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.

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.

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42. RELIGIOUS ACTIVITY

The CONTRACTOR agrees to abstain from using any funds related to this Agreement for inherently religious activities prohibited by 24 C.F.R. § 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/MIT 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).

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

Every project funded in part or in full by Community Development Block Grant – Disaster Recovery (**CDBG-DR**) and the Community Development Block Grant – Mitigation (**CDBG-MIT**) Program funds, and all activities related to that project, are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, 42 U.S.C. § 4601 et seq., and section 104(d) of the Housing and Community Development Act of 1992, as amended (HCDA), 42 U.S.C. § 5304(d), except where waivers or alternative requirements have been provided by the U.S. Department of Housing and Urban Development (HUD). The implementing regulations for URA are at 49 C.F.R. Part 24, and the regulations for section 104(d) are at 24 C.F.R. Part 42, subpart C. Additionally, HUD has established regulations specific to CDBG/MIT-funded housing activities at 24 C.F.R. § 570.606. PRDOH has also established the Uniform Relocation Assistance Guide & Residential Anti-Displacement and Relocation Assistance Plan (URA & ADP Guide) which provides guidance and requirements regarding URA compliance and minimizing displacement that are applicable to all CDBG-DR/MIT programs. The

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primary purpose of these laws and regulations is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.

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

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47. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970 (OSH ACT)

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

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

CONTRACTORS whose Scope of Work includes construction activities must comply with the General Clauses, and also with provisions of 29 CFR 1926 "Construction Health and Safety Regulations". It shall be a condition of any contract for construction, alteration and/or repair, including painting and decorating, that no contractor or subcontractor for any part of the contract work shall require any worker or mechanic employed in the performance of the contract to work in an environment or in unhealthy, hazardous or dangerous working conditions to their health or safety.

48. FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA)

The Federal Funding Accountability and Transparency Act of 2006 (**FFATA**), as amended, was signed with the intent of reducing wasteful government spending and providing citizens with the ability to hold the government accountable for spending decisions. 2 C.F.R. § Part 170 outlines the requirements of recipients' in reporting information on subawards and executive total compensation under FFATA legislation. Any non-Federal

entity that receives or administers Federal financial assistance in the form of grants, loans, loan guarantees, subsidies, insurance, food commodities, direct appropriations, assessed and voluntary contributions; and/or other financial assistance transactions that authorize the non-Federal entities' expenditure of Federal fund, is subject to these requirements. Prime contract awardees and prime grant awardees are required to report against subcontracts and subgrants awarded in the FFATA Subaward Reporting System (FSRS), the reporting tool for Federal prime awardees. This information reported will then be displayed on a public and searchable website: www.USASpending.gov.

33. PROCUREMENT

The Uniform Guidance procurement requirements (2 C.F.R. § Part 200, Subpart D) went into effect on July 1, 2018. These requirements are applicable to CDBG-DR/MIT funded projects, or as provided by 83 Federal Register 5844 VI A(1)(b)(2) permits a state grantee to elect to follow its own procurement policy. These policies and procedures ensure that Federal dollars are spent fairly and encourage open competition at the best level of service and price.

34. CHANGE ORDERS TO CONTRACTS

Change orders are issued when the initial agreed-upon pricing or work to be completed requires modification. First, the CONTRACTOR must complete a Change Order Request Form. This form and supporting documentation must be delivered to the PRDOH for review. Each change order must have a cost analysis. Once the Project Manager approves the change order, it is returned to the contractor for execution. Change orders are only invoiced on the final draw and categorized as "change orders." The amount listed on the invoice must match the previously approved amount and must be cost-reasonable. The PRDOH is responsible for verifying cost reasonableness. Verification documentation for cost reasonableness becomes an attachment to the change order.

45. LIMITED ENGLISH PROFICIENCY

Executive Order No. 13166, signed on August 11, 2000, requires programs, subrecipients, contractors, subcontractors, and/or developers funded in whole or in part with CDBG-DR/MIT financial assistance to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (**LEP**) and/or deaf/hard of hearing. Fair access is ensured through the implementation of a Language Assistance Plan (**LAP**), which includes non-English-based outreach, translation services of vital documents, free language assistance services, and staff training. Vital documents are defined as depending on the importance of the program, information, encounter,

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or service involved, and the consequence to the LEP person if the information in question is not provided accurately or in a timely manner.

46. PERSONALLY IDENTIFIABLE INFORMATION

In accordance with 2 C.F.R. § 200.303, regarding internal controls of a non-Federal entity, a grantee must guarantee the protection of all Personally Identifiable Information (PII) obtained. The program will enact necessary measures to ensure PII of all applicants is safeguarded as to avoid release of private information. If a contractor or employee should experience any loss or potential loss of PII, the program shall be notified immediately of the breach or potential breach.

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51. PROCUREMENT OF RECOVERED MATERIALS

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (**EPA**) at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

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END OF DOCUMENT



ATTACHMENT G

CONTRACTOR CERTIFICATION REQUIREMENT

ASSURANCE AND CONSULTING GROUP LLC

I. Contractor (or Subrecipient) Certification Requirement:

1. The expected subcontractor(s) in connection with the contract¹ is (are) the following:

None.

2. Neither the Contractor (or subrecipient) nor any of its owners², partners, directors, officials, or employees, has agreed to share or give a percentage of the contractor's (or subrecipient's) compensation under the contract³ to, or otherwise compensate, any third party, whether directly or indirectly, in connection with the procurement, negotiation, execution or performance of the contract.
3. To the best knowledge of the signatory (after due investigation), no person has unduly intervened in the procurement, negotiation, or execution of the contract, for its own benefit or that of a third person, in contravention of applicable law.
4. To the best knowledge of the signatory (after due investigation), no person has: (i) offered, paid, or promised to pay money to; (ii) offered, given, or promised to give anything of value to; or (iii) otherwise influenced any public official or employee with the purpose of securing any advantages, privileges or favors for the benefit of such person in connection with the contract (such as the execution of a subcontract with the Contractor, beneficial treatment under the contract, or the written or unwritten promise of a gift, favor, or other monetary or non-monetary benefit).
5. Neither the Contractor (or subrecipient), nor any of its owners, partners, directors, officials, or employees or, to the best of its knowledge (after due investigation), its representatives or sub-contractors, has required, directly or indirectly, from third persons to take any action with the purpose of influencing

¹ As used herein, the term "contract" is inclusive of any amendments, modifications, or extensions.

² For purposes of this Certification, a contractor's "owner" shall mean any person or entity with more than a ten percent (10%) ownership interest in the Contractor.

³ As used herein, the term "contract" is inclusive of any amendments, modifications, or extensions.

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any public official or employee in connection with the procurement, negotiation, or execution of the contract, in contravention of applicable law.

6. In compliance with Executive Order No. 2021-029 and CC 013-2021, the Contractor certifies as of the date hereof, that it is in a contractual relationship with the following entities of the Government of Puerto Rico: **Puerto Rico Department of the Housing and Puerto Rico Health Insurance Administration.**⁴

The Contractor also certifies that said entities are all the entities of the Government of Puerto Rico with which they maintain a contractual relationship. In addition, the Contractor recognizes and accepts that omitting any information regarding any current contractual relationship with any governmental entity could result in the termination of this agreement if so, required by PRDOH.

7. Any incorrect, incomplete, or false statement made by the contractor's (or subrecipient's) representative as part of this certification shall cause the nullity of the proposed contract and the contractor (or subrecipient) must reimburse immediately to the Commonwealth any amounts, payments or benefits received from the Commonwealth under the proposed contract.

The above certifications shall be signed under penalty of perjury by the Chief Executive Officer (or equivalent highest rank officer) in the following form:

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

By: JULIO C. RIVERA CAMACHO, CPA

Position: PARTNER

Signature: 

Date: 11/14/2023

⁴ The Contractor is required to disclose the names of the entities of the Government of Puerto Rico with whom it has contracts until the Agreement is signed.

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ATTACHMENT H

NON-CONFLICT OF INTEREST CERTIFICATION

ASSURANCE AND CONSULTING GROUP LLC

The CONTRACTOR certifies that:

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

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



Signature

11/14/2023
Date

JULIO C. RIVERA CAMACHO, CPA
Printed Name

PARTNER
Position

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