



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)
VACANT PROPERTY ASSESSMENT (VPA) INITIATIVE
UNDER THE PROGRAM MANAGEMENT PLANNING ALLOCATION



SUBRECIPIENT AGREEMENT
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND
CENTRO PARA LA RECONSTRUCCIÓN DEL HÁBITAT (CRH)

This **SUBRECIPIENT AGREEMENT** ("Agreement") is entered into this 14 day of March, 2023, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** ("PRDOH"), a public agency of the Government of Puerto Rico created under Act No. 97, of June 10, 1972, as amended, 3 LPRA § 441 et seq., known as the "Department of Housing Organic Act" (the "Organic Act"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, Hon. William O. Rodríguez Rodríguez, of legal age, attorney, single, and resident of San Juan, Puerto Rico; and **Centro para la Reconstrucción del Hábitat** ("Subrecipient"), a nonprofit corporation with principal offices at 59 Jiménez Sicardó Street, Caguas, Puerto Rico, represented herein by its Executive Director, of legal age, single, and resident of Aguas Buenas, Puerto Rico; collectively the **Parties**.

I. RECITALS AND GENERAL AWARD INFORMATION

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

WHEREAS, under the Continuing Appropriations Act, 2018, and Supplemental Appropriations for Disaster Relief Requirements Act, 2017, signed into law September 8, 2017 (Pub. L. 115-56), \$1.5 billion were allocated by the U.S. Department of Housing and Urban Development (HUD) for disaster recovery assistance to the Government of Puerto Rico under the CDBG-DR 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 Hon. Benjamin Carson, Secretary of HUD, the PRDOH is the governmental agency designated as grantee of the CDBG-DR funds allocated to the Government of Puerto Rico.

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

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

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

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

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

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

WHEREAS, PRDOH intends to undertake the **VACANT PROPERTY ASSESSMENT INITIATIVE (VPA)** with funds from the **PROGRAM MANAGEMENT PLANNING (PMP)** allocation under CDBG-DR. VPA is intended to serve as a catalyst for the economic development of areas deteriorated by the concentration of abandoned and derelict properties. It pursues the identification of existing nuisance properties through surveying strategies, data gathering, database development, meetings with the communities and municipalities, among other planning activities. The identification of these properties is essential to address the ever-growing deficit of affordable housing opportunities throughout Puerto Rico. VPA is intended to identify structures that can be repaired and rehabilitated for potential relocation of at-risk households under the CDBG-DR or CDBG-MIT Programs.

According to the approved current CDBG-DR Action Plan, there is an allocation of up to **ONE HUNDRED FOURTEEN MILLION SEVEN HUNDRED FORTY-THREE THOUSAND EIGHT HUNDRED FIFTY DOLLARS (\$114,743,850.00)** available for PMP. Out of the aforementioned funds, PRDOH has allocated to the Subrecipient the total amount of **ELEVEN MILLION TWO HUNDRED EIGHTEEN THOUSAND TWO HUNDRED FIFTEEN DOLLARS WITH EIGHTY-NINE CENTS (\$11,218,215.89)**. The Subrecipient shall administer and use such funds for the provision of the services described in the **Exhibit A** (Scope of Work) under this Agreement;

WHEREAS, the CDBG-DR funds made available for use by the Subrecipient under this Agreement constitute a Subaward of the PRDOH's Federal Award, the use of which must be in accordance with requirements imposed by Federal statutes, regulations, and the terms and conditions of the PRDOH's Federal Award;

WHEREAS, the PRDOH has the legal power and authority, in accordance with its enabling statute, the Organic Act, the federal laws and regulations creating and allocating funds to the CDBG-DR program and the current Action Plan, to enter and issue this Subaward, to be performed under this Agreement; and

WHEREAS, the Subrecipient has duly adopted a Corporate Certification, with identification number 3-2023, dated March 3, 2023, authorizing Luis Orlando Gallardo Rivera, Executive Director, to enter into activities such as the execution of this Agreement on behalf of the Subrecipient, and by signing this Agreement, the Subrecipient assures PRDOH that it shall comply with all the requirements described herein.

GENERAL AWARD INFORMATION

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



| | |
|--|---|
| CDBG-DR Grantee Federal Award Identification Number: | B-18-DP-72-0001 |
| CDBG-DR Grantee Federal Award Date: | February 21, 2020 |
| CDBG-DR Grantee Unique Identifier: | Unique Entity ID: FFNMUBT6WCM1 |
| Federal Award project description: | See Exhibit A for <u>Scope of Work</u> |
| Subrecipient Contact Information: | Luis Orlando Gallardo Rivera Executive Director 59 Calle Jiménez Sicardó, Caguas, PR 00725 (787)396-6606 gallardo@crhpr.org |
| Subrecipient Unique Identifier: | Unique Entity ID: XY3LGMKFP7M8 |
| Subaward Period of Performance: | Start Date: Effective Date, as defined in Section V of this Agreement. End Date: Twenty-four (24) months from Start Date |
| Funds Certification: | Dated: March 15, 2023 Authorized Amount: \$ 11,218,215.89 Funds Allocation: CDBG-DR "r0206pmp-doh-na" Account Number: 6090-01-000 See Exhibit E for <u>Funds Certification</u> |

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

TERMS AND CONDITIONS

II. ATTACHMENTS

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

| | |
|-----------|---------------------------------|
| Exhibit A | Scope of Work |
| Exhibit B | Timelines and Performance Goals |
| Exhibit C | Key Personnel |
| Exhibit D | Budget |

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|-----------|--|
| Exhibit E | Funds Certification |
| Exhibit F | HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements |
| Exhibit G | Special Conditions |
| Exhibit H | Subrogation and Assignment Provisions |
| Exhibit I | Non-Conflict of Interest Certification |
| Exhibit J | Insurance Requirements |

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

III. SCOPE OF WORK

The Subrecipient shall be responsible for performing the activities detailed in **Exhibit A** (Scope of Work) of this Agreement, herein attached and made an integral part of this Agreement, which may be amended from time to time with the consent of both Parties. The Subrecipient shall complete the Scope of Work (SOW) satisfactory to the PRDOH and consistent with the terms and conditions of this Agreement and applicable Federal and local statutes, laws and regulations.

A. Subrecipient Management Responsibilities

1. As a condition of receiving this Subaward, the Subrecipient is responsible for management, monitoring and reporting of the services included in the **Exhibit A** (Scope of Work) for the Program.
2. All services shall be made in accordance with PRDOH guidelines, HUD guidelines and regulations, and other applicable state and federal laws and regulations.
3. The Subrecipient may develop plans in accordance with the **Exhibit A** (Scope of Work). The PRDOH reserves authority and discretion to review and approve such plans.

B. General Administration

Prohibited Activities: The Subrecipient may only carry out the roles and responsibilities described in this Agreement and the activities related to the performance of the **Exhibit A** (Scope of Work). Notwithstanding anything to the contrary in this Agreement, the Subrecipient shall not be obligated to perform any work or services outside the **Exhibit A** (Scope of Work).

The Subrecipient is prohibited from charging to the PRDOH the costs of CDBG and/or CDBG-DR ineligible activities, including those described at 24 C.F.R. § 570.207, unless waived or made eligible by an applicable Federal Register Notice, from using funds provided herein or personnel employed in the administration of activities under this Agreement for political activities, inherently religious activities, or lobbying. The Subrecipient may be financially liable for activities undertaken outside of the parameters of the **Exhibit A** (Scope of Work) of this Agreement.

Moreover, the Subrecipient acknowledges that the following costs are not considered eligible for funding or reimbursement under the Program: engineering, architectural, and design costs related to a specific project such as detailed engineering specifications and working drawings; construction or

any costs of implementation of projects or plans; and costs not associated with the development of plans or other planning activities.

C. National Objectives

Funds being used for the planning activities such as the ones described in the **Exhibit A** (Scope of Work) of this Agreement are part of the twenty percent (20%) planning and administrative cap of the Community Development Block Grant-Disaster Recovery (**CDBG-DR**) funds. Funds with this designation are considered to address the national objective requirement.

D. Levels of Accomplishment – Performance Goals and Timelines

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

E. Nonperformance Standard

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

F. Staffing

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

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

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

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

G. Pre-Award Costs

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

IV. PERFORMANCE, MONITORING AND REPORTING

A. Monitoring

The PRDOH shall monitor the performance of the Subrecipient as necessary to ensure that the funds allocated to the Subrecipient are used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of this Agreement, including the timeframes and performance goals set forth in the **Exhibit B** (Timelines and Performance Goals) associated with the activities included in the **Exhibit A** (Scope of Work).

This review shall include: (1) reviewing financial and performance reports required by the PRDOH; (2) following-up and ensuring that the Subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the Subrecipient from the PRDOH detected through audits, on-site reviews, and other means; and (3) issuing a management decision for audit findings pertaining to this Federal award provided to the Subrecipient from the PRDOH as required by 2 C.F.R. § 200.521.

Substandard performance, defined as a performance that falls short of the standard expected of the Subrecipient, as specified in the Agreement's exhibits, shall constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within **fifteen (15) days** after being notified by PRDOH, PRDOH may impose additional conditions on the Subrecipient and suspend or terminate this Agreement, disallow all or part of the cost of the activity or action not in compliance or initiate other remedies for noncompliance, as appropriate and permitted under 2 C.F.R. § 200.339.

B. Reporting

The Subrecipient shall submit regular monthly progress reports to the PRDOH, on the form and with the content to be specified and required by the PRDOH. The PRDOH shall later notify Subrecipient in writing the guidelines and requirements applicable to the submittal of the monthly progress reports, and such notification shall be deemed incorporated by reference to this Agreement.

V. EFFECTIVE DATE AND TERM

This Agreement shall be in effect and enforceable between the parties from the date of its execution. The performance period of this Agreement is a maximum of **twenty-four (24) months** from the date of its execution, ending in March 16, 2025.

The End of Term shall be the later of: (i) March 16, 2025; (ii) the date as of which the Parties agree in writing that all Close-Out Requirements¹ have been satisfied or, where no Close-Out Requirements are applicable to this Agreement, the date as of which the Parties agree in writing that no Close-Out Requirements are applicable hereto; or (iii) such later date as the Parties may agree to in a signed amendment to this Agreement.

¹ "Close-Out Requirements" means all requirements to be satisfied by each party in order to close-out this Agreement and the CDBG-DR funds provided herein in accordance with applicable Requirements of Law, including the execution and delivery by one (1) or more of the Parties of all close-out agreements or other legal instruments and the taking of any actions by one or more of the Parties in connection with such close-out, in any case as required under applicable Requirements of Law.

The Subrecipient hereby acknowledges that this Agreement is subject to the grant agreement between the Government of Puerto Rico or the PRDOH, and HUD (the "Grant Agreement"); and the availability of the allocated CDBG-DR funds. The Subrecipient also acknowledges and agrees that any suspension, cancellation, termination, or otherwise unavailability of the CDBG-DR allocation(s) shall result in the immediate suspension, cancellation, or termination of this Agreement, upon PRDOH's notice.

A. Contract Extensions:

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

VI. BUDGET

A. Budget

The Subrecipient shall complete all activities in the **Exhibit A** (Scope of Work) of this Agreement in accordance with the **Exhibit D** (Budget) attached herein and made integral part of this Agreement as such Budget may be amended from time to time.

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

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

The PRDOH may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the PRDOH. Any amendments to the Budget must be approved in writing and signed by the PRDOH and the Subrecipient.

B. Indirect Costs

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

C. Program Income

PRDOH reserves the right to authorize the Subrecipient to retain Program Income² to be used in eligible program activities as described in this Agreement. The Subrecipient shall notify

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

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

[...]

Program income includes, but is not limited to, the following: (a) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG-DR funds; (b) Proceeds from the disposition of equipment purchased with CDBG-DR funds; (c) Gross income from the use or rental of real or personal property acquired by a State, local government, or Subrecipient thereof with CDBG-DR funds, less costs incidental to

PRDOH, within **twenty-four (24) hours** of receipt, of any Program Income generated by activities carried out with CDBG-DR funds made available under this Agreement. All Program Income (as defined at 24 C.F.R. § 570.500) generated by activities carried out with the CDBG-DR Funds must be returned to PRDOH if retention of such is not previously authorized by PRDOH. Program Income is subject to all applicable CDBG-DR laws, regulations and PRDOH's policies and procedures for so long as it exists. Any interest earned on cash advances from the U.S. Treasury or interest paid on CDBG funds held in a revolving fund account is not Program Income and shall be remitted promptly to the PRDOH for transmittal to the U.S. Treasury no less frequently than annually.

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

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

D. Reversion of Assets

Use and Reversion of Assets. The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 2 C.F.R. part 200 and 24 C.F.R. §§ 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

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

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

In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be Program Income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not

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

needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the PRDOH for the CDBG-DR program or (b) retained after compensating the PRDOH an amount equal to the current fair market value of the equipment less the percentage of non-CDBG-DR funds used to acquire the equipment.

VII. PAYMENT

A. Amount

This Agreement is based on the reimbursement of funds to the Subrecipient expended on approved CDBG-DR items. In order for the first disbursement of funds to be released, the Subrecipient must complete a Capacity Assessment with PRDOH. Funding is contingent on a CDBG-DR award to PRDOH or a Grant Agreement between the Government of Puerto Rico or the PRDOH, and HUD, and PRDOH's receipt of CDBG-DR funds. It is expressly agreed and understood that the total funding amount to be paid by the PRDOH to the Subrecipient under this Agreement shall not exceed the amount specified in the **Exhibit D** (Budget). Such payment shall be compensation for all allowable services required, performed, and accepted under this Agreement. However, PRDOH reserves the right to reduce the funding amount if CDBG-DR funding is not provided at the currently anticipated levels and/or if the actual costs for the approved activities are less than those set forth in the **Exhibit D** (Budget).

Any additional funds to complete the services requested by the PRDOH to the Subrecipient shall be subject to funds availability and shall require an amendment to this Agreement.

B. Requests for Reimbursements

The Subrecipient shall submit to PRDOH requests for reimbursements of activities under this Agreement and consistent with the approved Budget ("Request for Reimbursement") and Scope of Work on a monthly basis. Each Request for Reimbursement shall be broken down into requested reimbursements against the Budget line items specified in the **Exhibit D** (Budget).

The Subrecipient shall submit Requests for Reimbursements to the PRDOH, on the form and with the content specified and required by the PRDOH. The Requests for Reimbursements must be submitted with all supporting invoices, bills, time sheets, monthly reports, and any other document necessary to justify the payment, or any other supporting document requested by PRDOH. The Request for Reimbursement must also be accompanied by documentation from the Subrecipient demonstrating that all procurements for which payment is requested have been made in accordance with this Agreement.

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

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

"Under penalty of absolute nullity, I hereby certify that no public servant of the government entity is a party to or has an interest of any kind in the profits or benefits to be obtained under the contract which is the basis of this invoice, and should he be a party to, or have an interest in, the profits or benefits to

be obtained under the contract, a waiver has been previously issued. The only consideration to provide the contracted goods or services under the contract is the payment agreed upon with the authorized representative of the government entity. The amount that appears in the invoice is fair and correct. The work has been performed, the goods have been delivered, and the services have been rendered, and no payment has been received therefor."

The PRDOH shall pay to the Subrecipient CDBG-DR funds available under this Agreement [See **Exhibit E** (Funds Certification)] based upon information submitted by the Subrecipient for allowable costs permitted under this Agreement and consistent with the approved budget. Payments shall be made for eligible and allowed expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. PRDOH reserves the right to adjust payments in accordance with advance fund and program income balances available in Subrecipient accounts.

VIII. NOTICES

All notices, requests, approvals, and consents of any kind made pursuant to this Agreement shall be in writing and shall be deemed to be effective as of the date sent by certified mail, return receipt requested, or email. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice. Communication and details concerning this Agreement shall be directed to the following contract representatives:

**CDBG-DR
Grantee:** William O. Rodríguez
Secretary
Puerto Rico Department of Housing
606 Barbosa Avenue
Juan C. Cordero Building
Rio Piedras, Puerto Rico 00918

Subrecipient: Luis Orlando Gallardo Rivera
Executive Director
Centro para la Reconstrucción del Hábitat
59 Calle Jiménez Sicardó,
Caguas, PR 00725
(787)396-6606
gallardo@crhpr.org

IX. AMENDMENT AND TERMINATION

A. Amendments

This Agreement may be amended provided that such amendments make specific reference to this Agreement, comply with programmatic policies, procedures, and guidelines, are executed in writing and signed by a duly authorized representative of each party, and approved by PRDOH. Such amendments shall not invalidate this Agreement, nor relieve or release the Parties from their obligations under this Agreement. Unless specified, such amendments are not intended to effect nor will they constitute an extinctive novation of the obligations of the Parties under the Agreement and amendment.

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

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

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

B. Suspension or Termination

1. Termination for Cause

The PRDOH may terminate this Agreement, in whole or in part, upon **thirty (30) days**' notice, whenever it determines that the Subrecipient has failed to comply with any term, condition, requirement, or provision of this Agreement. Failure to comply with any terms of this Agreement, include (but are not limited to) the following:

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

The Subrecipient shall have up to **thirty (30) days** to resolve issues listed above to the satisfaction of PRDOH.

2. Termination for Convenience of the PRDOH

The PRDOH may terminate this Agreement any time by a notice in writing from the PRDOH to the Subrecipient. If the Agreement is terminated by the PRDOH as provided herein, the Subrecipient shall be paid the total compensation as the allowable services actually performed up until the date of termination. Any compensation under this paragraph must be for documented costs that are CDBG-DR eligible, and allowable, allocable, and reasonable in accordance with Uniform Administrative Requirements.

This Agreement may also be terminated in whole or in part by either the PRDOH or the Subrecipient, or based upon Agreement by both the PRDOH and the Subrecipient in accordance with the requirements in 2 C.F.R. part 200, subpart D.

3. Notification and Recoupment of Costs Incurred Prior to Termination

The PRDOH shall promptly notify the Subrecipient, in writing, of its determination and the reasons for the termination together with the date on which the termination shall take effect and any other notifications required under 2 C.F.R. part 200, subpart D. Upon termination, the PRDOH retains the right to recover any improper expenditures from the Subrecipient and the Subrecipient shall return to the PRDOH any improper expenditures no later than **thirty (30) days** after the date of termination. In the case of a Termination for Convenience only, the

PRDOH may, at its sole discretion, allow the Subrecipient to retain or be reimbursed for costs reasonably incurred prior to termination, that were not made in anticipation of termination and cannot be canceled provided that said costs meet the provisions of this Agreement, 2 C.F.R. part 200, subpart E, Cost Principles, and any other applicable state or Federal statutes, regulations or requirements.

4. Unilateral Termination

The PRDOH may terminate this Agreement, in whole or in part, at PRDOH's sole discretion, with or without cause, at any time. The PRDOH will terminate this Agreement by delivering to the Subrecipient a **thirty (30) day** notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the effective date of termination. Upon receipt of such notice, the Subrecipient shall immediately discontinue all services affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. If the Subrecipient does not deliver to the PRDOH all information, studies, and other materials property of the PRDOH within the established timeframe, and the PRDOH invests any additional funds to reproduce the information, studies, and other materials not provided by the Subrecipient upon termination, then the PRDOH will disallow from payments to the Subrecipient under this Agreement the funds expended for the PRDOH to reproduce such information, studies, and other materials. In the event of a termination by Notice, the PRDOH shall be liable only for payment of services rendered up to and including the effective date of termination.

5. Suspension

The PRDOH may suspend this Agreement in whole or in part at any time for the PRDOH's convenience. The PRDOH shall give the Subrecipient **five (5) days'** written notice of such suspension. Upon receipt of said notice the Subrecipient shall immediately discontinue all services affected.

6. Immediate Termination

In the event the Subrecipient is subjected to a criminal or civil action, suit, proceeding, inquiry or court of applicable jurisdiction, or any governmental agency, or the Subrecipient shall be subject to an order, judgment, or opinion, issued by any federal or local authority, a court of applicable jurisdiction, or any governmental agency, in connection with the execution, delivery, and performance by the Subrecipient of this Agreement or the Subrecipient of this Agreement has been noncompliant, breach, inaccuracy of any representation, warranties, covenants, or the certifications provided herein, whether the noncompliance, breach or inaccuracy takes place before or after the execution of this Agreement, the PRDOH shall have the right to the immediate termination of this Agreement notwithstanding, any provisions to the contrary herein. This section will apply in the event of any judgment that may obligate the PRDOH to terminate the Agreement pursuant to Act No. 2 of January 4, 2018, as amended, 3 LPRA § 1881 et seq., known as the "Anti-Corruption Code for the New Puerto Rico".³ The Subrecipient has a continuous obligation to report to PRDOH any proceedings which apply to the Subrecipient under this paragraph.

In the event that the grant of funds by HUD under any allocations of the CDBG-DR may be suspended, withdrawn or canceled, this Agreement will be immediately terminated.

³ The Subrecipient has duly adopted a Corporate Certificate, with identification number 5-2023, dated March 15, 2023, authorizing Sandra Michelle López Quiles, to sign in behalf of the Subrecipient, the sworn statement required by Act No. 2 of January 4, 2018, *supra*.

7. Period of Transition

Upon termination of this Agreement, and for **ninety (90) consecutive calendar days** thereafter (the Transition Period), Subrecipient agrees to make himself available to assist the PRDOH with the transition of services assigned to Subrecipient by the PRDOH. Subrecipient shall provide to the PRDOH the assistance reasonably requested to facilitate the orderly transfer of responsibility for performance of the services to the PRDOH or a third party designated by the PRDOH. PRDOH reserves the right to provide for the execution of a Transition Services Agreement for the Transition Period. In such instance, the Subrecipient will be paid at a reasonable, agreed upon, hourly rate for any work performed for the PRDOH during the Transition Period. Moreover, during that Transition Period, all finished or unfinished records (files, data, work product) connected with this Agreement will be turned over to PRDOH.

8. Availability of Funds

This Agreement is contingent upon the availability of funds from HUD. It is expressly understood and agreed that the obligation to proceed under this Agreement is conditioned upon the receipt of Federal funds. If the funds anticipated for the continuing fulfillment of the Agreement are, at any time, not forthcoming or insufficient, either through the failure of the Federal government to provide funds or the discontinuance or material alteration of the program under which funds were provided, or if funds are not otherwise available to PRDOH, the PRDOH have the right upon **ten (10) working days** written notice to the Subrecipient, to terminate this Agreement without damage, penalty, cost or expenses to PRDOH of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination.

X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS

The **Exhibit F** (HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements), which is attached to, and made an integral part of this Agreement, sets forth certain requirements imposed by HUD with respect to PRDOH's Federal award or CDBG-DR Grant. Furthermore, the **Exhibit G** (Special Conditions), attached herein and made an integral part of this Agreement, is reserved to cover particular circumstances, conditions or specific requirements as they arise from the demands of the Program.

The Subrecipient agrees to carry out its obligations under this Agreement in compliance with all the requirements described in the **Exhibit F** (HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements), as well as those set forth in the **Exhibit G** (Special Conditions) attached to this Agreement.

Moreover, the **Exhibit I** ("Non-Conflict of Interest Certification"), attached herein and made an integral part of this Agreement, outlines several situations that may reasonably be considered as conflicts of interest. The Subrecipient shall disclose and certify that, to the best of its knowledge, none of the situations exist or may exist at the date of the execution of the Agreement. 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 funded projects, activities, and/or operations.

XI. INSURANCE & BONDING

The Subrecipient shall carry sufficient insurance coverage and bonding from insurers licensed to conduct business in the Government of Puerto Rico to protect all contract assets from loss due to any cause, including but not limited to theft, fraud, and/or physical damage. The

Government of Puerto Rico, the Puerto Rico Department of Housing and the U.S. Department of Housing and Urban Development shall be named as additional insured on all such insurance. The Subrecipient shall meet all other insurance requirements as the PRDOH may impose from time to time. In addition, all insurance carriers and bonding companies shall meet minimum size and financial stability/financial rating requirements as may be imposed by the PRDOH from time to time. Certificates of insurance shall be provided to the PRDOH and full and complete copies of the policies and/or bonds shall be provided to the PRDOH upon its request for same. See **Exhibit J** (Insurance Requirements).

Notwithstanding the above, for construction or facility improvement performed by the subcontractors or third parties, the Subrecipient shall ensure that the subcontractors or third parties, at a minimum, comply with the bonding requirements at 2 C.F.R. part 200, subpart D.

PRDOH WILL EXECUTE THIS AGREEMENT CONDITIONED TO THE SUBMISSION OF DOCUMENTATION EVIDENCING THE REQUIRED INSURANCE COVERAGE WITHIN THIRTY (30) DAYS OF THE SIGNING OF THE AGREEMENT. FAILURE TO COMPLY WITH THE AFOREMENTIONED REQUIREMENT MAY RESULT IN THE WITHHOLDING OF REIMBURSEMENTS OR THE TERMINATION OF THE AGREEMENT.

XII. CDBG-DR POLICIES AND PROCEDURES

In addition to what is established in this Agreement, the Subrecipient shall comply with all CDBG-DR program specific and general policies and procedures, including, but not limited to, the Subrecipient Management Policy, OS&H Guideline, MWBE Policy, URA & ADP Guidelines, Cross Cutting Guidelines, AFWAM Policy, Section 3 Policy, Language Access Plan, Personally Identifiable Information, Confidentiality, and Nondisclosure Policy and Conflict of Interest and Standards of Conduct Policy, as found in the CDBG-DR Website (<https://cdbg-dr.pr.gov/en/resources/policies/>), which are herein included and made integral part of this Agreement, as they may be updated from time to time, procurement policies and procedures in accordance with the federal procurement rules and regulations found in 2 C.F.R. § 200.318 through §200.327, and reporting requirements as established by the PRDOH.

XIII. SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION

The Subrecipient must be registered in the System for Award Management (**SAM**) and shall maintain its registration active during contract performance and through final payment. The Subrecipient is responsible during performance and through final payment for the accuracy and completeness of the data within SAM. Failure to maintain registration in SAM can impact obligations and payments under this Agreement.

XIV. 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 or Subrecipient 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 or Subrecipient 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 or Subrecipient may be entitled to reasonable adjustments in schedule, 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 or Subrecipient.

XV. INDEPENDENT CONTRACTOR

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the Parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the efforts to be performed under this Agreement. The PRDOH shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent entity.

XVI. ASSIGNMENT OF RIGHTS

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

XVII. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby, and all other parts of this Agreement shall nevertheless be in full force and effect.

XVIII. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement, and shall not be used to explain, modify, or aid in the interpretation of the provisions of this Agreement.

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

A. Consolidation or Merger

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

Upon the consolidation or the merger becoming effective and supporting evidence of such event is notified to PRDOH, execution of an Amendment to the Agreement may follow. The Amendment would include, but not limited to, modifications to the clauses that refer to the identity, personal circumstances, address, and any other information related to the signing party deemed relevant by PRDOH for the execution of the Amendment. **No amendment to the Agreement will be necessary if the Subrecipient, Contractor, or Subcontractor becomes the surviving entity following a merger.**

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

B. Change of Name

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

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

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

C. Dissolution

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

XX. NON-WAIVER

The PRDOH's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the PRDOH to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XXI. BANKRUPTCY

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

XXII. 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 Chamber of San Juan ("Sala Superior de San Juan").

XXIII. COMPLIANCE WITH LAW

It is the intention and understanding of the Parties hereto that each and every provision of law required to be inserted in this Agreement should be and is inserted herein. Furthermore, it is hereby stipulated that every such provision is deemed to be inserted and if, through mistake or otherwise, any such provision is not inserted herein or is not inserted in correct form, then this Agreement shall forthwith, upon the application of any Party, be amended by such insertion so as to comply strictly with the law and without prejudice to the rights of any Party.

XXIV. SUBROGATION

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

XXV. COMPTROLLER REGISTRY

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

XXVI. ENTIRE AGREEMENT

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

XXVII. FEDERAL FUNDING

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

XXVIII. RECAPTURE OF FUNDS

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

XXIX. OVERPAYMENT

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

XXX. COUNTERPARTS

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

XXXI. SURVIVAL OF TERMS AND CONDITIONS

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

XXXII. LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE

The Subrecipient does not have a legal claim to any amount of CDBG funds to be used for the specific project or site until the environmental review process is satisfactorily completed. As such, the Subrecipient acknowledges that it has no legal claim to any amount of CDBG funds for any projects or site acquisition under this Agreement, until the environmental review process is completed under PRDOH's satisfaction. The Subrecipient acknowledges that it will not begin any actions related to the project or site until the environmental review process is completed and has written acceptance and a Notice to Proceed from PRDOH.

XXXIII. COMPLIANCE WITH THE DOCUMENTATION REQUIREMENTS FOR CONTRACTING WITH PROFESSIONAL SERVICES WITH THE GOVERNMENT OF PUERTO RICO (ACT NO. 237-2004)

The Subrecipient shall submit the following documentation applicable to the execution of contracts or agreements with the Government of Puerto Rico: **All Concepts Report (CRIM)**. PRDOH will execute this Agreement conditioned to the submission of the aforementioned documentation within **fifteen (15) days** of the signing of this Agreement. Failure to comply with the submission of the aforementioned documentation may result in the withholding of reimbursements or the termination of the Agreement.

[SIGNATURES ON THE FOLLOWING PAGE.]

Subrecipient Agreement
Between PRDOH and Centro para la Reconstrucción del Hábitat
For the Vacant Property Assessment (VPA) Initiative
Program Management Planning Allocation under CDBG-DR
Page 19 / 19

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

PUERTO RICO DEPARTMENT OF HOUSING

CDBG-DR Grantee

By: 

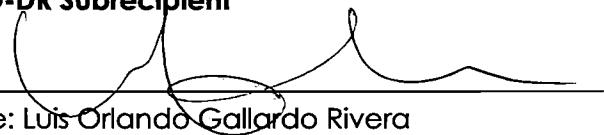
Name: William O. Rodríguez Rodríguez

Title: Secretary

Employer Social Security Number: 660-55-8579

Centro para la Reconstrucción de Hábitat

CDBG-DR Subrecipient

By: 

Name: Luis Orlando Gallardo Rivera

Title: Executive Director

Employer Social Security Number: 66-0895294

UEID Number: XY3LGMKFP7M8



EXHIBIT A

SCOPE OF WORK

VACANT PROPERTY ASSESSMENT INITIATIVE

CENTRO PARA LA RECONSTRUCCIÓN DEL HÁBITAT

1. Initiative Overview/Background

In September 2017, Hurricanes Irma and María (**Hurricanes**) cut across all of Puerto Rico, crippling the power grid, flooding coastal and alluvial plains, and causing significant landslide and wind damage. These forces collectively impacted cities and economies, municipal systems and natural ecologies, and exacerbated geological vulnerabilities. All seventy-eight (78) municipalities were subsequently declared disaster impact areas under Puerto Rico Hurricane Irma DR-4336 and Puerto Rico Hurricane María DR-4339.

The Vacant Property Assessment (**VPA**) Initiative (**Initiative**) is intended to serve as a catalyst for the economic development of areas deteriorated by the concentration of abandoned and derelict properties. The initiative has the potential to identify structures that can be repaired and rehabilitated for potential relocation of at-risk households under the CDBG-DR or CDBG-MIT Programs. As HUD and the Puerto Rico CDBG-DR Action Plan state, planning activities include but are not limited to: Comprehensive plans, Community development plans, Functional plans for housing/land use/economic development, Mitigation plan or disaster resiliency plan, Recovery action plans, and costs associated with creating a plan, including data gathering, studies, analysis, and preparation of plans.

The proposed Scope of Work includes exclusively planning activities. Planning activities include but are not limited to stakeholder outreach or engagement, development of informative and compliance documentation, inventories of vacant properties, development of GIS data and associated reports.

2. National Objective

CDBG-DR funds expended for planning are considered to address the national objectives for the grant as a whole; therefore, no documentation of compliance is required.¹

¹ HUD. Chapter 11: Financial Management. Available at: https://www.hud.gov/sites/documents/DOC_16480.PDF. See also 24 C.F.R. § 570.483.

3. Initiative Description

Communities across Puerto Rico were severely impacted by the hurricanes contributing to numerous vacant or nuisance properties across Puerto Rico. The identification of these properties is essential to recovery and addressing the ever-growing deficit of affordable housing opportunities in the seventy-eight (78) municipalities of Puerto Rico. Additionally, there is a significant need for outcome-oriented community planning, in particular, around urban areas as well as Puerto Rico's designated Special Communities as discussed in the unmet needs section of the CDBG-DR Action Plan.

The Initiative will result in identifying existing nuisance properties, and surveying strategies. The PRDOH plans on providing support and technical assistance to municipalities at a future date for strategies for nuisance abatement issues.

4. Tasks

✓
In addition to the tasks included herein and described below, and the outcomes and activities described in **Exhibit B (Timelines and Performance Goals)**, the Subrecipient, with prior consent and written authorization of PRDOH, shall perform any other task necessary for the proper performance of the services under the Subrecipient Agreement (**SRA**).

W
The tasks and activities under this Initiative will be managed by the Subrecipient of PRDOH. Consistent with the requirements of this SRA, the Subrecipient shall be reimbursed for any Eligible Costs incurred in carrying out Initiative activities within eligible budget amounts.

4.1 Office Logistics

- 4.1.1 Secure office space and necessary equipment for these offices to function, as necessary. Office spaces must be suitable for the services to be provided, and provide required visitor amenities such as on-site parking, rest rooms, and comply with ADA accessibility requirements.
- 4.1.2 Provide and secure equipment and technologies required to support remote or virtual initiative operations (which may include items such as laptop computers and WiFi devices).

4.2 Project/Agreement Management

TIMELINE and SCHEDULE

- 4.2.1 Create, maintain, and control project plan which includes clear critical path, task dependencies, identified slack, resource

allocation (including human and other resources), and activity status.

4.2.2 Work closely with PRDOH to ensure timely delivery of Initiative activities, in accordance with an agreed upon Initiative Schedule and **Exhibit B**.

STAFFING

4.2.3 Hire Key Personnel and Staff listed in **Exhibit C (Key Personnel)** promptly to support Initiative demands.

4.2.4 Ensure adequate staffing levels to support Initiative activities funded in whole or in part by CDBG-DR, including human resources management.

4.2.5 Provide a dedicated Program Management team, to carry out Initiative activities efficiently and effectively.

BUDGET MANAGEMENT AND INVOICING

4.2.6 Manage agreed upon program budget included herein. Any variances or expected variances which would cause significant impacts on the Initiative must be reported to PRDOH along with recommended corrective action.

4.2.7 Conduct pre-audit of monthly certifications for payments review and approval. Submit request for funds to PRDOH and disburse monthly certifications for payment.

PERFORMANCE

4.2.8 Establish, communicate, and enforce standard, efficient, and streamlined processes and strategies to support delivery of Initiative goals, risk management, quality assurance, stakeholder management, and change management.

4.2.9 Engage in total quality management practices to regularly evaluate effectiveness of established processes and implement change when needed. Processes may be subject to PRDOH review and approval.

4.2.10 Monitor and control team performance (including all staff and vendors under the Subrecipient's direct and indirect supervision) in

accordance with established performance goals, regulatory compliance, and quality standards.

4.2.11 Recommend corrective action and/or performance plan for underperforming team members, subcontractors, vendors, or other staff.

MONITORING AND COMPLIANCE

4.2.12 Implement the Initiative in a compliant manner, per United States Department of Housing and Urban Development (**HUD**) and PRDOH CDBG-DR regulations, policies, procedures, and all applicable state, local and federal regulations.

4.2.13 Maintain a complete understanding of all applicable Initiative policies, requirements, procedures, guidelines; possess knowledge of regulatory and statutory compliance requirements for CDBG-DR and similar programs/projects. Ensure all Initiative participants, including applicant-entities, vendors, and stakeholders are aware of all policy changes.

4.2.14 Lead and review all Initiative monitoring activities to prepare and present reports, data, documents, or other information as required by the PRDOH, HUD, the United States Office of Inspector General (**OIG**), or other oversight entities.

4.2.15 Regularly communicate potential risks, issues, and statuses with PRDOH, in the manner they arise.

4.2.16 Engrain transparent, regular reporting to ensure stakeholders of all levels and importance remain informed and empowered to make decisions and report on issues such as, but not limited to risk, Initiative progress, milestones achieved, performance issues, Initiative successes, compliance concerns, and Initiative demographics.

4.3 Document Control and Management

4.3.1 In accordance with HUD regulations, follow the records retention requirements as cited in 29 C.F.R. § 95.53, which includes: financial records, supporting documents, statistical records, and all other pertinent records.

4.3.2 Following PRDOH CDBG-DR Recordkeeping Policy, the Subrecipient shall retain all official records on programs and

individual activities for **five (5) years**, starting from the closeout of the grant between PRDOH and HUD.

4.3.3 Maintain a clearly defined process for acquiring, organizing, storing, retrieving, and reporting on financial records and project and activity records.

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

4.3.5 Establish and maintain protocols for physical file management, as applicable, to include, among other things, access to a file, tracking of location and possession of a file.

4.3.6 Ensure all project information and documentation is always available in the system of record.

4.3.7 Must provide all relevant documents in both English and Spanish language.

4.3.8 Any systems, tools, or technology provided must meet Personal Identifiable Information (**PII**) requirements as outlined in the Privacy Act of 1974, 5 U.S.C. § 552a (**Privacy Act**), 24 C.F.R. Part 5, and PRDOH policy for protection of PII.

4.3.9 Provide sufficient, appropriate document control and management to meet the financial and documentation requirements for CDBG-DR grants. At a minimum, the following records are required:

4.3.9.1 Records providing full description of each activity;

4.3.9.2 Records verifying that activity meets national and grant objectives, as applicable;

4.3.9.3 Records related to demonstrating eligibility of activities;

4.3.9.4 Records required to document activity related to real property;

4.3.9.5 Records documenting compliance with Davis-Bacon Act, Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Minority Business Enterprise, Women Business Enterprise, Section 3 of the

Housing and Urban Development Act of 1968, fair housing and equal opportunity requirement, as applicable;

4.3.9.6 Financial records and reports required by the Initiative; and

4.3.9.7 Records supporting any specific requirements of the Initiative or the CDBG-DR allocations.

4.3.10 Any other task necessary for the proper document control management.

4.4 Initiative Development

4.4.1 Develop and implement policies, strategies, guides and/or templates required for the implementation and administration of the Tasks and Activities contained within this SRA (i.e., Outreach Strategy, Standard Operating Procedures (**SOPs**), Forms, Contracts, Correspondence, Applications, etc.), as applicable and as requested by PRDOH.

4.4.2 Conduct proper procurement as needed for successful implementation and administration of the Tasks and Activities contained within this SRA. All procurement must be done in accordance with the federal procurement rules and regulations found in 2 C.F.R. § 200.318 through §200.327.

4.4.3 Publish programmatic information as determined by PRDOH and required by Initiative needs (e.g., training material, outreach material, etc.).

4.4.4 Provide PRDOH with required documentation and information as specified in Federal Register Vol. 83, No. 28 (83 FR 5844) for posting on PRDOH Disaster Recovery Website (www.cdbg-dr.pr.gov). Provision of non-essential information (when requested) such as bulletins, newsletters, or marketing materials for publication on PRDOH Disaster Recovery Website.

4.4.5 The data produced as part of this Initiative will be public.

4.5 Accounting and Reporting

4.5.1 Subrecipient shall adhere to PRDOH financial management policies and procedures as outlined in its manual, including but not

limited to Initiative Guidelines, or policies and procedures for this Initiative.

- 4.5.2** Account and reporting of uses of CDBG-DR funds, including but not limited to information on National Objectives met (as applicable), beneficiary demographics, and project completion status.
- 4.5.3** Maintain System of Records as previously detailed herein.
- 4.5.4** Submit regular Monthly Progress Reports and ad-hoc reports, as necessary, to PRDOH, in the form and with the content specified and required by PRDOH, in the frequency or form determined by PRDOH at the moment of request.
- 4.5.5** Subrecipient shall report and provide adequate proof of completion of any PRDOH mandatory trainings or capacity building initiatives.
- 4.5.6** Subrecipient shall inform and report on any costs incurred concerning rent expense, the acquisition of tools, equipment or other expenses related to the implementation of the VPA Initiative.
- 4.5.7** Follow monitoring policies and procedures as directed by PRDOH.
- 4.5.8** Provide status reports on a regular basis to keep PRDOH informed of progress.
- 4.5.9** As requested, meet with PRDOH to discuss the status of the Initiative, and any other issues that may have arisen during the administration of the assigned Initiative.
- 4.5.10** Provide PRDOH with project progress reports on demand, as well as access to the project management system for PRDOH to monitor the project.
- 4.5.11** Report on information that includes project activity deemed critical by the PRDOH.
- 4.5.12** Compile and review information necessary to prepare reports required under HUD regulations.
- 4.5.13** Reconcile with the PRDOH, on an established periodic basis, a complete inventory of all items furnished by the PRDOH or funded by the CDBG-DR grant, including items such as: equipment, furniture, computers, phones, laptops, network printers, network equipment, software licenses, etc., if applicable.

4.5.14 Review and submit recommendations for approval of CDBG-DR funding requests if needed.

4.6 Initiative Closeout

- 4.6.1** Ensure that all Initiative funding has been expended as stipulated in terms of grant agreement and suppliers have completed all tasks required by the award to the Subrecipient.
- 4.6.2** Ensure that all applicable PRDOH quality control reviews have been completed.
- 4.6.3** Ensure that all supporting documentation, information, and log of communications is included in the Initiative file.
- 4.6.4** Ensure compliance with 2 C.F.R. Part 200 Subpart F, 24 C.F.R. § 570.509, CPD Closeout Notices, and PRDOH CDBG-DR Closeout Process, as may be applicable.

5. Time Performance

All Initiative activities, including closeout, must be concluded as per the term stated in the SRA.

6. Budget

For details refer to **Exhibit D** of this SRA.

END OF DOCUMENT



EXHIBIT B

TIMELINES AND PERFORMANCE GOALS

VACANT PROPERTY ASSESSMENT INITIATIVE

CENTRO PARA LA RECONSTRUCCIÓN DEL HÁBITAT

1. INITIATIVE DESCRIPTION

The main objective of the Vacant Property Assessment (**VPA**) Initiative (**Initiative**) of the Puerto Rico Department of Housing (**PRDOH**) is to identify existing nuisance properties, surveying strategies, case management, ordinance design, and facilitate property acquisition and disposition, community land banking, and disaster recovery.

Communities across Puerto Rico were severely impacted by the hurricanes contributing to numerous vacant or nuisance properties across Puerto Rico. The identification of these properties is essential to recovery and addressing the ever-growing deficit of affordable housing opportunities in the seventy-eight (78) municipalities of Puerto Rico. Additionally, there is a significant need for outcome-oriented community planning, in particular, around urban areas as well as Puerto Rico's designated Special Communities as discussed in the unmet needs section of the CDBG-DR Action Plan.

2. TERMS AND ADDITIONAL DESCRIPTIONS

- **Deliverable** – Final document worked with and/or ratified by the Municipality during the initial and intermediate outreach that will become part of the Inventory and Final Reports. All deliverables should be submitted to PRDOH for review and approval.
- **Key Activity** – Task or activity necessary to carry out the Initiative's activities and Planning Framework Milestones.
- **Milestone** – Major objective necessary to evaluate the progression and completion of deliverables.
- **Minimum Target** – Minimum required to demonstrate that the Key Activity has been performed.
- **Planning Framework** – Planning methodology defined by PRDOH that will serve as the main guide for the implementation of the Milestones of the VPA Initiative and the execution of the planning activities.
- **Source of Verification** – Documentation used to verify that the key activity indicators have been met, and thus the key activities or tasks are in progress or completed. All sources of verification should be submitted to PRDOH.
- **Timeframe** – Required start and completion time for each activity as set forth in the VPA Workplan Schedule.
- **Validation** – Act or process of formally approving a document, map, plan, or other supporting materials by a transparent and clear mechanism such as voting, signatures, or other methods permitted by the Planning Framework and the Participation Strategy developed.
- **Vacant Property Assessment (VPA)** – Initiative of the PRDOH for the identification of existing nuisance properties, surveying strategies, case management, ordinance design, code enforcement, property acquisition and disposition, community land banking, and disaster recovery.

| ADDITIONAL DESCRIPTIONS | |
|---|--|
| Regional Informative Meetings with PRDOH and CDBG-DR Staff | The Subrecipient will introduce the VPA Initiative planning process and tools via meetings with the central, regional, and CDBG-DR PRDOH offices. Parties will summarize Initiative activities and plug-in to CDBG-DR programs, as well as facilitate information with regional offices such as Special Community maps, contacts, and data. |
| Regional Strategic Engagement Meetings | Macro-level regional meetings will be carried out throughout Puerto Rico whereas municipalities will be briefed on the Initiative and its scope of work. The Subrecipient will disseminate information on the purpose and design of inventories as well as implications for local code enforcement and nuisance abatement programs. Regions are described on Workplan Schedule (Please see footnote one (1)). |
| Initial Regional Meetings with Mayors | Micro-level meetings will be carried out with participating municipalities in Regional Meetings. Mayors and their staff will receive a summary of the scope of the Initiative within their respective jurisdictions and the Subrecipient will obtain relevant maps, community contacts, data, and respond to localized inquiries or concerns. |
| Initial Public Meetings with the municipalities to be inventoried | Meetings open to the general public will be coordinated with PRDOH and can be held on any of the municipalities of the selected region. The Subrecipient will summarize the extent of the Initiative, relay particularities applicable to the communities to be inventoried, and answer general questions and concerns that may arise. In addition, the Subrecipient will identify points of contacts and leaders in Initiative communities. |
| Street-by-street, parcel-by-parcel inventories | Subrecipient staff and contractors will carry out community mapping, combing neighborhoods for vacant and abandoned properties. Residents, community leaders, and municipal staff may accompany the Subrecipient for hard-to-access or remote communities. |
| Property Profiles Preparation | Individual profiles will be compiled for each, and every property inventoried, including information relevant to the PRDOH and municipalities. Data collected in the field will be elaborated upon case-by-case searches through the tax, cadastral, and Property Registry databases. |
| Intermediate Regional Meetings with Mayors | Follow-up meetings will be held in each Region where participating municipalities' mayors and staff will be debriefed on the preliminary results of the street-by-street, parcel-by-parcel inventories. Inventory results will be discussed and the Subrecipient will incorporate any observations or findings. |
| Intermediate Public Meetings | Follow-up meetings open to the general public will be coordinated with PRDOH and can be held on any of the municipalities of the selected region with the mayors and municipal staff participation to summarize inventory findings and provide ample opportunity for public feedback on the Initiative's tasks. |

3. TIMEFRAME

As per the execution of this SRA, the PRDOH will be conducting oversight progress monitoring, and performance measurement of the following key activities and timeframes. As part of this SRA, the Subrecipient will be responsible of performing all Initiative activities, including closeout, as per the term stated in this SRA. Supplementary key activities will be provided to the Subrecipient in the Planning Framework, and/or other communications to support the oversight and implementation of the Initiative.

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4. KEY ACTIVITIES

As per the execution of this SRA, the PRDOH will be conducting oversight progress monitoring and performance measurement of the key activities set forth below. Additional key activities may be assigned to the Subrecipient to support the oversight and implementation of the Initiative. All sources of verification and key deliverables will be submitted to PRDOH for review, feedback and/or approval. PRDOH will monitor, measure, and oversee the Subrecipient's performance under this SRA against the key activities, deliverables, and timeframe requirements set forth in the approved VPA Initiative Planning Framework, Workplan Schedule, or any other document determined by PRDOH. As part of the oversight for progress monitoring and performance measurement, the Subrecipient shall participate in periodic meetings.

Key Activities set forth below include information on minimum targets and sources of verification. These are initial expectations by the Initiative. Some additional targets and sources of verification requirements may be notified at later dates. Any additional target or source of verification for Key Activities may be added by PRDOH to the VPA Planning Framework and the Workplan Schedule and will not require an amendment to the SRA to be a valid measure of any Key Activity.

Upon execution of the SRA and prior to commencement of the Activities, the Subrecipient will participate in an Initiative Kick-off workshop, as well as other technical assistance and capacity building sessions provided by PRDOH and by a Technical Assistance Provider.

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| Milestone 1: Initial Outreach | | | | |
|---|--|--|---|---|
| KEY ACTIVITIES | MINIMUM TARGETS | SOURCES OF VERIFICATION | TIMEFRAME¹ | Indicators |
| Activity 1.1 Provide Stakeholder Participation Strategy and Workplan Schedule | <ul style="list-style-type: none"> - One (1) Stakeholder engagement strategy report - One(1) Workplan Schedule | <ul style="list-style-type: none"> - Stakeholder engagement report and Workplan Schedules deliverables | <ul style="list-style-type: none"> - Three (3) Months upon execution of the SRA for both the Stakeholder engagement report and the Workplan Schedule | <ul style="list-style-type: none"> # of Stakeholder Engagement Strategy Delivery of Engagement Strategy Report Delivery of Workplan Schedule |
| Activity 1.2 Conduct Regional Informative Meetings with CDBG-DR and PRDOH Central and Regional Staff | <ul style="list-style-type: none"> - Two (2) Informative Meetings with PRDOH Central Staff - Nine (9) Informative Meetings with PRDOH Regional Staff | <ul style="list-style-type: none"> - Attendance Sheets Meeting presentation - Screenshots or photos of meeting (as applicable) - Evidence of other outreach methods implemented | <ul style="list-style-type: none"> - Month three (3) upon execution of the SRA | <ul style="list-style-type: none"> # of Informative meetings held |
| Activity 1.3 Conduct Initial Regional Meetings with Mayors | <ul style="list-style-type: none"> - Minimum Thirteen (13) meetings. (One (1) per region). | <ul style="list-style-type: none"> - Meeting Record or Minutes - Meeting Invitation and Attendance Sign-in Sheet - Meeting Presentation - Screenshots or photos of meeting (as applicable) - Evidence of other outreach methods implemented | <ul style="list-style-type: none"> From Months 4-6: Eight (8) Regional Meetings From Months 7-9: Five (5) Regional Meetings | <ul style="list-style-type: none"> # of initial meetings held. |

¹ Timeframes shown are initial estimates and are subject to change during the SRA's activities implementation. Updated timeframes of performance will be established by PRDOH in the Workplan Schedule. The timeframes established by PRDOH in the Workplan shall be binding upon the parties without the need of an amendment to the SRA.

| Milestone 1: Initial Outreach | | | | |
|--|--|--|--|-------------------------------|
| KEY ACTIVITIES | MINIMUM TARGETS | SOURCES OF VERIFICATION | TIMEFRAME1 | Indicators |
| Activity 1.4 Conduct Regional Strategic Engagement Meetings with Communities | - Minimum of Thirteen (13) meetings (One (1) per region) | <ul style="list-style-type: none"> - Meeting Record or Minutes - Meeting invitation and attendance sign-in sheet - Meeting presentation - Screenshots or photos of meeting (as applicable) - Evidence of other outreach methods implemented | <p>Starting on Month Thirteen (13) upon SRA execution: Eight (8) Regional Community Meetings</p> <p>Starting on Month Fourteen (14) upon SRA execution: - Five (5) Regional Community Meetings</p> | - # of Regional meetings held |

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4.1 Key Activity 1.1: Development of the Participation Strategy with the Stakeholders and Workplan Schedule

The objective of this Key Activity is to develop a guiding document to outline the participation strategies that will be implemented throughout the VPA Initiative planning process. The Participation Strategy will detail agreements as described in the Planning Framework. The Subrecipient will coordinate the Stakeholder Participation Strategy and/or any other equivalent document required by PRDOH. The Subrecipient will ensure the Participation Strategy is presented or made available for community input and approval but may be revised throughout the planning process to improve or adapt to any need.

As part of this Key Activity, the Subrecipient will include a geographic division of Puerto Rico in thirteen (13) Regions for the purpose of coordinating regional meetings, units inventories and other activities associated to the Initiative.

PRDOH reserves the right to amend the VPA Workplan Schedule and the Planning Framework. Neither the original Planning Framework and the VPA Workplan Schedule nor any subsequent changes to it will require an amendment to the SRA.

4.2 Key Activity 1.2: Regional Informative Meetings with CDBG-DR and PRDOH central and regional staff

The objective of this Key Activity is to schedule two (2) Informative meetings with PRDOH and CDBG-DR staff, as well as meetings with each of the PRDOH nine (9) regional offices. Invitations to these meetings will be open to other state agencies that may themselves own vacant or abandoned properties. The Subrecipient will introduce the VPA Initiative planning process and tools. Meetings with regional PRDOH offices will facilitate information to Special Community maps, contacts, and data. Furthermore, the Subrecipient should present the need for a Stakeholder Participation Strategy that considers a work plan to develop a successful Stakeholder Participation Strategy.

4.3 Key Activity 1.3: Initial Regional Meetings with Mayors

The Subrecipient will hold thirteen (13) regional meetings throughout Puerto Rico whereas surrounding municipalities will be invited to receive an overview of the Initiative, timetables, and answer questions, inquiries, or concerns that may arise. In addition, the Subrecipient will discuss the role of inventories within the context of other CDBG-DR Programs and disaster recovery efforts.

Additional meetings with Mayors or Vice mayors will be held as requested by Municipalities and with prior approval of PRDOH.

4.4 Key Activity 1.4 : Regional Strategic Engagement Meetings with Communities

The subrecipient will carry out initial public meetings with communities to be inventoried. The need for said meetings is emphasized and is crucial to ensure transparency, community participation, and to identify community leaders or sensitive situations within each inventoried area. Community participation improves the accuracy of each inventory, increasing knowledge and access to high priority cases. Educative material will be distributed and questions from the community shall be answered.

✓

| Milestone 2: Inventory | | | | |
|---|---|--|--|--|
| KEY ACTIVITIES | MINIMUM TARGETS | SOURCES OF VERIFICATION | Timeline | Indicators |
| Activity 2.1 Street-by-street, parcel-by-parcel Inventory | Twenty-five hundred (2,500) units per Month | <ul style="list-style-type: none"> - Geodatabase - Metadata - Tabular Data - Photo log of property inventory - Survey raw data exported report - Maps in PDF and GIS formats | Starting on Month four (4) through Month Twenty (20) upon execution of the SRA | # of units included in Inventory # units for each of the thirteen (13) Regions # of Maps in PDF and GIS Format Submittal of complete Geodatabase. |
| Activity 2.2 Intermediate Regional Meetings | Minimum of Thirteen (13) Meetings [One (1) per region]. | <ul style="list-style-type: none"> - Meeting record or minutes - Meeting invitation and attendance sign-in sheet - Meeting presentation - Screenshots or photos of meeting (as applicable) - Evidence of other outreach methods implemented | Starting on Month four (4) through Month Twenty (20) upon execution of the SRA | - # of Regional Meetings held as scheduled on timeline |
| Key Activity 2.3 Intermediate Regional Public Outreach | <ul style="list-style-type: none"> - Minimum of Thirteen (13) Meetings [One (1) per region]. | <ul style="list-style-type: none"> - Meeting invitation and/or Attendance sign-in Sheet - Screenshots or photos of Meeting (as applicable) - Evidence of other outreach methods implemented | Starting on Month Nine (9) through Month Seventeen (17) upon the execution of the SRA | # of Public Outreach Meetings Held |
| Key Activity 2.4 Property Profiles Preparation and Final Report | <ul style="list-style-type: none"> - 100% inventoried parcel and structure will be reviewed to prepare a case file for each property (minimum of fifty thousand (50,000) inventoried units) - Eight thousand three-hundred (8,300) property files prepared per Month - One (1) Final Report: That includes Property Profiles | <ul style="list-style-type: none"> - A Final Report describing the following: <ol style="list-style-type: none"> 1) Data summary 2) Every inventoried parcel and structure (area and boundaries). 3) Data on Title Holder (if available). 4) Property Tax debts (if available). 5) Embargo or Foreclosure Status (if available) 6) Title search documents (if available). 7) Photos 8) Location Map 9) List of selected meeting participants with contact information | Starting on Month eighteen (18) through Month twenty-four (24) upon the execution of the SRA | # Of Property files submitted per month % of Case files prepared of each property # of Final Report submitted |

Subrecipient Agreement
Between PRDOH and Centro para la Reconstrucción del Hábitat
For the Vacant Property Assessment Initiative under CDBG-DR
Exhibit B – Timelines and Performance Goals
Page 1 of 10

| | | | | |
|--|---------------------|---|--|--|
| | and Title Searches. | - Prepared Case Files and Property Profiles | | |
|--|---------------------|---|--|--|

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4.5 Key Activity 2.1 : Street-by-street, parcel-by-parcel inventories

The goal is to understand the magnitude and identification of vacant properties throughout Puerto Rico's seventy-eight (78) municipalities. As part of this Key Activity the Subrecipient will share documentation of the analysis of digital files with geolocated inventory property and attributes. A minimum quota of inventoried properties will apply to each municipality, as outlined in **Exhibit D (Budget)**, and will initiate in each municipality's urban centers. If upon completion of the inventory of the urban centers the Subrecipient has yet to reach the respective quota, the Subrecipient will continue to inventory other areas in the following order of priority:

- (1) Titles V and VI settlements as authorized by Act 35 of June 14, 1941 (or "Land Law of Puerto Rico");
- (2) other urbanized areas as identified in the municipality's Territorial Plan;
- (3) designated Special Communities; and
- (4) other areas as requested by the municipality.

PRDOH contemplates that these inventories will be crucial for future support for municipalities for the creation and implementation of code enforcement, nuisance abatement, and property acquisition pipelines. All digital files related to this Key-Activity will be delivered via a secure cloud link, removable storage device or both methods as requested by PRDOH.

The Subrecipient will not be held responsible if a municipality refuses to cooperate with the initiative, has already inventoried its respective jurisdiction, or is unresponsive to Subrecipient and PRDOH's inquiries for information. In said case, the Subrecipient will document and submit to the PRDOH evidence of the efforts made and the number of cases that Subrecipient had originally planned to be assigned to said municipality. Those inventory activities will be redistributed among other municipalities within their respective region with prior coordination and approval of PRDOH. The PRDOH may also suggest redistributing surplus inventory balances to priority CDBG-DR projects or municipalities with increased need.

To reach the proposed goal of fifty thousand (50,000) units and/or parcels an average of twenty-five hundred (2,500) units shall need to be inventoried per month.

4.6 Key Activity 2.2 : Intermediate Regional Meetings

The Subrecipient will carry out follow-up regional meetings with mayors and their staff to present preliminary inventory results and provide ample opportunity for feedback or other observations. In said meeting, Subrecipient staff will summarize inventory findings and share a preliminary version of the Final Report for said municipality. Additional meetings with Mayors or Vice mayors will be held as requested by Municipalities and with prior approval of PRDOH.

4.7 Key Activity 2.3 : Intermediate Regional Public Outreach

The Subrecipient will provide follow-up meetings to demonstrate the initial inventory results. Preliminary profiles of each property are shared and discussed with municipal staff and the general public. In this type of setting, profiles are often updated as neighbors provide valuable information concerning potential owners, inaccuracies, changes, or unique situations regarding a particular property. In addition, owners of vacant properties are orientated concerning their rights, duties, and procedures in the case of municipalities proceeding with a formal declaration.

Additional meetings with Mayors or Vice mayors will be held as requested by Municipalities and with prior approval of PRDOH.

4.8 Key Activity 2.4 : Property Profiles Preparation

The Subrecipient will prepare a file on every inventoried parcel and structure (area and boundaries) that includes property information such as location, property taxes, Title Holders

(if available), among others described in *Milestone 2: Inventory*.

Subrecipient Staff will review each and every field inspection, preparing a case file for each property. Profiles and their respective data will be utilized for future PRDOH support to municipalities for the implementation of other programs and initiative. All the Data will be delivered in Portable Digital Format (**PDF**). The Final Report will be delivered via a secure cloud link, removable storage device or both methods as requested by PRDOH.

To reach the proposed goal of fifty thousand (50,000) an average of eighty-three hundred (8,300) property profiles shall need to be prepared per month.

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EXHIBIT C

KEY PERSONNEL

VACANT PROPERTY ASSESSMENT INITIATIVE CENTRO PARA LA RECONSTRUCCIÓN DEL HÁBITAT

1. KEY STAFF

Below is the Staffing Plan for Centro para la Reconstrucción del Hábitat which reflects a combination of existing employees and new hired employees dedicated for the CDBG-DR Vacant Property Assessment (VPA) Initiative.

| Roles | Personnel Count | FTE Count |
|---------------------------------------|-----------------|-----------|
| <u>Subrecipient Personnel:</u> | | |
| Project Director | 1 | 0.7 |
| Project Subdirector | 1 | 1 |
| Administrator | 1 | 0.9 |
| Finance Director | 1 | 1 |
| Compliance Manager | 1 | 1 |
| Regional Coordinators | 16 | 0.9 |
| Lead Attorney | 1 | 0.9 |
| Communications Director | 1 | 0.9 |

2. SUPPORT STAFF

Existing and new employees that will act as support staff for the CDBG-DR VPA Initiative.

| Roles | Personnel Count | FTE Count |
|--|-----------------|-----------|
| <u>Subrecipient Personnel:</u> | | |
| Human Resources Director | 1 | 0.9 |
| Field Technicians | 52 | 1 |
| Information Technology Director | 1 | 1 |

| Roles | Personnel Count | FTE Count |
|---------------------------------|-----------------|-----------|
| Attorneys | 6 | 1 |
| Paralegals | 12 | 0.5 |
| Administrative Assistant | 2 | 0.8 |
| Designer | 2 | 0.75 |
| GIS Analyst | 2 | 1 |
| Accountants | 2 | 1 |
| Call Center | 2 | 0.75 |
| Representatives | | |

3. ROLE DESCRIPTIONS FOR KEY AND SUPPORT STAFF

| Role | Description |
|----------------------------|--|
| Project Director | Responsible for ensuring full compliance with all HUD and PRDOH requirements, including administrative, financial, Initiative, and technical. Responsible for implementing oversight mechanisms and developing all necessary policies, procedures, and tools to track progress and monitor performance of all components of the VPA Initiative. Must ensure compliance with applicable local and federal rules, laws, and regulations. Must be knowledgeable of the Initiative's legal implications, applicable requirements and cross-cutting Federal requirements. Responsible for overseeing and coordinating with compliance and finance managers. Must ensure transparency to the public regarding planned and actual use of funds. |
| Project Subdirector | Responsible for supporting the PRDOH, its representatives, and the Project Director in ensuring full compliance with all HUD and PRDOH requirements including administrative, financial, Initiative, and technical. Responsible for implementing oversight mechanisms and developing all necessary policies, procedures, and tools to track progress and monitor performance of all components of the VPA Initiative. Must ensure compliance with applicable local and federal rules, laws, and regulations. Must be knowledgeable of the Initiative's requirements and cross-cutting Federal requirements. Responsible for supporting the PRDOH, its representatives, and the Project Director, overseeing and coordinating with compliance and finance managers. |

| Role | Description |
|------------------------------|---|
| | Collaborate with the Project Director and communicate effectively and frequently with other project collaborators. |
| Administrator | Responsible for managing and monitoring contracts, overseeing invoice preparation, the acquisition of goods and services for the VPA Initiative, convening logistics, and supervision of Administrative Assistants. This includes developing procurement plans, negotiating contracts, ensuring that all procurement activities comply with relevant laws and regulations, and coordinate logistics of locations, scheduling, and audiovisual equipment required to conduct meetings and presentations with PRDOH for VPA Initiative stakeholders, or the general public. |
| Finance Director | Responsible for managing the financial aspects of the VPA Initiative and supervision of Compliance Manager and Accountants. This includes implementing financial policies and procedures, preparing and managing budgets for regional inventories, forecasting financial performance, and ensuring overall compliance with federal regulations and guidelines. The finance director also plays a key role in the grant reporting process, working with the grant team to gather, prepare, certify, and report financial documentation and supporting materials. |
| Compliance Manager | Responsible of ensuring that funds are spent and documented within the requirements of the SRA. This includes monitoring and documenting key activities and tasks to ensure progress toward deliverables, and documenting indicators, targets, and timelines established in the SRA. Responsible of ensuring compliance with grant reporting requirements including that all reports are submitted in a timely and accurate manner. |
| Regional Coordinators | Responsible for overseeing the data collection and inventory process in a specific geographic region. This includes recruiting, training, and supervising Field Technicians, coordinating field operations, and ensuring that the inventory is conducted accurately and efficiently. In addition, will also be responsible for managing schedules and working with local officials to coordinate Initiative implementation. |

| Role | Description |
|---------------------------------|---|
| Lead Attorney | Responsible for leading the coordination of all the tasks associated with the development of VPA Initiative, including the incorporation of Best Practices on regulatory or policy-oriented methods. Tasks include trend identifications, relocation policies for at-risk communities, increase access to insurance, ordinances regulatory tools process work, and other tasks as deemed necessary. Provides communication to all levels of management and staff regarding the development of VPA Initiative outcomes and other PRDOH assigned tasks, including, but not limited to regulatory tools to address specific identified mitigation or hazard concerns, and including any trends identified during the process of Municipal, Government of Puerto Rico and Federal Policy Framework Analysis. Prepare legal descriptions, analyze, and process boundary surveys, among other procedures. Collaborate with the Project Director and communicate effectively and frequently with other project collaborators. |
| Communications Director | Responsible for establishing and implementing a strategic plan for outreach for the VPA Initiative in coordination with the Project Director, PRDOH, and Initiative stakeholders. Develop, coordinate, and validate all outreach communication materials and public facing communications with PRDOH before implementation. Coordinate all outreach communication materials and public facing communications to be shared with VPA Initiative stakeholders including, but not limited, to: Subrecipients, Supporting Entities, VPA Initiative participants (such as but not limited to universities, professional organizations, Non-Governmental Organizations (NGOs)), and others as requested by PRDOH. Develop strategic plan to, effectively and efficiently, resolve any Subrecipients or Supporting Entities and public relations issues in coordination with the Project Director and PRDOH. Implement system to report, manage and track frequent questions, comments, and issues, including evaluation of the Initiative Team's effectiveness addressing complaints and answers. PRDOH must be able to access this system to have daily updates of status and results. |
| Human Resources Director | Responsible for overseeing and managing all aspects of the Initiative's human resources, including recruitment processes, intake training, professional development, |

| Role | Description |
|--|--|
| | <p>employee relations, and compliance with federal grant regulations. This individual ensures that the organization's human resource practices align with the goals and objectives of the VPA Initiative and supports the overall mission of CDBG-DR.</p> |
| Field Technicians | Responsible for conducting on-site visits to communities and accurately recording information about vacant and abandoned properties. This may include geolocating properties, taking photographs, collecting detailed information about potential nuisance conditions, and prepare Property Profile drafts. Technicians must ensure that all collected data is accurate and complete. Field Technicians will be required to provide regular updates on their progress to Regional Coordinators. |
| Information Technology Director | Responsible for managing the Subrecipient's databases and computer systems. This includes designing and implementing new databases, maintaining and troubleshooting existing systems, and ensuring that the organization's IT infrastructure is secure and reliable. The Administrator may also be responsible for providing technical support to Subrecipient and PRDOH staff, training new staff on systems in use, and helping to develop IT policies and procedures. |
| Attorneys | Responsible for trend identifications; relocation policies for at-risk communities, increase access to insurance; ordinances regulatory tools process work; and other tasks as deemed necessary. Provides communication to all levels of management and staff regarding the development of VPA Initiative outcomes and other PRDOH assigned tasks, including, but not limited to regulatory tools to address specific identified mitigation or hazard concerns, and including any trends identified during the process of Municipal, Government of Puerto Rico and Federal Policy Framework Analysis. Prepare legal descriptions and memos, research of applicable US Code of Federal Regulations, draft waiver requests, seek policy interpretations, analyze and process boundary surveys, and assist in drafting internal policies, among other procedures. Collaborate with the Lead Attorney and communicate effectively and frequently with other project collaborators. |

| Role | Description |
|---------------------------------|--|
| Paralegals | Responsible to assist Attorneys in preparing and organizing various legal and regulation analysis documents, draft legal descriptions and memos, and support Property Profile preparation. This includes conducting research, investigating facts and developing draft VPA Initiative documents, assist with the resolution of disputes involving property ownership, land use, and other related issues, and carry out cadastral and Property Registry research. Will also be responsible for helping to prepare and organize case files and attending administrative hearings and other legal proceedings as needed. |
| Administrative Assistant | Responsible for performing office functions and routine administrative task such as writing correspondence, scheduling appointments, organizing, and maintaining written and electronic files, or other coordination and communication as necessary. |
| Designer | Responsible for creating visual designs and materials to support the Initiative's mission and goals. This may include designing brochures and other disseminating materials, as well as creating Initiative-related graphics for the Subrecipient's website and social media pages. Will also be responsible for managing project timelines, working with the Project Director and Project Subdirector on visualizing Initiative outcomes for periodical reporting, as well as consulting with municipal and community stakeholders to refine design concepts for localized outreach campaigns. |
| GIS Analyst | Responsible for the development and delivery of GIS information products, data, and services. Responsibilities include database construction and maintenance using current enterprise GIS software and in coordination with the Information Technology Director, data compilation and reformatting, assisting in designing and monitoring initiatives and procedures for Field Technicians, programming system enhancements, customizing surveys, performing spatial analysis for special projects, and performing QA/QC activities. Other Activities associated with GIS analysis as required by Project Director. |

| Role | Description |
|------------------------------------|--|
| Accountants | Responsible for managing the Initiative's financial records and ensuring that the grant funds are used in accordance with relevant laws and regulations. This includes preparing financial statements, tracking expenses, review invoices and make timely payments, evaluate expenditure rates, providing documentation for external auditors, and preparing reports for the PRDOH. Will also be responsible for communicating with PRDOH points of contact regarding invoicing, working with the Subrecipient's leadership team to develop and implement financial policies and procedures, and providing training and support to collaborating staff on financial matters. |
| Call Center Representatives | Responsible for answering incoming calls and providing information and assistance to citizens and property owners. This may include answering questions, providing information about the Initiative's scope and implications, and directing calls to the appropriate staff members. Will also be responsible for updating property records, tracking call metrics, and providing feedback to Subrecipient leadership about ways to improve the call center's operations. |

END OF DOCUMENT



EXHIBIT D – SECTION 1

BUDGET

VACANT PROPERTY ASSESSMENT INITIATIVE

CENTRO PARA LA RECONSTRUCCIÓN DEL HÁBITAT

PRDOH designated to the Subrecipient a total allocation amount of **eleven million, two hundred eighteen thousand, two hundred and fifteen dollars with eighty-nine cents (\$11,218,215.89)** for the Vacant Property Assessment (VPA) Initiative (Initiative or Program), which is the maximum budget amount assigned to the Subrecipient to complete the activities under this SRA. Proposed budget items will be evaluated according to guidelines laid out in 2 C.F.R. Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards).

The VPA Initiative is a per unit cost and reimbursement program. All costs and activities must be incurred prior to reimbursement and invoicing. Planning and grant management activities will include, but are not limited to those described in **Exhibit A (Scope of Work)** and **Exhibit B (Timeline and Performance Goals)** of this SRA.

PRDOH will use the milestones and tasks included in **Exhibit B (Timeline and Performance Goals)** to evaluate the progression and completion of program activities. The following costs are considered NOT eligible for funding or reimbursement: engineering, architectural, and design costs related to a specific project such as detailed engineering specifications and working drawings; construction or any costs of implementation of projects or plans; and costs not associated with the development of plans or other planning activities.

As a beneficiary of the VPA Initiative, the Subrecipient assumes responsibility for administering these CDBG-DR funds in a manner consistent with the SRA, the program objectives, and PRDOH Policies and Procedures. The 2 C.F.R. Part 200 Subpart E (Cost Principles) requires that all costs are **allowable, reasonable, and allocable**.

- **Allowable** costs are those which are necessary in order to carry out the program, are consistent with policies and procedures established by the Subrecipient and the PRDOH, and which are adequately documented.
- **Reasonable** costs are generally considered those which are ordinary and necessary, and do not exceed market prices for comparable goods or services in the area.
- **Allocable** costs are those costs which are necessary in order to carry out the tasks and deliverables required by the VPA Initiative.

BUDGET SUMMARY

ACTIVITY DESCRIPTION

| | | |
|--------------------------------|--|------------------------|
| PROGRAM MEETINGS | Includes Informative Meetings with CDBG-DR and PRDOH central and regional staff, Regional Strategic Engagement Meetings, Initial Municipal meetings, Initial Public Meetings, Intermediate Municipal Meetings, and Intermediate Public Meetings. | \$306,093.73 |
| INVENTORY | Resources needed for the VPA inventory and related planning processes. | \$8,947,500.00 |
| FINAL REPORTS | Document detailing the results and Property Profiles for each municipality. | \$750,287.46 |
| PRDOH-MANDATED MEETINGS | Meetings required by PRDOH | \$10,087.80 |
| INDIRECT COSTS | De minimis costs as permitted, calculated at 10% of grant amount. | \$1,001,396.90 |
| OTHER OPERATION COSTS | Other operating costs required for implementation | \$153,600.00 |
| EQUIPMENT | Equipment required for implementation | \$49,250.00 |
| TOTAL PROGRAM BUDGET: | | \$11,218,215.89 |

BUDGET DETAIL

The budget detail that follows is provided as an expanded budget line-item detail, but not intended as a limiting factor. Expenditures per line item may not exceed the total budget per cost type. The Subrecipient will be awarded a flat rate for work completed per property inventoried.

| ACTIVITY | UNIT COST | TOTAL UNITS | ESTIMATED COST |
|------------------------|------------|-------------|----------------|
| Program Meeting | \$908.29 | 337 | \$306,093.73 |
| Inventory | \$178.95 | 50,000 | \$8,947,500.00 |
| Final Report | \$9,619.07 | 78 | \$750,287.46 |

* Estimated number of units to be inventoried could vary based on actual need and work performed on the VPA Initiative upon PRDOH approval.

PAYMENT SCHEDULE

The Subrecipient will utilize a payment schedule based on the satisfactory completion of three (3) clear deliverables: Program Meetings, Inventories, and Final Reports. Once a Program

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Meeting is completed, the Subrecipient will invoice them and provide the corresponding sources of verification as outlined in **Exhibit B** (Timelines and Performance Goals). Program Meetings will include eleven (11) Regional Informative Meetings with CDBG-DR and PRDOH Central and Regional Staff, thirteen (13) Regional Meetings with Mayors, Thirteen (13) Regional Strategic Engagement Meetings with Communities, throughout the course of the Initiative.

The Subrecipient will also invoice partial street-by-street, parcel-by-parcel inventories in bundles of at least five hundred (500) inventoried properties per month, upon provision of the respective sources of verification as outlined in **Exhibit B** (Timelines and Performance Goals). The Subrecipient will invoice PRDOH at a flat rate of eighty-nine thousand, four hundred and seventy-five dollars (\$89,475.00) per five hundred (500) properties bundle. The Subrecipient may invoice multiple bundles simultaneously, though at no time may invoice a bundle comprised of less than five hundred (500) properties. Bundles may also be comprised of properties from multiple municipalities, as it is contemplated that the Subrecipient will be carrying out inventories in multiple locations simultaneously.

The amount of properties to be inventoried per municipality are established below in the "Breakdown per Municipality of Inventory Properties" table below. The Subrecipient must inventory the minimum number of properties per each municipality, though may inventory additional properties at the request of PRDOH in order to assure completion of specific geographic areas of interest. In the course of the Inventory timeline, the Subrecipient with the PRDOH's written approval may adjust the quota per municipality based on updated Census-American Community Survey (**ACS**) data or other situations identified as results for early inventories are completed and tendencies identified.

W
BREAKDOWN PER MUNICIPALITY OF INVENTORY PROPERTIES

| MUNICIPALITY | TOTAL OTHER VACANT ACS 2021 | MINIMUM VPA INVENTORY |
|---------------------|--|----------------------------------|
| ADJUNTAS | 1,426 | 311 |
| AGUADA | 2,660 | 580 |
| AGUADILLA | 4,657 | 1,016 |
| AGUAS BUENAS | 1,339 | 292 |
| AIBONITO | 750 | 164 |
| ANASCO | 2,133 | 465 |
| ARECIBO | 6,731 | 1,469 |
| ARROYO | 1,567 | 342 |

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| MUNICIPALITY | TOTAL OTHER VACANT ACS 2021 | MINIMUM VPA INVENTORY | |
|--------------|--------------------------------|--------------------------|-------|
| | | 309 | 296 |
| BARCELONETA | 1,416 | | |
| BARRANQUITAS | 1,356 | | |
| BAYAMÓN | 10,245 | | 2,236 |
| CABO ROJO | 4,731 | | 1,032 |
| CAGUAS | 5,827 | | 1,272 |
| CAMUY | 1,740 | | 380 |
| CANÓVANAS | 2,310 | | 504 |
| CAROLINA | 9,648 | | 2,105 |
| CATAÑO | 1,490 | | 325 |
| CAYEY | 2,718 | | 593 |
| CEIBA | 2,054 | | 448 |
| CIALES | 1,237 | | 270 |
| CIDRA | 2,108 | | 460 |
| COAMO | 1,733 | | 378 |
| COMERÍO | 1,550 | | 338 |
| COROZAL | 1,741 | | 380 |
| CULEBRA | 179 | | 39 |
| DORADO | 2,052 | | 448 |
| FAJARDO | 3,112 | | 679 |
| FLORIDA | 605 | | 132 |
| GUÁNICA | 2,863 | | 625 |
| GUAYAMA | 3,025 | | 660 |
| GUAYANILLA | 1,335 | | 291 |

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| MUNICIPALITY | TOTAL OTHER VACANT ACS 2021 | MINIMUM VPA INVENTORY |
|--------------|--------------------------------|--------------------------|
| GUAYNABO | 4,798 | 1,047 |
| GURABO | 1,657 | 362 |
| HATILLO | 1,999 | 434 |
| HORMIGUEROS | 1,126 | 246 |
| HUMACAO | 4,168 | 910 |
| ISABELA | 3,342 | 729 |
| JAYUYA | 763 | 167 |
| JUANA DÍAZ | 2,428 | 530 |
| JUNCOS | 2,152 | 470 |
| LAJAS | 2,170 | 474 |
| LARES | 1,886 | 412 |
| LAS MARÍAS | 1,138 | 248 |
| LAS PIEDRAS | 2,401 | 524 |
| LOÍZA | 1,617 | 353 |
| LUQUILLO | 1,330 | 290 |
| MANATÍ | 2,995 | 654 |
| MARICAO | 651 | 142 |
| MAUNABO | 810 | 177 |
| MAYAGÜEZ | 6,800 | 1,484 |
| MOCA | 2,305 | 503 |
| MOROVIS | 1,619 | 353 |
| NAGUABO | 1,860 | 406 |
| NARANJITO | 1,779 | 388 |

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BREAKDOWN PER MUNICIPALITY OF INVENTORY PROPERTIES

| MUNICIPALITY | TOTAL OTHER VACANT ACS 2021 | MINIMUM VPA INVENTORY |
|---------------|--------------------------------|--------------------------|
| OROCOVIS | 1,534 | 335 |
| PATILLAS | 1,658 | 362 |
| PEÑUELAS | 1,223 | 267 |
| PONCE | 10,395 | 2,268 |
| QUEBRADILLAS | 1,415 | 309 |
| RINCÓN | 1,116 | 244 |
| RÍO GRANDE | 3,736 | 815 |
| SÁBANA GRANDE | 2,530 | 552 |
| SALINAS | 2,044 | 446 |
| SAN GERMÁN | 3,767 | 822 |
| SAN JUAN | 28,849 | 6,296 |
| SAN LORENZO | 1,928 | 421 |
| SAN SEBASTIÁN | 2,457 | 536 |
| SANTA ISABEL | 1,047 | 228 |
| TOA ALTA | 2,957 | 645 |
| TOA BAJA | 4,711 | 1,028 |
| TRUJILLO ALTO | 3,547 | 774 |
| UTUADO | 1,988 | 434 |
| VEGA ALTA | 2,676 | 584 |
| VEGA BAJA | 3,565 | 778 |
| VIEQUES | 987 | 215 |
| VILLALBA | 1,065 | 232 |
| YABUCOA | 2,170 | 474 |

| BREAKDOWN PER MUNICIPALITY OF INVENTORY PROPERTIES | | TOTAL OTHER VACANT ACS 2021 | MINIMUM VPA INVENTORY |
|---|--|--|----------------------------------|
| MUNICIPALITY | | | |
| YAUCO | | 3,625 | 791 |
| TOTAL: | | 229,122 | 50,000 |

Upon the completion of a municipality's inventory, the Subrecipient will certify to the PRDOH said completion and provide a Final Report for the municipality. Reports will comply with the verification as outlined in **Exhibit B** (Timelines and Performance Goals) and will be invoiced at a flat rate of nine thousand, six hundred and nineteen dollars with seven cents (\$9,619.07) per Final Report, irrespective of the municipality's size.

PRDOH-MANDATED TRAINING

The Subrecipient will participate in PRDOH Mandated trainings as established on **Exhibit G (Special Conditions)** of this SRA.

PROFESSIONAL SERVICES

Subrecipient may procure a variety of professional services provided by entities other than the Subgrantee to carry out any component of any of the tasks and activities described in this SRA. The federal government imposes procurement requirements for the acquisition of all professional services purchased with federal funds. Everything purchased with federal funds must be obtained through a procurement process that complies with the procurement policies and procedures in accordance with the federal procurement rules and regulations found in 2 C.F.R. § 200.318 through §200.327 and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200).

OTHER OPERATING

Subrecipient may incur in operational costs associated with delivery and implementation of the VPA Initiative. The federal government imposes procurement requirements for all acquisitions using federal funds. Everything purchased with federal funds must be obtained through a procurement process that complies with the standards imposed by the federal procurement rules and regulations found in 2 C.F.R. § 200.318 through §200.327 and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200). The Subrecipient may procure items on the condition that the

expenses are directly tied to fulfilling the conditions of the SRA, and that they are procured in the appropriate manner.

EQUIPMENT

To support implementation of the VPA Initiative, Subrecipient may need a variety of equipment. The federal government imposes procurement requirements for the acquisition of all supplies, equipment and real property purchased with federal funds. Everything purchased with federal funds must be obtained through a procurement process that complies with the standards imposed by the federal the federal procurement rules and regulations found in 2 C.F.R. § 200.318 through §200.327 and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200). The Subrecipient may procure items on the condition that the equipment is directly tied to fulfilling the conditions of the SRA, and that they are procured in the appropriate manner.

PRDOH reserves the right to adjust funding levels for each grantee and the allocation of the funding amounts for each planning component. Once Applicants are selected for award, PRDOH will determine the total amount to be awarded to any Subrecipient, based upon the scope of services to be provided, funds available, and other factors that PRDOH may determine.

BUDGET RE-DISTRIBUTION

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

END OF DOCUMENT



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

EXHIBIT E

Contract Code: 5161
Type: StandAloneSRA_V2
Original Registered Code:

CERTIFICATION OF FUNDS

Requested on behalf: CDBG-DR Director

The Finance Division certifies the availability of the following funds:

Contracting Of: CENTRO PARA LA RECONSTRUCCION DEL HABITAT, INC.
Source of Funds: 14.228 CDBG Funds
For: Vacant Property Assessment (VPA)
Amount: \$11,218,215.89

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

| Code | Amount Original | Amount Available | Category | Account | Amount |
|-----------------|-----------------|------------------|---------------------|-------------|-----------------|
| B-18-DP-72-0001 | Planning | r02p06pmp-doh-na | P - Program Subsidy | 6090-01-000 | \$11,218,215.89 |
| | | | | | \$11,218,215.89 |

The above distribution of funds is subject to changes and will be allocated in accordance with the executed agreement within the parties. These funds do not affect the Puerto Rico Department of Housing (PRDOH) operational budget, and are available to be used.

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

CC
Cesar Candelario Signed Date - 03/14/2023
Electronic Approval
Budget Manager

JK
Jackzaira Vega Signed Date - 03/15/2023
Electronic Approval
Finance Director

**This transaction does not represent an overcharge of the account herein.*



EXHIBIT F

VACANT PROPERTY ASSESSMENT INITIATIVE CENTRO PARA LA RECONSTRUCCIÓN DEL HÁBITAT

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

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

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

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

General Provisions:

1. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

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

2. STATUTORY AND REGULATORY COMPLIANCE

SUBRECIPIENT shall comply with all laws and regulations applicable to the Community Development Block Grant-Disaster Recovery funds appropriated by the Supplemental Appropriations for Disaster Relief Requirements, 2017 (Pub. L. 115-56), approved September 8, 2017 (**Appropriations Act**), as amended, including but not limited to the applicable Office of Management and Budget Circulars, which may impact the administration of funds and/or set forth certain cost principles, including if certain expenses are allowed.

3. BREACH OF SUBRECIPIENT AGREEMENT TERMS

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

4. REPORTING REQUIREMENTS

The SUBRECIPIENT shall complete and submit all reports, in such form and according to such schedule, as may be required by the PRDOH and/or the Government of Puerto Rico. The SUBRECIPIENT shall cooperate with all the PRDOH and/or the Government of Puerto Rico efforts to comply with HUD requirements and regulations pertaining to reporting, including but not limited to 2 C.F.R. § 200.328 and 24 C.F.R. § 570.507, when applicable.

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

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

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

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

6. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

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

7. DEBARMENT, SUSPENSION, AND INELIGIBILITY

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

8. CONFLICTS OF INTEREST

The SUBRECIPIENT shall notify the PRDOH as soon as possible if this SRA or any aspect related to the anticipated work under this SRA raises an actual or potential conflict of interest (as defined 2 C.F.R. § 200.318(c), if applicable). The SUBRECIPIENT shall explain the actual or potential conflict in writing in sufficient detail so that the PRDOH is able to assess such actual or potential conflict. The SUBRECIPIENT shall provide the PRDOH any additional information necessary to fully assess and address such actual or potential conflict of interest. The SUBRECIPIENT shall accept any reasonable conflict mitigation strategy employed by the PRDOH, including but not limited to the use of an independent subcontractor(s) to perform the portion of work that gives rise to the actual or potential conflict.

9. SUBCONTRACTING

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

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

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

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

10. ASSIGNABILITY

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

11. COPELAND "ANTI-KICKBACK" ACT

(Applicable to all construction or repair contracts)

Salaries of personnel performing work under this SRA shall be paid unconditionally and not less often than once a month without payroll deduction or rebate on any account except only such payroll deductions as are mandatory by law or permitted by the applicable regulations issued by the Secretary of Labor pursuant to the Copeland "Anti-Kickback Act" of 1934, 48 Stat. 948; (codified at 18 U.S.C. § 874; and 40 U.S.C. § 3145). The SUBRECIPIENT shall comply with all applicable "Anti-Kickback" regulations and shall insert appropriate provisions in all subcontracts covering work under this Agreement to ensure compliance by subcontractors with such regulations, and shall be responsible for the submission of affidavits required of subcontractors thereunder except as the Secretary of Labor may specifically provide for variations of or exemptions from the requirements thereof.

12. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

(Applicable to construction contracts exceeding \$2,000 and contracts exceeding \$2,500 that involve the employment of mechanics or laborers.)

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

All laborers and mechanics employed by SUBRECIPIENTS or subcontractors shall receive overtime compensation in accordance with and subject to the provisions of the CWHSSA, and the SUBRECIPIENTS and subcontractors shall comply with all

regulations issued pursuant to that act and with other applicable Federal laws and regulations pertaining to labor standards.

13. DAVIS-BACON ACT

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

The SUBRECIPIENT shall comply with the Davis Bacon Act (40 U.S.C. § 3141, et seq.) as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

All laborers and mechanics employed by SUBRECIPIENTS or subcontractors, including employees of other governments, on construction work assisted under this SRA, and subject to the provisions of the federal acts and regulations listed in this paragraph, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act.

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

14. TERMINATION FOR CAUSE

(Applicable to contracts exceeding \$10,000)

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

15. TERMINATION FOR CONVENIENCE

(Applicable to contracts exceeding \$10,000)

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

16. SECTION 503 OF THE REHABILITATION ACT OF 1973

(Applicable to contracts exceeding \$10,000)

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

Equal Opportunity for Workers with Disabilities:

- 1) The SUBRECIPIENT will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for

which the employee or applicant for employment is qualified. The SUBRECIPIENT agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with disabilities without discrimination based on their physical or mental disability in all employment practices, including the following:

- (i) Recruitment, advertising, and job application procedures;
- (ii) Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
- (iii) Rates of pay or any other form of compensation and changes in compensation;
- (iv) Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
- (v) Leaves of absence, sick leave, or any other leave;
- (vi) Fringe benefits available by virtue of employment, whether or not administered by the SUBRECIPIENT;
- (vii) Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
- (viii) Activities sponsored by the SUBRECIPIENT including social or recreational programs; and
- (ix) Any other term, condition, or privilege of employment.

- 2) The SUBRECIPIENT agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
- 3) In the event of the SUBRECIPIENT's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
- 4) The SUBRECIPIENT agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Deputy Assistant Secretary for Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the SUBRECIPIENT's obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The SUBRECIPIENT must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the SUBRECIPIENT may have the notice read to a visually disabled individual, or may lower the posted notice so that it might be read by a person in a wheelchair).
- 5) The SUBRECIPIENT will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the SUBRECIPIENT is bound by the terms of Section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment individuals with physical or mental disabilities.
- 6) The SUBRECIPIENT will include the provisions of this clause in every subcontract or purchase order in excess of \$10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to Section 503 of the Rehabilitation Act of 1973, as amended, so that such provisions will be binding upon each

subcontractor or vendor. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order as the Deputy Assistant Secretary for Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

17. EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

- 1) The SUBRECIPIENT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The SUBRECIPIENT shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- 2) The SUBRECIPIENT shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this non-discrimination clause. The SUBRECIPIENT shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- 3) The SUBRECIPIENT will, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- 4) The SUBRECIPIENT will send to each labor union or representative of workers with which he or she has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the SUBRECIPIENT's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 5) The SUBRECIPIENT will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
- 6) The SUBRECIPIENT will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

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- 7) In the event of the SUBRECIPIENT's non-compliance with the non-discrimination clause of this Agreement or with any of such rules, regulations or orders, this Agreement may be cancelled, terminated or suspended in whole or in part and the SUBRECIPIENT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.
- 8) SUBRECIPIENT shall incorporate the provisions of 1 through 7 above in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor so that such provisions shall be binding on such subcontractor. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance, provided, however, that in the event the SUBRECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the SUBRECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.

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

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

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

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

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

The SUBRECIPIENT and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 U.S.C. § 7401 *et seq.*, the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 *et seq.*, and the regulations of the Environmental Protection Agency with respect thereto, at 40 C.F.R. Ch. I, Subch. C, Pt. 60, Subpt. B and Ch. I, Subch. C, Pt. 93, Subpt. B, as amended, Section 508 of the Federal Water Pollution Control Act (33 U.S.C. § 1368) and Executive Order 11738 of September 10, 1973.

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

- 1) A stipulation by the SUBRECIPIENT or subcontractors, that any facility to be utilized in the performance of any nonexempt contract or subcontract, is not listed on the Excluded Party Listing System pursuant to Ch. I, Subch. C, Pt. 93, Subpt. B or on the List of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 C.F.R. Ch. I, Subch. C, Pt. 60, Subpt. B, as amended.
- 2) Agreement by the SUBRECIPIENT to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 U.S.C. § 7414) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 U.S.C. § 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
- 3) A stipulation that as a condition for the award of the Agreement, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized, or to be utilized for the Agreement, is under consideration to be listed on the Excluded Party Listing System or the EPA List of Violating Facilities.
- 4) Agreement by the SUBRECIPIENT that he or she will include, or cause to be included, the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the SUBRECIPIENT will take such action as the government may direct as a means of enforcing such provisions.

20. ANTI-LOBBYING

(Applicable to contracts exceeding \$100,000)

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

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

extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

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

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

21. BONDING REQUIREMENTS

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

The SUBRECIPIENT shall comply with 2 C.F.R. § 200.326 minimum bonding requirements:

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

22. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968

- A. The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed

to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

- B.** The parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. Part 75, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.
- C.** The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which the SUBRECIPIENT has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the SUBRECIPIENT's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D.** The SUBRECIPIENT agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 75. The SUBRECIPIENT will not subcontract with any subcontractor where the SUBRECIPIENT has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 75.
- E.** The SUBRECIPIENT acknowledges that subrecipients, contractors, and subcontractors are required to meet the employment, training, and contracting requirements of 24 C.F.R. 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.
- F.** The SUBRECIPIENT will certify that any vacant employment positions, including training positions, that are filled: (1) after the SUBRECIPIENT is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 75 require employment opportunities to be directed, were not filled to circumvent the SUBRECIPIENT's obligations under 24 C.F.R. Part 75.
- G.** Noncompliance with HUD's regulations in 24 C.F.R. Part 75 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- H.** With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (46 U.S.C. § 5307) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible: (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).
- I.** The SUBRECIPIENT agrees to submit, and shall require its subcontractors to submit to them, quarterly reports to the PRDOH detailing the total number of labor hours worked on the Section 3 Project, the total number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3

Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 Workers and Targeted Section 3 Workers.

23. FAIR HOUSING ACT

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

24. ENERGY POLICY AND CONSERVATION ACT

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

25. POLITICAL ACTIVITY

The SUBRECIPIENT agrees to comply with mandatory standards and policies relating to Hatch Political Activity Act (Hatch Act), 5 U.S.C. §§ 1501–1508, which limits the political activity of employees.

The SUBRECIPIENT shall comply with the Hatch Act and shall ensure that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of the Hatch Act, 5 U.S.C. §§ 1501–1508.

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

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

26. HEALTH AND SAFETY STANDARDS

All parties participating in this project agree to comply with Sections 3702 and 3704 (a) of the Contract Work Hours and Safety Standards Act (CWHSSA), 40 U.S.C. §§ 3702 and 3704. Section 3704 (a) of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions, which are unsanitary, hazardous, or dangerous to his or her health and safety as determined under construction, safety, and health standards promulgated by the Secretary of Labor. These requirements do not apply to a contract to acquire a commercial product (as defined in 41 U.S.C. § 103) or a commercial service (as defined in 41 U.S.C. § 103q).

27. PERSONNEL

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

28. WITHHOLDING OF WAGES

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

29. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES

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

30. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS

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

31. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS

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

made by the governing authorities of the municipality, or subcontract arising therefore or connected therewith.


The SUBRECIPIENT will also be aware of and avoid any violation of the laws of this State which prescribe a criminal penalty for any public officer who has an interest in any contract passed by the board of which he or she is a member during the time he or she was a member and for **one (1) year** thereafter.

32. INTEREST OF CERTAIN FEDERAL OFFICERS

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

33. INTEREST OF SUBRECIPIENT

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

34. RELIGIOUS ACTIVITY


The SUBRECIPIENT agrees to provide equal participation to faith-based organizations in HUD programs and activities and to abstain from disfavoring any faith-based organization, including by failing to select a faith-based organization, disqualifying an faith-based organization, or imposing any condition or selection criterion that otherwise disfavors or penalizes an faith-based organizations in the selection process using any funds related to this Agreement. 24 C.F.R. 570.200(j); 24 C.F.R. § 5.109 (c).

35. FLOOD DISASTER PROTECTION ACT OF 1973

The SUBRECIPIENT will ensure that procedures and mechanisms are put into place to monitor compliance with all flood insurance requirements as found Section 202(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4106, and the regulations in 44 C.F.R. parts 59 through 79, 24 C.F.R. § 570.605.

36. LEAD BASED PAINT

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

37. VALUE ENGINEERING

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

The SUBRECIPIENT must comply with the regulations regarding systematic and organized approach to analyze functions of systems, equipment, facilities, services, and materials to ensure they achieve their essential functions at the lowest cost consistent to life cycle in execution, reliability, quality, and safety, in accordance with 2 C.F.R. § 200.318(g).

38. GENERAL COMPLIANCE

The SUBRECIPIENT shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, and the regulations at 24 C.F.R. § 570, as modified by the Federal Register notices that govern the use of CDBG-DR funds available under this Agreement. See Federal Register Notice 83 FR 5844 (February 9, 2018). Notwithstanding the foregoing, (1) the SUBRECIPIENT does not assume any of the PRDOH's responsibilities for environmental review, decision-making, and action, described in 24 C.F.R. Part 58 and (2) the SUBRECIPIENT does not assume any of the PRDOH's responsibilities for initiating the review process under the provisions of 24 C.F.R. Part 52.

The SUBRECIPIENT shall also comply with all other applicable Federal, state and local laws, regulations, and policies that govern the use of the CDBG-DR funds in complying with its obligations under this Agreement, regardless of whether CDBG-DR funds are made available to the SUBRECIPIENT on an advance or reimbursement basis. This includes without limitation, applicable Federal Registers; 2 C.F.R. Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Community Development Act of 1974; 24 C.F.R. Part 570 Community Development Block Grant; applicable waivers; Fair Housing Act; 24 C.F.R. Part 35, Subpart A; 24 C.F.R. Part 58; 24 C.F.R. Part 75; National Historic Preservation Act, and any other applicable state laws or regulations, including the requirements related to nondiscrimination, labor standards and the environment; and Action Plan amendments and HUD's guidance on the funds.

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

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

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

39. DUPLICATION OF BENEFITS

The SUBRECIPIENT shall not carry out any of the activities under this Agreement in a manner that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5155 and described in Appropriations Act. The SUBRECIPIENT must comply with HUD's requirements for duplication of benefits, imposed by Federal Register notices on the PRDOH, which are published in a separate notices entitled: "Clarification to

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Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees" (Wednesday, November 16, 2011, 76 FR 71060); "Updates to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees" (Thursday, June 20, 2019, 84 FR 28836); and "Applicability of Updates to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees," (Thursday, June 20, 2019, 84 FR 28848). The SUBRECIPIENT shall carry out the activities under this Agreement in compliance with PRDOH's procedures to prevent duplication of benefits.

40. DRUG-FREE WORKPLACE

The SUBRECIPIENT must comply with drug-free workplace requirements in 2 C.F.R. §§ 182.200 through 182.230 of the Drug-Free Workplace Act of 1988, 41 U.S.C. §§ 8101-8106.

41. HOLD HARMLESS

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The SUBRECIPIENT shall and hereby agrees to hold harmless, defend (with counsel acceptable to the PRDOH) and indemnify the Government of Puerto Rico, PRDOH, HUD and each and all of its successors, affiliates, or assigns, and any of their employees, officers, directors, attorneys, consultants, agents, managers, and affiliates, from and against any and all damages, costs, attorneys' fees, claims, expenses, injuries, property damage, causes of action, violations of law, violations of this Agreement, and losses of any form or nature arising from or related to the conduct of the SUBRECIPIENT in the performance of the efforts called for in this Agreement. This indemnity shall expressly include, but is not limited to, the obligation of the SUBRECIPIENT to indemnify and reimburse the PRDOH for any and all attorneys' fees and other litigation or dispute resolution costs incurred or to be incurred in the PRDOH's enforcement of this Agreement or any portion thereof against the SUBRECIPIENT or otherwise arising in connection with the SUBRECIPIENT's breach, violation, or other non-compliance with this Agreement. This clause shall survive indefinitely the termination of this Agreement for any reason.

42. PRDOH RECOGNITION

Unless otherwise directed by the PRDOH, the SUBRECIPIENT shall ensure recognition of the role of HUD and the PRDOH in providing funding, services, and efforts through this Agreement. Unless otherwise directed by the PRDOH, all activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as to role of HUD and of the PRDOH. In addition, the SUBRECIPIENT shall include a reference to the support provided herein in all publications made possible with funds made available under this Agreement. The PRDOH reserves the right to direct specific reasonable recognition requirements on a case-by-case basis, including but not limited, to the size and content, waiver, removal or addition of such recognition.

43. LOGOS CLAUSE

The Parties hereto will not use the name of the other party, seals, logos, emblems or any distinctive trademark/ trade name, without the prior written express authorization of the other party.

44. UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

The SUBRECIPIENT shall comply with the applicable provisions in 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

45. FINANCIAL & PROGRAM MANAGEMENT

The SUBRECIPIENT shall expend and account for all CDBG-DR funds received under this Agreement in accordance with 2 C.F.R. § 200.302 and 2 C.F.R. § 200.303 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

The SUBRECIPIENT shall administer its program in conformance with Cost Principles as outlined in 2 C.F.R. § 200.400 through 2 C.F.R. § 200.476, as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

46. DOCUMENTATION AND RECORDKEEPING

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

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-DR programs, as modified by the HUD Notices;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG-DR funds;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG-DR program;
- f. Financial records as required by (1) 24 C.F.R. § 570.502; and (2) 2 C.F.R. Part 200;
- g. Other records necessary to document compliance with Subpart K of 24 C.F.R. Part 570.

47. ACCESS TO RECORDS

The Government of Puerto Rico, the PRDOH, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, shall have at any time and from time to time during normal business hours, access to any work product, books, documents, papers, and records of the SUBRECIPIENT which are related to this

SRA, for the purpose of inspection, audits, examinations, and making excerpts, copies and transcriptions.

48. RECORD RETENTION AND TRANSMISSION OF RECORDS TO THE PRDOH

The SUBRECIPIENT shall retain all official records on programs and individual activities shall be retained for the greater of **five (5) years**, starting from the closeout of the grant between PRDOH and HUD, or the end of the affordability period for each housing activity, whichever is longer. If any other laws and regulations as described in 24 C.F.R. § 570.490 applies to a project, the record retention period may be extended. All records involved in litigation, claims, audits, negotiations, or other actions, which have started before the expiration date of their retention, will be kept until completion of the action and resolution of all issues or the end of the regular **five (5) year period**, whichever is longer. (See 2 C.F.R. § 200.334 and 24 C.F.R. § 570.490(d).)

Records shall be made available to PRDOH upon request.

49. CLIENT DATA AND OTHER SENSITIVE INFORMATION

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

The SUBRECIPIENT must comply with 2 C.F.R. § 200.303 and shall take reasonable measures to safeguard protected personally identifiable information, as defined in 2 C.F.R. § 200.1, and other information HUD or the PRDOH designates as sensitive or the SUBRECIPIENT considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality. Additionally, the SUBRECIPIENT must comply with the PRDOH CDBG-DR *Personally Identifiable Information, Confidentiality, and Nondisclosure Policy*, as found in the CDBG-DR Website (<https://cdbg-dr.pr.gov/en/download/personally-identifiable-information-confidentiality-and-nondisclosure-policy/>), which is herein included and made integral part of this Agreement, as it may be updated from time to time

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

50. CLOSE-OUT

The SUBRECIPIENT's obligation to PRDOH shall not end until all close-out requirements are completed. Activities during this close-out period may include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the PRDOH), properly addressing Program Income (as that term is defined in Section VI (A)(19) of the HUD Notice 83 FR 5844, 5856 (February 9, 2018, as may be amended by HUD)), balances, and accounts receivable to the PRDOH, determining the custodianship of records, and the SUBRECIPIENT certification of compliance with the terms of this Agreement. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the SUBRECIPIENT has control over CDBG-DR funds, including Program Income.

Notwithstanding the terms of 2 C.F.R. § 200.343, upon the expiration of this Agreement, the SUBRECIPIENT shall transfer to the recipient any CDBG-DR funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG-DR funds, further, any real property under the SUBRECIPIENT's control that was acquired or improved in whole or in part with CDBG-DR funds (including CDBG-DR funds provided to the SUBRECIPIENT in the form of a loan) shall be treated in accordance with 24 C.F.R. § 570.503(b)(7).

51. AUDITS AND INSPECTIONS

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

52. SINGLE AUDIT

The SUBRECIPIENT must be audited as required by 2 C.F.R. Part 200, Subpart F, when the SUBRECIPIENT's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 C.F.R. § 200.501 (Audit requirements). Once said threshold is reached or exceeded, the SUBRECIPIENT shall notify the PRDOH and shall report that event in the corresponding monthly progress report, as provided in Part VI - Performance, Monitoring, and Reporting, Subpart B (Reporting) of this Agreement.

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

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

53. INSPECTIONS AND MONITORING

The SUBRECIPIENT shall permit the PRDOH and auditors to have access to the SUBRECIPIENT's records and financial statements as necessary for the PRDOH to meet the requirements of 2 C.F.R. Part 200.

54. CORRECTIVE ACTIONS

The PRDOH may issue management decisions and may consider taking enforcement actions including but not limited to corrective actions in 24 C.F.R. § 570.910 if noncompliance is detected during monitoring and audits. The PRDOH may require

the SUBRECIPIENT to take timely and appropriate action on all deficiencies pertaining to the Federal award provided to the SUBRECIPIENT from the pass-through entity detected through audits, on-site reviews, and other means. A timely and appropriate action shall be predicated on reasonable standard wherein the SUBRECIPIENT utilizes all available resources to correct the noted issue or issues. In response to audit deficiencies or other findings of noncompliance with this Agreement, the PRDOH may impose additional conditions on the use of the CDBG-DR funds to ensure future compliance or provide training and technical assistance as needed to correct noncompliance.

55. PROCUREMENT AND CONTRACTOR OVERSIGHT

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

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

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

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

The SUBRECIPIENT shall maintain oversight of all activities under this Agreement and shall ensure that for any procured contract or Agreement, as applicable, its

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

56. NONDISCRIMINATION

The SUBRECIPIENT shall comply with 24 C.F.R. Part 6, which implements the provisions of Section 109 of Title I of the Housing and Community Development Act of 1974, 42 U.S.C. § 5309. Section 109 provides that no person in the United States shall, on the ground of race, color, national origin, religion, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Federal financial assistance.

The SUBRECIPIENT shall adhere to the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, 42 U.S.C. §§ 6101-6107 (**Age Discrimination Act**) and the prohibitions against discrimination on the basis of disability under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794 (Section 504). Section 109 of the Housing and Community Development Act of 1974 makes these requirements applicable to programs or activities funded in whole or in part with CDBG-DR funds. Thus, the SUBRECIPIENT shall comply with regulations of 24 C.F.R. Part 8, which implement Section 504 for HUD programs, and the regulations of 24 C.F.R. Part 146, which implement the Age Discrimination Act for HUD programs.

The SUBRECIPIENT shall ensure that all CDBG-DR activities conducted by itself or its contractors are consistent with the applicable federal and local legal provisions, regulations, and policies that prohibit discrimination on the basis of race, creed, color, national origin, religion, sex, disability, familial status, actual or perceived sexual orientation or gender identity, marital status, or age, as established in the CDBG-DR Fair Housing and Equal Opportunity (FHEO) Policy for CDBG-DR Programs as found in the CDBG-DR website: <https://cdbg-dr.pr.gov/en/download/fair-housing-and-equal-opportunity-fheo-policy-for-cdbg-dr-programs/>.

57. ARCHITECTURAL BARRIERS ACT AND THE AMERICANS WITH DISABILITIES ACT

The SUBRECIPIENT shall ensure that its Activities are consistent with requirements of Architectural Barriers Act and the Americans with Disabilities Act.

The Architectural Barriers Act of 1968, 42 U.S.C. §§ 4151-4156, requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that ensure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of "residential structure" as defined in 24 C.F.R. § 40.2 or the description of "facilities" in 41 C.F.R. § 102-76.60 are subject to the requirements of the Architectural Barriers Act of 1968 and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 C.F.R. Part 40 for residential structures, and 41 C.F.R. Subt. C, Ch. 102, for general type buildings).

The Americans With Disabilities Act of 1990 ("ADA"), 42 U.S.C. § 12101 *et seq.* (**ADA**), provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 26, 1993, that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the

removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable—that is, easily accomplishable and able to be carried out without much difficulty or expense.

The SUBRECIPIENT agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 C.F.R. § 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

58. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 (24 C.F.R. PART 1)

1) General Compliance:

The SUBRECIPIENT shall comply with the requirements of Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d *et seq.*, and 24 C.F.R. § 570.601 and § 570.602. No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this Agreement. The specific nondiscrimination provisions at 24 C.F.R. § 1.4 apply to the use of these funds. The SUBRECIPIENT shall not intimidate, threaten, coerce, or discriminate against any person for the purpose of interfering with any right or privilege secured by Title VI of the Civil Rights Act of 1964 or 24 C.F.R. Part 1, or because he or she has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under 24 C.F.R. Part 1. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of 2 C.F.R. Part 1, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

2) Assurances and Real Property Covenants:

As a condition to the approval of this Agreement and the extension of any Federal financial assistance, the SUBRECIPIENT assures that the program or activities described in this Agreement shall be conducted and the housing, accommodations, facilities, services, financial aid, or other benefits to be provided shall be operated and administered in compliance with all requirements imposed by or pursuant to this 2 C.F.R. Part 1.

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

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

In the case of real property, structures or improvements thereon, or interests therein, acquired with Federal financial assistance under this Agreement or acquired with CDBG-DR funds and provided to the SUBRECIPIENT under this Agreement, the instrument effecting any disposition by the SUBRECIPIENT of such real property, structures or improvements thereon, or interests therein, shall contain

a covenant running with the land assuring nondiscrimination for the period during which the real property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

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

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

The SUBRECIPIENT shall take the affirmative steps listed in 2 C.F.R. § 200.321(b)(1) through (6) to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible when the SUBRECIPIENT procures property or services under this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in Section 3(a) of the Small Business Act, 15 U.S.C. § 632 (a), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian- Americans, and American Indians. The SUBRECIPIENT may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

In compliance with the CDBG-DR Minority and Women-Owned Business Enterprise Policy (**M/WBE Policy**), the SUBRECIPIENT shall complete a utilization plan to identify how they plan on successfully achieving the contracting goals for MBE and WBE's. SUBRECIPIENT shall also complete quarterly reporting to provide information on contracting opportunities and payouts provided to WBE or MBE contractors or subcontractors. SUBRECIPIENT shall also document their efforts and submit those to PRDOH on a quarterly basis. See the M/WBE Policy, as found in the CDBG-DR Website (www.cdbg-dr.pr.gov) which is herein included and made integral part of this Agreement, as it may be updated from time to time.

4) Notifications

The SUBRECIPIENT will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the SUBRECIPIENT's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

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

The SUBRECIPIENT shall, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that it is an Equal Opportunity or Affirmative Action employer.

59. LABOR STANDARDS

The SUBRECIPIENT shall comply with the in labor standards in Section 110 of the Housing and Community Development Act of 1974, 42 U.S.C. § 5310, and ensure that all laborers

and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this Agreement shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis Bacon Act, 40 U.S.C. § 3141 et seq., and 29 C.F.R. Part 1, 3, 5, 6, and 7, provided, that this requirement shall apply to the rehabilitation of residential property only if such property contains not less than eight (8) units.

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

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

60. CONDUCT

1) Contracts

- a. Monitoring: As applicable, the SUBRECIPIENT will monitor all contracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.
- b. Content: The SUBRECIPIENT shall cause all of the provisions of this contract in its entirety to be included in and made a part of any contract executed in the performance of this Agreement, as applicable.
- c. Selection Process: The SUBRECIPIENT shall ensure that all contracts awarded after the execution of this Agreement and in the performance of such, follow the procurement policies and procedures described in paragraph 55 (Procurement and Contractor Oversight) of this Exhibit.
- d. Notification: The SUBRECIPIENT shall notify and provide a copy of any and all contracts related to this Agreement and CDBG-DR funds to the Contract Administration Area of the PRDOH CDBG-DR Legal Division within **three (3) days** of its execution. Additionally, the SUBRECIPIENT shall provide a copy of any and all subcontracts executed by its Contractors to the Contract Administration Area of the PRDOH CDBG-DR Legal Division within **three (3) days** of its execution.

2) Conflict of Interest

The SUBRECIPIENT agrees to abide by the provisions of 2 C.F.R. Part 200, as applicable, and 24 C.F.R. § 570.611, which include (but are not limited to) the following:

- a. It is presumed that the SUBRECIPIENT is subject to state and local ethic laws and regulations related to the conduct of its officers, employees or agents engaged in the award and administration of this Agreement.
- b. In the event the SUBRECIPIENT is not, the SUBRECIPIENT shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of this Agreement. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or

apparent conflict of interest would be involved. Such a conflict would rise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the Parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or Parties to sub Agreements. However, recipients may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

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- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-DR assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or Agreement with respect to the CDBG-DR assisted activity, or with respect to the proceeds from the CDBG-DR assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of **one (1) year** thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the PRDOH, the SUBRECIPIENT, or any designated public agency.
- WW*
d. Clause of Governmental Ethics Certification of Absence of Conflict of Interests - The SUBRECIPIENT certifies that: (1) No public servant of the PRDOH has pecuniary interest in this contract. (2) No public servant of the PRDOH has solicited or accepted, directly or indirectly, for him (her), for any member of his (her) family unit or for any other person, gifts, allowances, favors, services, donations loans or any other thing of monetary value. (3) No public servant of the PRDOH related to this transaction, asked for or accepted any good of economic value, from any person or organization as payment for the duties and responsibilities of his employment. (4) No public servant of the PRDOH has solicited, directly or indirectly, for him (her), any member of his family unit, neither for any other person, business or organization, any good of economic value, including gifts, loans, promises, favors or services in exchange for his (her) obligations and performance of said public employment, to influence or favor any organization. (5) No public servant of the PRDOH has kinship relationship, within the fourth degree of consanguinity and second by affinity, with nobody in public employment that has faculty to influence and to participate in the institutional decisions of this Agreement.

61. CITIZEN GRIEVANCES

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

62. TECHNICAL ASSISTANCE AND TRAININGS

The SUBRECIPIENT shall attend any and all technical assistance and/or trainings that the PRDOH requires from time to time at its discretion. Failure to attend may be considered as cause for termination.

63. DISASTER RELIEF ACCOUNT

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

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

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

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

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



EXHIBIT G

SPECIAL CONDITIONS

VACANT PROPERTY ASSESSMENT INITIATIVE

CENTRO PARA LA RECONSTRUCCIÓN DEL HÁBITAT

1. Attend Training Curriculum:

Within **sixty (60) days** after this SRA is executed, Subrecipient shall participate in capacity-building activities directed at the development and implementation of effective internal controls of federal awards to ensure that the entity can manage federal awards in compliance with federal statutes and regulations. Subrecipient must complete the PRDOH Core Curriculum through its Learning Management System.

2. Needs Assessment:

Within **sixty (60) days** after this SRA is executed, Subrecipient shall participate in a Needs Assessment with PRDOH Staff and/or a PRDOH Technical Assistance Provider (TAP) and shall complete the recommendations resulting from the Needs Assessment to improve organizational capacity.

3. Staffing and Training Plan:

Within **sixty (60) days** after this SRA is executed, Subrecipient shall develop or update a staffing and training plan that identifies specific personnel responsible for implementation and compliance of key requirements, including citizen complaints, financial management, internal controls, procurement, monitoring, and CDBG-DR specific requirements (e.g., national objective) and submit the plan to the Program POC and Subrecipient Management Unit.

4. Policies and Procedures:

Within **sixty (60) days** after this SRA is executed, the Subrecipient shall develop, update, and implement all policies and procedures in compliance with PRDOH CDBG-DR policies and state and federal regulations.

In addition, the Subrecipient shall develop, update, and implement policies and procedures for all systems in place for tracking: finance, human resources, timekeeping, assets, and inventory (if applicable). Also, ensure to have policies and procedures that guarantee the security and privacy of systems including Personally Identifiable Information (PII).

5. Organizational Chart:

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

END OF DOCUMENT



EXHIBIT H

SUBROGATION AND ASSIGNMENT PROVISIONS

VACANT PROPERTY ASSESSMENT INITIATIVE

CENTRO PARA LA RECONSTRUCCIÓN DEL HÁBITAT

1. General Provisions.

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

2. Subrogation and Assignment Relating to Funds Received from the Puerto Rico Department of Housing –Vacant Property Assessment Initiative.

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a) These provisions are incorporated into the Subrecipient Agreement in consideration of the commitment by PRDOH to evaluate the Subrecipient's application for the award of disaster assistance funds (the "**Application**") or the Subrecipient's receipt of CDBG-DR disaster recovery funds (the "**Grant Proceeds**") under the Program being administered by PRDOH.
- b) Subrecipient understands and acknowledges that the Program is subject to the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. §§ 5121-5207 (the "**Act**") and that, under such Act, the Subrecipient may only receive assistance to the extent that the Subrecipient has a disaster recovery need that is not fully met by insurance or other forms of disaster assistance. Subrecipient further acknowledges that these provisions are intended to ensure that Subrecipient does not receive duplicate benefits available to the Subrecipient from another source, for the same purposes as the Grant Proceeds provided under the Program, and that, any assistance determined to be duplicative must be deducted from the Program's calculation of the Subrecipient's total need before awarding assistance.
- c) Subrecipient hereby subrogates and assigns to PRDOH any and all of Subrecipient's future rights to, and any interest Subrecipient may have in, any

reimbursement and all payments received or subsequently received from any grant, loan, insurance policy, or policies of any type (each individually, a "Policy" and collectively, the "Policies"), or under any subsidy, reimbursement or relief program related to or administered by the Federal Emergency Management Agency ("FEMA"), insurance payments, or any other federal, state or local government agency (each, individually, a "Disaster Program" and collectively, the "Disaster Programs") to the extent of all Grant Proceeds paid or to be paid under the Program and that are determined, in the sole discretion of PRDOH or its designated agent, to be a duplication of benefits ("DOB"). Any payments referred to in this paragraph, whether they are from Policies, FEMA, or any other source, and whether or not such amounts are a DOB, shall be referred to herein as "Proceeds"; any Proceeds that are determined to be a DOB shall be referred to herein as "DOB Proceeds".

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

3. Cooperation and Further Documentation.

a) If PRDOH elects to pursue any of the claims Subrecipient has or may have under any Policies, Subrecipient agrees to assist and cooperate with PRDOH. Subrecipient's assistance and cooperation shall include, but shall not be limited to, allowing the suit to be brought in Subrecipient's name(s) and providing any additional documentation concerning such consent, giving depositions, providing documents, producing records and other evidence, testifying at trial, and any other form of assistance and cooperation reasonably requested by the PRDOH. Subrecipient also agrees to assist and cooperate in the attainment and collection of any DOB Proceeds that the Subrecipient would be entitled to under any applicable Disaster Assistance Program.

b) If requested by PRDOH, Subrecipient agrees to execute such further and additional documents and instruments as may be requested to further and better subrogate and assign to PRDOH (to the extent of the Grant Proceeds paid to Subrecipient under the Program) the Policies, any amounts received under the Disaster Assistance Programs that are determined to be DOB Proceeds

and/or any rights thereunder. Subrecipient further agrees to take, or cause to be taken, all actions and to do, or cause to be done, all things requested by the PRDOH to consummate and make effective the purposes of these provisions.

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- c) Subrecipient expressly allows and authorizes PRDOH to request information from any company with which Subrecipient holds or held any insurance policy or policies of any type, any other company or entity -public or private- from which the Subrecipient has applied for or is receiving assistance (such as FEMA, or others), or any non-public or confidential information determined by PRDOH, in its sole discretion, to be reasonably necessary to monitor/enforce its interest in the rights subrogated and assigned to it under this Agreement, and grant consent to such company or entity to release said information to the PRDOH.

4. **Agreement to Turn Over Proceeds; Future Reassignment.**

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- a) If Subrecipient (or, to the extent permitted by superior loan documents, any lender to which DOB Proceeds are payable) hereafter receives any DOB Proceeds, Subrecipient agrees to promptly pay such amounts to PRDOH, if Subrecipient received Grant Proceeds under the Program in an amount greater than the amount Subrecipient would have received if such DOB Proceeds had been considered in the calculation of Subrecipient's award.
- b) In the event that Subrecipient receives or is scheduled to receive any Proceeds not listed on its Duplication of Benefits Certification ("**Subsequent Proceeds**"), Subrecipient shall pay such Subsequent Proceeds directly to the PRDOH, and PRDOH will determine the amount, if any, of such Subsequent Proceeds that are DOB Proceeds ("**Subsequent DOB Proceeds**"). Subsequent Proceeds shall be disbursed as follows:
 - (i) If Subrecipient has received full payment of the Grant Proceeds, Subrecipient shall remit any Subsequent DOB Proceeds to PRDOH. PRDOH shall return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.
 - (ii) If Subrecipient has received no payment of the Grant Proceeds, PRDOH shall reduce the payment of the Grant Proceeds to Subrecipient by the amount of the Subsequent DOB Proceeds and shall return all Subsequent Proceeds in excess of the Subsequent DOB Proceeds to Subrecipient.
 - (iii) If Subrecipient has received a portion of the Grant Proceeds, the following shall occur: (A) PRDOH shall reduce the remaining payments of the Grant Proceeds and return Subsequent DOB Proceeds in such amount to the Subrecipient, and (B) Subrecipient shall remit any remaining Subsequent DOB

Proceeds to PRDOH. PRDOH shall also return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.

- (iv) If the PRDOH determines that Subrecipient does not qualify to participate in the Program or the Subrecipient decides not to participate in the Program, PRDOH shall return the Subsequent Proceeds to Subrecipient, and the Agreement shall terminate.
- c) Once PRDOH has recovered an amount equal to the Grant Proceeds paid to Subrecipient, PRDOH will reassign to Subrecipient any rights given to PRDOH under these provisions.

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5. Miscellaneous.

- a) Subrecipient hereby represents that all statements and representations made by Subrecipient regarding any Proceeds are true and correct, as of the date of the issuance of the Grant Proceeds.
- b) In any proceeding to enforce these provisions, PRDOH shall be entitled to recover all costs of enforcement, including PRDOH's attorney fees.
- c) The parties hereto each waive the right to have any judicial proceeding concerning any of the provisions hereof tried by a jury.
- d) Neither these provisions, nor any portion or provisions hereof may be changed, waived, or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by all parties hereto and approved by PRDOH.
- e) These provisions, and the rights and obligations of the parties shall be governed and construed by federal law and the laws of the Government of Puerto Rico without giving effect to conflict of law provisions. Any action arising out of or related to this Subrogation and Assignment provisions shall be brought within the Government of Puerto Rico.
- f) The captions of the various sections of this Subrogation and Assignment provisions have been inserted only for the purpose of convenience; such captions are not a part of the Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any provisions of this Subrogation.
- g) Subrecipient acknowledges that making a false, fictitious, or fraudulent statement or representation in this agreement is punishable under State and Federal law (18 U.S.C. 287, 1001, and 31 U.S.C. 3729), and shall constitute a separate criminal offense each time a public benefit is fraudulently received.

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Subrecipient Agreement
Between PRDOH and Centro para la Reconstrucción del Hábitat
For the Vacant Property Assessment Initiative under CDBG-DR
Exhibit H: Subrogation and Assignment Provisions
Page 5 of 5

h) Subrecipient acknowledges that they have been informed and understand the penalties for making a materially false or misleading statement to obtain CDBG-DR funds under the Program or any other of the PRDOH's Programs.

END OF DOCUMENT

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GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

EXHIBIT I

NON-CONFLICT OF INTEREST CERTIFICATION VACANT PROPERTY ASSESSMENT INITIATIVE CENTRO PARA LA RECONSTRUCCIÓN DEL HÁBITAT

The SUBRECIPIENT 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

3/15/2023

Date

Luis O. Gallardo Rivera
Printed Name

Executive Director
Position



**INSURANCE REQUIREMENTS
SUB-RECIPIENT AGREEMENT
VACANT PROPERTY ASSESSMENT INITIATIVE
CENTRO PARA RECONSTRUCCION DEL HABITAT
Community Development Block Grant – Disaster Recovery
Puerto Rico Department of Housing
Contract Division**

**SPECIAL INSURANCE AND BONDING SPECIFICATIONS
FOR PROFESSIONAL SERVICES**

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 | \$5,000,000 |
| • General Aggregate | \$5,000,000 |
| • Products & Complete Operations | \$5,000,000 |
| • Personal Injury & Advertising | \$5,000,000 |
| • 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 | \$2,000,000 |
| Each Accident | \$2,000,000 |
| • Bodily Injury by Disease Each Employee | \$2,000,000 |
| Each Accident | \$2,000,000 |



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

| LIMIT |
|----------------------------------|
| • Auto Liability - \$2,000,000 |
| • Physical Damages - \$2,000,000 |
| • Medical Payments - \$ 10,000 |

The Commercial Auto cover must be applied to the following symbols:

- 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 for Project Management, Project Director, Project Consultant, Documents control Specialist, , Data Base Administrator, Planner, and any other professional services related to the project must provide evidence of Professional Liability.

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

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

(X) A.2 Limit:

| | |
|---------------------|-------------|
| (X) each occurrence | \$5,000,000 |
| (X) Aggregate | \$5,000,000 |
| (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.



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5. (X) Cyber Liability

Limit - \$3,000,000

6. (X) Directors And Officers

Limit - \$5,000,000

7. (X) Umbrella

Limit - \$10,000,000

8. (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**.



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3. Submit to the ***PRDOH** a written certification as evidence of full payment of premiums by the Contractor. Mention each risk coverage premium separately.
4. Avoid sub-contractual obligations of premium financing or any other kind, which may be detrimental to the public interest.
5. Avoid any request for cancellation by the contractor prior to the expiration date of the policy, without the consent of the Contract Division of the ***PRDOH**: Discuss any refund of unearned premium.
6. Follow all Federal Bail and Acceptance Insurance Regulations, when applicable.
7. Indicate in the appropriate place of all insurance policies and/or bonds, **the full description of the project, work or service to 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



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**SPECIAL INSURANCE AND BONDING SPECIFICATIONS
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notice to PRDOH before any policy coverage is changed, 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.

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.



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***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.

SUBRECIPIENT AGREEMENT

**VACANT PROPERTY ASSESSMENT INITIATIVE
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**Community Development Block Grant – Disaster Recovery
Puerto Rico Department of Housing**

March 15, 2023

Date

Sonia Damaris Rodriguez
Sonia Damaris Rodriguez
Insurance Specialist
CDBG-DR Program