

PUERTO RICO DEPARTMENT OF HOUSING
COMMUNITY DEVELOPMENT BLOCK GRANT – MITIGATION

GRANT AGREEMENT FOR THE INFRASTRUCTURE MITIGATION PROGRAM
HEALTHCARE STRENGTHENING SET-ASIDE
BETWEEN
THE PUERTO RICO DEPARTMENT OF HOUSING
AND
DORADO HEALTH, INC.

This **GRANT AGREEMENT** for the use of Community Development Block Grant – Mitigation Program (**CDBG-MIT**) funds (jointly referred to, along with the Attachments, as the **Agreement**) is entered into in San Juan, Puerto Rico, this 14 of March, 2025, by and between the **PUERTO RICO DEPARTMENT OF HOUSING (PRDOH)**, a public agency created under Act No. 97 of June 10, 1972, as amended, 3 LPRA § 441, *et seq.*, known as the “Organic Act of Department of Housing,” with principal offices located at 606 Barbosa Avenue, San Juan, Puerto Rico, herein represented by its Secretary, Hon. Ciary Y. Pérez Peña, of legal age, single, and resident of Las Piedras, Puerto Rico; **DORADO HEALTH, INC. (AWARDEE)**, with principal offices located at Urb. Atenas, calle Hernández Carrión, Manatí, Puerto Rico, represented herein by its Senior Vice-President Finance, César E. Hernández Monagas, of legal age, married, and resident of San Juan, Puerto Rico. PRDOH and the AWARDEE are sometimes collectively referred to as the “**Parties**” and each individually as a “**Party**”.

WITNESSETH

WHEREAS, the island of Puerto Rico has endured and recovered from numerous past hurricanes, earthquakes, landslides, and other natural disasters. The most devastating were hurricanes Irma and María (hereinafter, the **Hurricanes**), both one week apart in 2017. The Hurricanes impacted all seventy-eight (78) municipalities on the Island and caused massive, widespread damages and destruction to both public and private housing and other facilities. Specific areas were impacted by surges, flooding, standing water, wind, rain, and mudslides. Significant damage to buildings and vacant facilities posed a public health and safety risk for the community.

WHEREAS, the Supplemental Appropriations for Disaster Relief Requirements Act of 2018 (Pub. L. 115–123) made available to the federal Department of Housing and Urban Development (**HUD**) \$12 billion for mitigation activities targeting qualified disaster recovery fund recipients from 2015, 2016, and 2017.

WHEREAS, on August 30, 2019, HUD published the notice in the Federal Register, Vol. 84, No. 169 (84 FR 45838), which described the grant requirements and procedures applicable to the Community Development Block Grant – Mitigation (**CDBG-MIT**) funds allocated to the Government of Puerto Rico.

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WHEREAS, on January 27, 2020, HUD published the notice in the Federal Register, Vol. 85, No. 17 (85 FR 4676), which allocated \$8,285,284,000.00 in CDBG-MIT funds to the Government of Puerto Rico.

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

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

WHEREAS, the CDBG-MIT Program represents a unique opportunity to carry out strategic, high-impact activities to mitigate disaster risks and reduce future losses.

WHEREAS, according to the approved CDBG-MIT Action Plan, Puerto Rico intends to undertake the Infrastructure Mitigation Program – Healthcare Strengthening Set-Aside (**HSA**). The Program aims to strengthen healthcare facilities to benefit medically underserved citizens and minimize, through accessible healthcare, the fatalities likely to occur from a disaster event. The Program seeks to promote resiliency and redundancy in healthcare facilities' basic operation systems through the development of projects that will support the availability of continuous essential healthcare services before, during, and after a disaster event. The total allocation to the HSA is one billion dollars (**\$1,000,000,000.00**).

WHEREAS, PRDOH has agreed to provide to the AWARDEE, as described in the Notice of Award-Non-Covered Project dated January 16, 2025, a Grant (as such term is defined in Section 7 of this Agreement) under the Program for the rehabilitation and/or reconstruction of the Project defined and described in Section 1 of this Agreement.

WHEREAS, the AWARDEE intends to use the Grant to assist and defray the overall costs of the Manatí Medical Center Mitigation and Improvement Project. The funding will strengthen critical infrastructure lifelines against future disaster damage, as defined by the Federal Emergency Management Agency (**FEMA**).

WHEREAS, the Grant made available to the AWARDEE under this Agreement is part of PRDOH's Federal Award; therefore, the funds under the Grant must be used in accordance with the requirements imposed by Federal Laws, regulations, and the terms and conditions of PRDOH's Federal Award.

WHEREAS, the AWARDEE will use the Grant to carry out Eligible Activities as such term is defined in the CDBG-MIT Action Plan and the Infrastructure Mitigation Program Guidelines (**Program Guidelines**), including those under the HSA set-aside, pursuant to this Agreement.

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WHEREAS, PRDOH has the legal power and authority, under its enabling statute (the Organic Act), as amended, *supra*, applicable Federal Laws and regulations creating and allocating funds to the CDBG-MIT Program, and the approved Action Plan, to issue, award, and execute the Grant, and to enter into and perform this Agreement.

WHEREAS, the AWARDEE has duly adopted the Resolution dated October 8, 2024, authorizing Dorado Health, Inc., through its authorized representative César E. Hernández Monagas, to enter into this Agreement with the PRDOH.

WHEREAS, by signing this Agreement, the AWARDEE assures PRDOH that it shall comply with all the requirements set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and the terms and conditions set forth herein, PRDOH and the AWARDEE agree to the following:

Section 1. THE PROJECT OR PROPERTY

PRDOH hereby commits CDBG-MIT funds to finance the development and construction costs of the project named **Manatí Medical Center Mitigation and Improvement Project** in the Municipality of Manatí, Puerto Rico, as further detailed in **Attachments A, B, and C**, subject to the terms and conditions set forth in this Agreement.

Section 2. SCHEDULE OF ATTACHMENTS

The AWARDEE shall submit monthly disbursement requisitions to PRDOH for the Project in accordance with the details outlined in the Attachments. The following Attachments are incorporated by reference into this Agreement and are hereby made part of this Agreement:

Attachment A.	Scope of Work
Attachment B.	Timelines and Performance Goals
Attachment C.	Budget
Attachment D.	Funds Certification
Attachment E.	HUD General Provisions
Attachment F.	Subrogation and Assignment Provisions
Attachment G.	Non-Conflict of Interest Certification
Attachment H.	Insurance Requirements

All Attachments hereto are fully incorporated herewith such that the terms and conditions of the Attachments, which may be amended from time to time with the written consent of both Parties, shall be as binding as any terms and conditions of this Agreement. The terms of this Agreement shall prevail if there is any inconsistency between the Attachments and this Agreement.

The Program Guidelines are also fully incorporated into this Agreement such that the requirements outlined therein, which may be amended from time to time, shall be as binding as any term and condition of this Agreement.

Section 3. SCOPE OF WORK

- a. The AWARDEE shall develop the Project in accordance with the scope, activities, and timelines described in **Attachments A, B, and C** of this Agreement. The AWARDEE hereby agrees to abide by and comply with the roles and responsibilities assigned in this Agreement and its Attachments.
- b. The AWARDEE shall complete the Project in a manner satisfactory to PRDOH and consistent with the terms and conditions of this Agreement, Program Guidelines, and applicable Federal and local statutes, laws, and regulations. Failure to comply with this requirement may result in a potential recapture of funds, among other remedies.
- c. PRDOH will monitor AWARDEE's performance with respect to responsibilities assigned to it under this Agreement, including its Attachments. Substandard Performance (defined as performance that falls short of the standard expected of the AWARDEE, as specified in the Agreement's attachments) shall constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the AWARDEE within **fifteen (15) days** after being notified by PRDOH, Agreement suspension or termination procedures will be initiated, in accordance with Section 16 (b) of this Agreement hereof.

Until such time as the AWARDEE has received the necessary permits to operate from the appropriate government agencies, the AWARDEE shall provide PRDOH with progress reports on the status of the construction of the Project on a monthly basis; provided, however, PRDOH reserves the discretion to request these updates more frequently if deemed necessary. Each report should include a certification confirming that the actual construction costs incurred align with the approved Budget, as more particularly detailed in **Attachment C** of this Agreement.

- d. The AWARDEE shall furnish monthly reports to PRDOH providing confirmation of progress towards meeting the established expenditure deadlines. The AWARDEE shall also furnish to PRDOH adequate notice and satisfactory evidence that all works requiring inspection by any and all relevant governmental authorities¹ have been duly inspected and approved by them.

¹ Governmental authorities refer to any Federal, Government of Puerto Rico, municipal or local unit or subdivision of local government or body having governmental or quasi-governmental authority.

If, within **six (6) months** from the date of execution of this Agreement, the AWARDEE has, at any moment, failed to accomplish the performance objectives set forth by PRDOH in **Attachment B**, PRDOH may, at its sole and absolute discretion, terminate this Agreement, uncommit the funds made available under this Agreement, and/or recapture funds previously expended by the AWARDEE under this Agreement from non-federal funds, as set forth in Section 39 hereof. No extensions to this Agreement shall be granted unless the AWARDEE presents evidence of unforeseen circumstances beyond its control that impeded the commencement of the activity. PRDOH shall review the properly filed and documented circumstances alleged to have prevented the initiation of activity and exclusively reserves the right to decide if an extension is warranted based on the reasons stated as well as the prevailing circumstances.

Section 4. INFRASTRUCTURE PROJECT

a. General Provisions

As per 84 FR 45838, 45851, Infrastructure Projects are defined as an activity or group of related activities that develop the physical assets that are designed to provide or support services to the general public. Typical infrastructure mitigation programs may include regional investments in risk reduction for flood, fire, wind, and other hazards to develop disaster-resistant infrastructure; upgrading of water, sewer, solid waste, communications, energy, transportation, health and medical, and other public infrastructure to address specific identified risks; financing multi-use infrastructure; and green or natural mitigation infrastructure development. For more details regarding the definition of Infrastructure Projects and applicable regulations, refer to the CDBG-MIT Action Plan, Program Guidelines, and policies.

Section 5. PERFORMANCE, MONITORING AND REPORTING

a. Monitoring

PRDOH shall monitor and review the performance of the AWARDEE as necessary to ensure that the funds allocated to the AWARDEE are used for authorized purposes and are in compliance with: (i) Federal Laws and regulations, (ii) the CDBG-MIT Action Plan and Program Guidelines, and (iii) the terms and conditions of this Agreement, including the timeframes set forth in **Attachment B** associated with the activities included in **Attachment A**.

The review shall include: (i) the evaluation of financial and performance reports required by PRDOH; (ii) following up and ensuring that the AWARDEE takes timely and appropriate action on all deficiencies pertaining to the Grant provided to the AWARDEE from PRDOH, detected through audits, on-site reviews, and other means; and (iii) the issuance of a management decision for audit findings pertaining to this Grant.

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The AWARDEE shall allow PRDOH or its authorized representative to conduct on-site evaluations of the Project whenever PRDOH or HUD find it necessary. PRDOH and/or HUD shall have the right, but not the obligation, to conduct any and all reasonable monitoring to determine compliance with this Agreement, including, but not limited to, the right to enter the Property (upon prior written notice to the AWARDEE), inspect the Project, inspect the books and records kept regarding the Project, and inquire and receive responses from the AWARDEE regarding the Project and its operation at any time that may be required by PRDOH or HUD.

Substandard Performance, as defined in Section 3 hereof, indicates a failure to meet expectations set for the AWARDEE and represents a breach of this Agreement. Should the AWARDEE fail to rectify the Substandard Performance within **fifteen (15) days** of receiving notice thereof from PRDOH, PRDOH may, at its sole and absolute discretion: (i) impose additional conditions on the AWARDEE, (ii) suspend or terminate this Agreement, (iii) disallow all or part of the cost of the activity or action not in compliance and begin the recapture of previously expended funds from the AWARDEE, or (iv) initiate other remedies for noncompliance, as appropriate and permitted under the applicable regulations.

b. Reporting

The AWARDEE shall complete and submit a monthly report for the Project in the form, timeframe, and with the content specified and required by PRDOH. PRDOH shall later notify the AWARDEE in writing of the guidelines and requirements applicable to the submittal of such progress reports. Such notification shall be deemed incorporated by reference to this Agreement and made to form a part hereof.

Section 6. PERFORMANCE TIMEFRAME

- a. This Agreement shall be in effect and enforceable between the Parties from the date of its execution. The term of this Agreement shall be for a period of **forty-eight (48) months**, ending on 14 of March, 2029, subject to any extension resulting from mutually agreeable extensions.
- b. The AWARDEE hereby covenants and agrees to commence and diligently execute the completion of the Project within the timelines specified in **Attachment B** and the subsequent operation of the Project in accordance with the site plan and other plans and drawings as approved by PRDOH.
 1. Once the environmental process is completed, construction of the Project will begin after the AWARDEE receives the notice to proceed from PRDOH, which shall only be issued when and if **an environmental clearance is attained in accordance with 24 C.F.R. Part 58 (the Notice to Proceed)**.
 2. If additional time is required for the construction and development completion of the Project, the AWARDEE may request, in writing, an

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extension. The written request must be submitted to PRDOH **at least six (6) months** prior to the expiration of the Agreement. Subject to Force Majeure, as defined in Section 23 hereof, extensions will be sparingly approved and will be awarded at the sole discretion of PRDOH. If the AWARDEE fails to meet the term of the agreement, PRDOH may request, from AWARDEE, the reimbursement of the CDBG-MIT funds granted under the Grant for the Project.

3. Within a **sixty (60) day** period upon completion of the construction of the Project, including off-site utilities and landscape requirements, as applicable, the AWARDEE shall furnish to PRDOH satisfactory evidence that any and all required inspection was performed and approved by the governmental authorities with jurisdiction. Also, the AWARDEE must furnish PRDOH, within **ten (10) days** of receipt, a copy of the Occupancy permit and any other required approval or certification issued for the Project. The AWARDEE shall provide a certification of a qualified registered architect or professional engineer, acceptable to PRDOH, stating that the construction of the Project is in full compliance with construction documents and federal and state applicable laws and regulations, substantially in the form of **Attachment A**. Upon satisfaction of the foregoing, the AWARDEE shall promptly execute a Notice of Completion certifying the satisfactory completion of the construction of the Project in accordance with this Agreement.
 4. The AWARDEE must perform the necessary actions to plan and provide for the long-term operation and maintenance (**O&M**) of the Project, and carry out said plan during the useful life of the Project as established by the Parties (**Useful Life**) in compliance with all applicable laws and regulations governing the use of the CDBG-MIT funds granted pursuant to this Agreement. Failure to comply with this requirement could result in a potential repayment of funds by the AWARDEE to PRDOH.
 5. The AWARDEE agrees to perform all required deliverables and tasks within the period established in this Agreement.
- c. The term of this Agreement shall not exceed the lifetime of the initial Grant Agreement between PRDOH and HUD unless the term of said agreement is extended by HUD, in which case the term of this Agreement cannot exceed any extension thereof.

Section 7. BUDGET AND USE OF CDBG-MIT FUNDS

- a. PRDOH is granting CDBG-MIT funds in the amount of **NINE MILLION NINE HUNDRED FORTY-FIVE THOUSAND DOLLARS (\$9,945,000.00)** (the **Grant**) to the AWARDEE to carry out and complete the Project. The AWARDEE shall complete all activities in **Attachment A** in accordance with **Attachment B** and

Attachment C. The Awardee shall only use the Grant for allowable activities in support of the development and construction of the Project. PRDOH may require a more detailed budget breakdown than the one contained herein, and the Awardee shall provide such supplementary budget information in a timely fashion, in the form and content requested by PRDOH. PRDOH will not fund any costs incurred by the Awardee not included in **Attachment C**. Any amendments to the Budget must be previously approved in writing and signed by the signatories herein.

- b. The Awardee acknowledges and agrees that the amount of the Grant was calculated based upon the estimated total cost for the development, rehabilitation, and/or construction of the Project provided by the Awardee. The Awardee agrees to provide PRDOH a cost certification acceptable to PRDOH, prepared by an independent third-party consulting firm acceptable to PRDOH, certifying the actual costs incurred and paid by the Awardee in the development, rehabilitation, and/or construction of the Project, and including such other information as PRDOH may require. The Awardee agrees to cooperate with PRDOH and provide any necessary documentation to complete the verification process.
- c. National Objectives
1. All activities funded with CDBG-MIT funds must meet one (1) of the HUD CDBG national objectives at 24 C.F.R. § 570.483 or as otherwise provided for by a waiver or alternative requirement as published in 84 FR 45838. For purposes of this Agreement, the Awardee shall comply with one (1) of the following national objectives:
 - **Benefit to low- and moderate-income persons (LMI):**
 - i. LMI Area Benefit (**LMA**) – The benefits of a project are available to all the residents in a particular area, where at least fifty-one percent (51%) of the residents are LMI people. (24 C.F.R. § 570.483 (b)(1)).
 - ii. LMI Limited Clientele (**LMC**) – Must exclusively benefit a clientele whom HUD generally presumes to be principally LMI persons. The following groups are presumed by HUD to be comprised principally of LMI persons (24 C.F.R. § 570.483 (b)(2)(ii)(A)):
 - Abused children;
 - Elderly persons;
 - Battered spouses;
 - Homeless persons;
 - Adults meeting Bureau of Census' definition of "severely disabled";
 - Illiterate adults;

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- Persons living with AIDS; and
 - Migrant farm workers.
- **Meet an Urgent Need Mitigation (UNM)** – The provisions of 24 C.F.R. §570.483(d) and §570.208(c) are waived at 84 FR 45838, 45857, V.A.13.C., and replaced with the alternative requirement to document how the activity: (i) addresses the current and future risks as identified in grantee’s Mitigation Needs Assessment of MID areas, and (ii) will result in a measurable and verifiable reduction in the risk of loss of life and property.
2. Additionally, as per 84 FR 45857, the provisions of 24 C.F.R. § 570.483(e) and § 570.208(d) are modified by an alternative requirement to include the following additional criteria for all mitigation activities funded with CDBG-MIT funds. To meet a national objective, all CDBG-MIT activities must:
 - i. Demonstrate the ability to operate for the useful life of the Project; and
 - ii. Be consistent with other mitigation activities. To be consistent, the CDBG-MIT activity must not increase the risk of loss of life or property in a way that undermines the benefits from other uses of CDBG-MIT funds in the MID area.
 3. The AWARDDEE certifies that the activities carried out under the Project and this Agreement shall meet a national objective as established above. The AWARDDEE shall ensure that the funded activities or services meet the applicable CDBG-MIT National Objective(s) and that each subcontractor or third party collects the necessary information and completes the applicable forms to document the National Objective(s).
 4. Additional National Objective(s) requirements are found in **Attachment A**.
- d. The AWARDDEE shall use the Grant only for the payment of eligible expenses permitted under the CDBG-MIT regulations set forth in 24 C.F.R. Part 570 (**Eligible Expenses**). The AWARDDEE shall not use any proceeds from the Grant for prohibited activities as set forth in 24 C.F.R. § 570.207. The AWARDDEE acknowledges that PRDOH must comply with the provisions of 24 C.F.R. Part 85

as modified by 24 C.F.R. § 570.502 and adequately supported to be charged to the Program.

- e. All development and construction costs, as identified in **Attachment C**, must be necessary and reasonable in accordance with the Program Guidelines and the applicable regulations.
- f. Extended overhead costs are an ineligible cost under the Grant and this Agreement and shall not be reimbursable.
- g. The AWARDEE acknowledges and agrees that any CDBG-MIT funds not used in accordance with applicable regulations must be reimbursed to PRDOH by the AWARDEE, as set forth in Section 39 hereof.
- h. Pre-award costs in relation to this Agreement are strictly prohibited.
- i. Applicable CDBG-MIT Requirements:
 - 1. The AWARDEE shall comply with all applicable provisions of the Housing and Community Development Act (**HCDA**) of 1974, as amended, and the regulations at 24 C.F.R. Part 570, and any successor legislation, HUD regulations thereunder, all as modified by certain laws and guidance including, without limitation and as applicable, the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 84 FR 45838 and 85 FR 4676, and any subsequent applicable notices (jointly, **HUD Notices**) that govern the use of CDBG-MIT funds available under this Agreement. The AWARDEE shall also comply with all other applicable Federal, state, and local laws, regulations, executive orders, regulatory requirements, guidelines, and policies that govern the use of such funds in complying with its obligations under this Agreement. Where waivers or alternative requirements are provided for in the applicable HUD Notices, such requirements, including any regulations referenced therein, shall apply.
 - 2. The AWARDEE 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 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 Program 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.

3. The Awardee shall also comply with applicable PRDOH policies and guidelines as established in Program Guidelines and their amendments, if any, as found in the CDBG-MIT Website (www.recuperacion.pr.gov and <https://recuperacion.pr.gov/welcome/en/>) which are herein included and made an integral part of this Agreement, as they may be updated from time to time.

Section 8. DISBURSEMENT OF FUNDS

The Awardee may not request disbursements of funds under the Grant and this Agreement until the Awardee has fully complied with: (i) the conditions precedent to disbursements set forth in the Program Guidelines, (ii) all applicable CDBG-MIT Requirements, (iii) all conditions set forth in the Agreement, and upon satisfactory completion of the environmental review as required herein and receipt by PRDOH of an Authorization to Use Grant Funds (**AUGF**) from HUD under 24 C.F.R. Part 58, in which case PRDOH shall issue to the Awardee a Notice to Proceed.

- a. In order for the Awardee to receive payment for any work performed hereunder, the Awardee shall submit an invoice package to PRDOH on a monthly basis, in the form and substance specified and required by PRDOH. Said invoice package must be submitted including all required invoices and other supporting documents (e.g. monthly reports, timesheets, invoice and photo evidence, expense plan, work projections, etc.). If PRDOH determines that the submitted invoices and supporting documents are acceptable, then the invoice will be approved for payment. Otherwise, PRDOH reserves the right to request any additional supporting documents or evidence necessary, at its sole discretion, to approve any such invoice package.
- b. In order for the Awardee to receive payment for any work performed on the Project as set forth herein, the Awardee shall use the invoice package provided by PRDOH and the following certification must be included with each invoice package submitted to PRDOH for payment:

"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 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 therefore."

- c. An authorized representative of PRDOH will review each request for disbursement and, if adequate, will approve and process its payment. Payments to the AWARDDEE shall be made by electronic funds transfer (**EFT**). PRDOH reserves the right to conduct any audits or revisions as it deems necessary. The AWARDDEE agrees to cooperate fully with any such audit(s) or revision(s).
- d. The AWARDDEE agrees to abide by and adhere to any requirements applicable to the Grant Agreement between PRDOH and HUD. Unallowable funds under said Grant Agreement or the Program will be disallowed from the payment to the AWARDDEE from the Grant and this Agreement.
- e. Disbursements of the funds for the Project are subject to the receipt by PRDOH of CDBG-MIT funds from HUD and the applicable conditions for disbursements as established in this Agreement.

Section 9. ENVIRONMENTAL PROVISIONS

- a. Limits on Pending Environmental Clearance.
 - 1. The AWARDDEE does not have a legal claim for any amount of the Grant to be used for the Project or Property, and any such Grant is contingent upon the completion of an environmental review demonstrating compliance with 24 C.F.R. Part 58. The AWARDDEE acknowledges and agrees that it will not begin any work or actions related to the Project or Property until the environmental review process is completed to PRDOH's satisfaction, and the AWARDDEE has received written approval and the subsequent Notice to Proceed from PRDOH.
 - 2. Pursuant to 24 C.F.R. § 58.22(a), the AWARDDEE, participants in the development process, and their contractors are not allowed to commit the Grant on an activity or project until HUD has approved AWARDDEE's AUGF and the related certification from PRDOH. Please refer to 24 C.F.R. Part 58 for all applicable restrictions and requirements.
- b. Choice Limiting Actions.
 - 1. The AWARDDEE specifically represents to PRDOH that it understands, acknowledges, and agrees that this Agreement shall not provide the commitment of any funds, including non-HUD funds, nor permit the undertaking of any physical activity or choice-limiting actions such as property acquisition, demolition, movement, rehabilitation, conversion,

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repair, or construction, among others, prior to receipt of the AUGF and Notice to Proceed from PRDOH. Please refer to 24 C.F.R. Part 58 for all applicable restrictions and requirements.

2. Pursuant to 24 C.F.R. § 58.22(a), until the Request for Release of Funds (**RROF**) and the related certification from PRDOH have been approved, neither the AWARDEE nor any participant in the development process nor their contractors may commit non-HUD funds on or undertake an activity or project if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives.

- c. Environmental Condition Prior to Funds Disbursement. The AWARDEE hereby certifies to PRDOH that, to the best of its actual knowledge, it is not aware of, and has not received any notice or communication from any governmental authority having jurisdiction over the Property, or any other person or entity, notifying it of the presence of Hazardous Materials² or Hazardous Materials Contamination³ on or under the Property, or any portion thereof. The AWARDEE hereby certifies to PRDOH that it does not know of any circumstances, conditions, or events that may now, or may with the passage of time, give rise any Environmental Claim⁴ against or affecting the Property. The AWARDEE further warrants and represents that:

1. The Property complies with all applicable Environmental Laws.⁵
2. All approvals from relevant governmental authorities required under Property and/or the Project by applicable Environmental Law have been obtained or will be obtained in due course.

² "Hazardous Materials" shall mean (i) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (**CERCLA**); (ii) asbestos; (iii) polychlorinated biphenyls; (iv) petroleum, oil, gasoline (refined and unrefined) and their respective by-products and constituents and any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any "Governmental Requirements" (defined below) either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as hazardous or harmful to the environment.

"Governmental Requirements" shall mean all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the Government of Puerto Rico, the municipality, or any other political subdivision in which the Property is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over PRDOH, the AWARDEE, or the Property.

³ "Hazardous Materials Contamination" shall mean the contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in, or of the Property by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in, or of any other property as a result of Hazardous Materials at any time (whether before or after the date of this Agreement) emanating from the Property.

⁴ "Environmental Claim" shall mean (i) any judicial or administrative enforcement actions, proceedings, claims, orders (including consent orders and decrees), directives, notices (including notices of inspection, notices of abatement, notices of non-compliance or violation and notices to comply), requests for information or investigation instituted or threatened by any governmental authority pursuant to any Governmental Requirement; or (ii) any suits, arbitrations, legal proceedings, actions or claims instituted, made or threatened that relate to any damage, contribution, cost recovery, compensation, loss or injury resulting from the Release or threatened Release (whether sudden or non-sudden or accidental or non-accidental) of, or exposure to, any Hazardous Materials, or the violation or alleged violation of any Governmental Requirement, or the generation, manufacture, use, storage, transportation, treatment, or disposal of Hazardous Materials.

⁵ "Environmental Law" shall mean any state or local (including, without limitation, the Government of Puerto Rico) law, rule, regulation, order, ordinance, writ, judgment, injunction, decree, determination or award relating to the environment, health, safety or hazardous or toxic materials, including, without limitation, CERCLA, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, the Clean Water Act, the Toxic Substances Control Act, the Clean Air Act, the Safe Drinking Water Act, the Atomic Energy Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Occupational Safety and Health Act and similar or related laws each as amended from time to time, and those environmental guidelines, rules or procedures required under the CDBG-MIT and INFRA-MIT Programs.

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3. The AWARDEE has not caused and has no knowledge of any other person who has caused, including any predecessor of the AWARDEE, any Release,⁶ threatened Release or disposal of any Hazardous Material at the Property, and the Property is not adversely affected by any Release, threatened Release, or disposal of a Hazardous Material originating or emanating from any other property.
 4. The Property does not contain, nor has it ever contained, elements such as underground storage tanks, asbestos-containing material, or any landfills or dumps on site. Additionally, the Property has not been nominated for the National Priorities List (**NPL**), as promulgated pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (**CERCLA**) of 1980, 42 U.S.C. § 9601 et seq., as amended from time to time, and regulations promulgated thereunder.
 5. Neither the AWARDEE nor any other third-party has used Hazardous Materials on the Property or has conducted Hazardous Material Activity at the Property.
 6. The Property is not subject to, and the AWARDEE has no actual knowledge of, any imminent restriction on the ownership, occupancy, use, or transferability of the Property in connection with any Environmental Law or Release, threatened Release, or disposal of a Hazardous Material.
 7. To the AWARDEE's actual knowledge, there are no conditions or circumstances at the Property that pose a risk of damage, injury, threat, or harm to health, safety, endangered or threatened species, or the environment.
 8. To the AWARDEE's knowledge, including any predecessor of the AWARDEE, there is no eminent domain or other government or judicial action or proceeding of any nature, pending or threatened, against or affecting the Property or any part thereof, or the installation, construction, and/or development of the Project, which would, in PRDOH's sole opinion, affect the use, construction, or development of the Property and/or the Project.
- d. Environmental Review. The AWARDEE must provide PRDOH with all information, including, without limitation, any and all public or private documents or records in its possession or that it could have reasonably obtained, concerning compliance by the Property with any applicable Environmental Law. Furthermore, the AWARDEE is responsible for preparing all required environmental compliance documentation per the National Environmental Policy Act (**NEPA**) and 24 C.F.R. Part 58 HUD Environmental Review Procedures.

⁶ "Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the indoor or outdoor environment, including, without limitation, the abandonment or discarding of barrels, drums, containers, tanks and other receptacles containing or previously containing any Hazardous Materials.

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All required environmental review documentation shall be submitted to PRDOH for review and approval by the Environmental Certifying Officer. The AWARDEE shall also submit any and all corresponding information to PRDOH in order for the agency to complete its submission of all consultations to the concerning Federal Agencies, such as the United States Fish and Wildlife Service and the State Historic Preservation Office, among others. Upon approval, PRDOH shall in turn submit all required documentation to HUD for final approval and issuance of the corresponding AUGF. As previously indicated in this Agreement, the AWARDEE shall not commence any physical work on the Project, nor invoice for any work prior to the obtention of the AUGF.

- e. Indemnification. The AWARDEE shall save, protect, pay for, defend, indemnify and hold harmless PRDOH, the Government of Puerto Rico, HUD, and its officers, employees, representatives, and agents, (collectively, the "**Indemnities**") from and against any and all liabilities, such as complaints, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs, or expenses (including, without limitation, consultants' fees, investigation and laboratory fees, attorneys' fees, and remedial and response costs), the foregoing hereinafter collectively referred to as "**Liabilities**," which may now or in the future be incurred or suffered by the Indemnities by reason of, resulting from, in connection with, or arising in any manner whatsoever as a direct or indirect result of:
1. The ownership of all or any part of the Property;
 2. Any negligent or fraudulent act or omission of any person under the control of the AWARDEE, other than PRDOH;
 3. The presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, for damages, losses, costs, Liabilities, fees and expenses, present and future, arising out of or in any way connected with the AWARDEE's use, maintenance, ownership, or operation of the Property, any Hazardous Materials on the Property, or the existence of Hazardous Materials Contamination in any state on the Property, however, they came to be emplaced there.
- f. Release of Liabilities. Subject to the foregoing, the AWARDEE waive, release, and discharge forever PRDOH, the Government of Puerto Rico, HUD, and its employees, officers, agents, and representatives, from all present and future complaints, claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, Liabilities, fees and expenses, present and future, arising out of or in any way connected with the AWARDEE's or the OWNER's use, maintenance, ownership or operation of the Property, any Hazardous Materials on the Property, or the existence of Hazardous Materials

Contamination in any state on the Property, however they came to be emplaced there.

- g. Duty to Prevent Hazardous Material Contamination. Upon the execution of this Agreement, the AWARDEE shall take such actions as are necessary or prudent to prevent the Release of any Hazardous Materials into the environment, on or under the Property. During the operation and maintenance of the Property, the AWARDEE shall take all necessary precautions to prevent the Release of any Hazardous Materials into the environment, on or under the Property. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, the AWARDEE shall install and utilize such equipment and implement and adhere to such procedures as are consistent with the then prevailing standards with respect to the disclosure, storage, use, removal, and disposal of Hazardous Materials.

The preceding shall not prohibit the ordinary use of Hazardous Materials normally used in the construction, operation, occupancy, or maintenance of properties similar to the Project, provided the amount of such Hazardous Materials does not exceed the quantity necessary for the normal construction, operation, occupancy, and maintenance of the Project in the ordinary course of business and the use, storage, and disposal of such Hazardous Materials strictly complies with all applicable Government Requirements with respect to Hazardous Materials.

- h. Environmental Inquiries. The AWARDEE shall notify and provide to PRDOH copy or copies of the following environmental permits, disclosures, applications, entitlements, or inquiries related to the Property: notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements, and reports or Certificates filed, or applications made, pursuant to any Governmental Requirement relating to Hazardous Materials and underground tanks. The AWARDEE shall immediately report in writing to PRDOH upon knowledge of any unusual or potentially important incidents, including, but not limited to the following, as well as provide any reasonably requested documents:
1. Any liability for response or corrective action, natural resource damage, or other harm pursuant to Environmental Law;
 2. Any Environmental Claim;
 3. All required reports of releases of Hazardous Materials, including notices of any Release of Hazardous Materials required by any Governmental Requirements, investigation, compliance schedules, clean-up, disposal or other remedial actions;
 4. All notices of suspension of any permits;

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5. Any restriction on the ownership, occupancy, use, or transferability of the Property arising pursuant to any (a) Release, threatened Release, or disposal of a Hazardous Substance, or (b) Environmental Law;
 6. Any environmental, natural resource, health, or safety conditions which could impair the condition of the Property or affect adjoining or proximate properties;
 7. All notices of violation from Federal, state, or local governmental authority;
 8. Any notices of violation from the Occupational Safety and Health Administration (**OSHA**) or PR-OSHA concerning employees' exposure to Hazardous Materials; and
 9. All complaints and other pleadings filed against the AWARDEE or PRDOH relating to AWARDEE's storage, use, transportation, handling, or disposal of Hazardous Materials on the Property.

In the event of a Release of any Hazardous Materials into the environment, as soon as possible after the Release, the AWARDEE shall furnish to PRDOH a copy of any and all reports relating thereto and copies of all correspondence with governmental authorities relating to the Release. Upon request of PRDOH, the AWARDEE shall furnish to PRDOH a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Property including, but not limited to, all permit applications, permits, and reports including, without limitation, those reports and other matters which may be characterized as confidential.

i. Representations. The AWARDEE represents and agrees that:

1. During the time in which it has site control of the Property or any portion of the same, it must maintain the Property in compliance with all applicable Environmental Law and further agrees to be responsible for making any notification or report concerning the Property to a governmental authority required to be made by any applicable Environmental Law;
2. It will not enter into any assignment or sublease of the Property, nor retain contractors or sub-contractors, except on terms and conditions that comply with applicable environmental, health, and safety regulations;
3. Expeditiously cure to the reasonable satisfaction of PRDOH any violation of applicable Environmental Law at the Property;
4. Obtain and maintain in full force and effect all governmental approvals required by any applicable Environmental Law for operations at the Property;
5. Not create or operate at the Property any landfill or dump nor improperly dispose of or accumulate solid or hazardous wastes as defined pursuant

to the Resource Conservation and Recovery Act (**RCRA**) and Government of Puerto Rico laws and regulations.

Section 10. SPECIAL CONDITIONS

- a. The AWARDEE must disclose to PRDOH, in accordance with HUD requirements, any information regarding any related assistance or financing from the Federal Government, a State or a unit of general local government, or any agency or instrumentality, or any private entity, for profit or non for profit, that is made available or is expected to be made available with respect to the development and construction of the Project. Such related assistance may include, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.
- b. The AWARDEE must also keep PRDOH informed of any change regarding the financial structure of the Project and its Budget. It is expressly recognized that this is a condition of the present Agreement, and if it is inaccurate or if changes to the financial structure of the Project and its Budget are not informed to PRDOH, such failure to inform will be a sufficient cause for PRDOH to terminate this Agreement and the Grant, to uncommit any undisbursed CDBG-MIT funds under the Grant, and to request from the AWARDEE the reimbursement of disbursed CDBG-MIT funds under the Grant.
- c. The AWARDEE shall oversee that no CDBG-MIT funds under the Grant are used for political activities, sectarian, or religious activities, lobbying, patronage, and nepotism.
- d. PRDOH may require the imposition of any covenant, condition, or term that it, in its sole discretion, deems necessary and essential to ensure the Project's long-term viability and compliance with all applicable regulations.
- e. THE AWARDEE acknowledges that, in accordance with the CDBG-MIT Program Guidelines – Infrastructure Mitigation Program, dated June 17, 2024 (V.6) (**IMP Program Guidelines**), the funded project is not to be used as collateral for transactions with third-party financing within **five (5) years** after commissioning or substantial completion. If the facility goes through a commercial transaction within **five (5) years** after commissioning or substantial completion, one of the following conditions must be met: (1) The incoming entity will be responsible for delivering the services and continuing to operate and maintain the assets developed under the award. All responsibilities will be transferred to the new entity, as determined in the award,

OR (2) the award shall be returned using a depreciation schedule to determine current value.

- f. In compliance with CDBG-MIT requirements, the AWARDEE shall ensure that the Project complies with the following accessibility requirements:
1. The 2010 Americans with Disabilities Act (**ADA**) Standards for Accessible Design (**2010 ADA Standards**).
 2. Section 504 of the Rehabilitation Act of 1973, including the Uniform Federal Accessibility Standards (**UFAS**), as required by HUD for all federally funded projects.
 3. The AWARDEE is obligated to furnish the following prior to the commencement of construction of the Project:
 - i. Preliminary drawings of the proposed new construction and/or rehabilitation including a site plan, building elevations, and unit floor plans. The architect for the Project shall certify that the development will comply with the accessibility requirements under the 2010 ADA Standards and UFAS.
 - ii. Proof of professional liability insurance covering the Project's architect for an amount not less than ten percent (10%) of the estimated construction cost, in case of negligence.
 - iii. Proof of performance or surety bond for no less than one hundred percent (100%) of the construction contract.
 - iv. A signed certification from a qualified and licensed architect and/or professional engineer retained for the accessibility inspection of the new construction and/or Project rehabilitation must be provided as verification that Project common areas comply with the structural accessibility mandates of the 2010 ADA standards and UFAS.
 4. Prior to commencing construction, PRDOH's inspector may request to verify that the accessibility requirements have been fulfilled.
 5. In the case that the AWARDEE fails to comply with the aforementioned accessibility requirements, the Project will be suspended until these requirements are fulfilled.
- g. Mechanics' liens, stop notices and notices of completion:
1. If any claim of lien is filed against the Property or a stop notice affecting the funds is served on PRDOH or any other third party in connection with the Project, then AWARDEE shall notify the event to PRDOH within **ten (10) days** of its occurrence. Within **thirty (30) days** of such filing or service, the AWARDEE shall either pay and fully discharge the lien, effect the release of such lien or stop notice by delivering to PRDOH a surety bond

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in sufficient form and amount, or provide PRDOH with other assurance satisfactory to PRDOH that the claim of lien or stop notice will be paid or discharged.

2. If the AWARDEE fails to discharge any lien, encumbrance, charge, or claim in the manner required in this Section, PRDOH may (but is under no obligation to) discharge such lien, encumbrance, charge, or claim at the AWARDEE'S expense. Alternately, PRDOH may require the AWARDEE to immediately deposit in escrow the amount necessary to satisfy such lien or claim and any related costs pending resolution thereof. PRDOH may use such deposit to satisfy any claim or lien that is adversely determined against the AWARDEE.
3. The AWARDEE shall file a valid notice of cessation or notice of completion upon cessation of construction work on the Project for a continuous period of **thirty (30) days** or more and take all other steps necessary to forestall the assertion of claims of lien against the Property. The AWARDEE authorizes PRDOH, but PRDOH has no obligation, to record any notices of completion or cessation of labor, or any other notice that PRDOH deems necessary or desirable to protect its interest in the Project and Property.

h. Additional Representations and Warranties of the AWARDEE:

1. The AWARDEE is in compliance with all legal and regulatory requirements including the Program Guidelines, the HUD General Provisions, the Preliminary Project Eligibility and Selection Notice, the Notice of Award-Non-Covered Project and this Agreement.
2. The AWARDEE is a corporation duly organized, validly existing, and in good standing under the laws of its state of incorporation. It has all requisite power and authority to conduct its business and to execute, deliver and perform all of its obligations under this Agreement and any other related document, and to conduct business in any other jurisdiction where the nature of its business requires it to be so qualified to do business.
3. This Agreement represents a valid and binding obligation of the AWARDEE and, where applicable, its affiliated parties. It is enforceable according to its terms, except as limited by laws relating to bankruptcy, insolvency, reorganization, moratorium, or other similar laws that affect creditors' rights generally, as well as general principles of equity.
4. The financial statements of the AWARDEE that have been heretofore delivered to PRDOH are, as of their respective dates, true, correct and current in all respects and fairly present the respective financial condition of the subjects thereof as of the respective dates thereof, all in accordance with Generally Accepted Accounting Principles (**GAAP**), and

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the AWARDEE had no direct or contingent liabilities as of such dates which are not reflected in such financial statements. No Material Adverse Effect⁷ has occurred in the financial conditions reflected therein since the respective dates thereof and no borrowings which might give rise to a lien or claim against the Grant funds have been made by the AWARDEE since the date thereof. The financial statements contain a complete and accurate list of all debt of the AWARDEE outstanding on the date hereof, showing as of the date set forth thereon the principal amount outstanding thereunder.

5. There are no actions, suits, or proceedings pending or, to its knowledge, threatened against or affecting the AWARDEE which would, if adversely determined, substantially impair its ability to repay funds under this Agreement, if needed, or would affect the validity or enforceability or prohibit the performance of this Agreement.
6. There exists no default under the AWARDEE'S organizational documents, and no event has occurred and is continuing which after notice or the passage of time, or both, would give rise to a default thereunder, unless such event has been waived.
7. The AWARDEE has filed all federal, state, Commonwealth, and local tax returns required to be filed and has paid all taxes shown thereon to be due, including interest and penalties, or has provided adequate reserves; therefore, no unpaid or uncontested assessments have been made against the AWARDEE by any Governmental Authority, nor has any penalty or deficiency been assessed by any such authority. All contested assessments have been disclosed to PRDOH and adequate reserves have been made therefore. Such tax returns properly reflect the income and taxes of the AWARDEE for the periods covered thereby, subject only to reasonable adjustments required by the corresponding taxing authorities upon audit.
8. The AWARDEE has good, marketable, and insurable fee simple (pleno dominio) title to all assets and properties shown or reported in the financial statements most recently submitted to PRDOH and all such assets and properties are free and clear of any encumbrances, mortgages, pledges, charges, leases, security interest and any other type of lien, encumbrance and/or title restriction, except those reflected in the financial statements and those disclosed in writing to PRDOH.

⁷ "No Material Adverse Effect" shall mean with respect to any circumstance, act, condition or event of whatever nature (including any adverse determination in any litigation, arbitration, or government investigation or proceeding), whether singly or in conjunction with any other event or events, act or acts, condition or conditions, or circumstance or circumstances, whether or not related, which would reasonably be expected to have a material adverse change in or materially adverse effect upon (a) the assets, business, operations or condition (financial or otherwise) of the AWARDEE; (b) the rights and remedies available to PRDOH under the Grant; (c) the ability of the AWARDEE to perform its obligations under the Grant; (d) the validity, legality or enforceability of this Grant; or (e) the ability of the AWARDEE to construct the Project substantially in accordance with the requirements of this Grant.

9. The AWARDEE agrees to furnish PRDOH with all documentation that may be requested by PRDOH from time to time in relation to this Agreement.

Section 11. SUBCONTRACTS

- a. General: The AWARDEE shall ensure all subcontracts contain the applicable provisions described in **Attachment E** (HUD General Provisions). PRDOH shall review subcontracts as part of the compliance, monitoring, and oversight process performed by PRDOH or upon request.
- b. Specific Requirements: All subcontracts shall contain provisions specifying that:
1. The works performed by the subcontractor shall be in accordance with all the applicable terms of this Agreement between PRDOH and AWARDEE;
 2. Nothing contained in such subcontract agreement shall impair the rights of PRDOH;
 3. Nothing contained therein or under this Agreement will create any contractual relation between the subcontractor and PRDOH;
 4. The subcontractor specifically agrees to be bound by the confidentiality provision regarding Personal Identifiable Information (PII) set forth in this Agreement;
 5. The AWARDEE will be responsible for ensuring all subcontract work is performed consistent with federal and state regulations and/or policies to be eligible for reimbursement of the approved work; and
 6. All Federal flow-down provisions are included in the subcontract agreement per Federal guidelines.
- c. Monitoring: The AWARDEE will monitor all subcontracted services on a regular basis to ensure 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.
- d. Content: The AWARDEE shall cause all the provisions of this Agreement in their entirety to be included in and made a part of any subcontract executed in the performance of this Agreement, as applicable.
- e. Notification: The AWARDEE shall notify and provide a copy of any and all contracts related to this Agreement and CDBG-DR/MIT funds to the Contract Administration Area of the PRDOH CDBG-DR/MIT Legal Division within **three (3) days** of its execution.

Section 12. PERFORMANCE WARRANTY

The AWARDEE warrants that it will perform all work and provide all deliverables (**Deliverables**) under this Agreement in a manner consistent with the degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances.

The AWARDEE warrants that all Deliverables it completes under this Agreement shall: (i) meet or exceed the standards of AWARDEE's trade, profession, or industry; (ii) meet or exceed the specifications set forth in the Attachments; and (ii) be fit for ordinary use, of good quality, and with no material defects.

If the AWARDEE submits Deliverables that do not meet specifications, fails to timely complete Deliverables, or fails to perform its obligation under this Agreement, PRDOH may require the AWARDEE, at its sole expense, to:

- A. Repair or replace Deliverables that do not meet specifications;
- B. Refund payment for Deliverables that do not meet specifications and accept the return of such Deliverables; and
- C. Take necessary action to ensure that future performance and Deliverables meet specifications and conform to the Agreement.

Section 13. NO OBLIGATION BY THE FEDERAL GOVERNMENT

The Federal Government is not a party to this Agreement and is not subject to any obligations or liabilities to PRDOH, AWARDEE, or any other party pertaining to any matter resulting from this Agreement.

Section 14. NON-LIABILITY

In no event shall HUD, the Government of Puerto Rico nor PRDOH be liable for any direct, indirect, incidental, special, or consequential damages, or damages for loss of profits, revenue, data, or use, incurred by the AWARDEE or any third party, whether in an action in contract or tort, even if the other party or any person has been advised of the possibility of such damages. Third parties operating under this Program, with their agency, will have their own general civil and criminal liability imposed by law towards PRDOH, the Government of Puerto Rico, HUD, the AWARDEE, and any citizen.

Section 15. REMEDIES

Noncompliance by AWARDEE will, either at the option of PRDOH or automatically where so specified, relieve PRDOH of any obligation to perform hereunder including, without limitation, to make or continue the disbursement of funds under the Grant, and shall give PRDOH the right to proceed with any and all remedies set forth in this Agreement including, but not limited to, the following:

- A. Termination of this Agreement.

B. Recapture or reimbursement of funds, expenses, costs, and fees from AWARDEE:

1. Recapture or reimbursement of Grant funds as established in this Agreement and pursuant to applicable regulations.
2. The AWARDEE shall be liable to pay PRDOH on demand all reasonable expenses, costs, and fees including without limitation, attorneys' fees, costs, and related expenses paid or incurred by PRDOH in connection with the recapture or reimbursement of the Grant funds.

C. Specific Performance: PRDOH shall have the right to file a suit, action, or proceeding at law or in equity to require the AWARDEE to perform its obligations and covenants under the Agreement or to challenge acts which may be unlawful or in violation of the provisions under this Agreement.

No right, power, or remedy given to PRDOH by the terms of this Agreement is intended to be exclusive of any other right, power, or remedy and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to PRDOH by the terms of any such instrument or by any statute or otherwise against the AWARDEE and any other person. Neither the failure nor the delay on the part of PRDOH to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by PRDOH of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

The AWARDEE shall have the right to contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute cause for PRDOH to request a remedy hereunder. Any such contest shall be prosecuted diligently and in a manner unprejudicial to PRDOH or the rights of PRDOH hereunder.

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

In any litigation, arbitration, or other proceeding arising from, as a result of, or pursuant to this Agreement and/or due to the resulting selection of PRDOH's process to grant funds under the Program and/or as a consequence of an award determination under any other participating programs or any other proceeding arising from or as a result of or pursuant to any noncompliance during the construction and or operation of the Project, when PRDOH appears as a party, intervenor or *amicus curiae*, it shall be entitled to receive reasonable attorney's fees, costs, and expenses incurred, regardless of which party initiated the litigation, arbitration, or other proceeding.

Section 16. GENERAL PROVISIONS

a. Notices.

Any notice, demand, claim, or other communications under this Agreement shall be in writing and shall be deemed to be effective as of the date sent by certified mail, return

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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:

PRDOH:
Hon. Ciary Y. Pérez Peña
Secretary
Puerto Rico Department of Housing
606 Barbosa Avenue
Juan C. Cordero Building
Río Piedras, Puerto Rico 00918

AWARDEE:
César Hernández Monagas
Senior Vice President of Finance
Dorado Health, Inc.
PO Box 1142, Manatí, PR, 00674
Tel. (787) 774-6558
Email: chernandez@mmc-pr.com

b. Amendments, Termination, Suspension and Debarment

- 1. Amendments
 - i. General Provisions

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

PRDOH may, at 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 the schedule of the activities to be undertaken as part of this Agreement, such modifications shall be incorporated only by a written amendment signed by all signatories to this Agreement.

PRDOH reserves the right to notify the AWARDEE in writing, email, or any other electronic method, of any applicable policies, procedures, regulations, requirements or 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 or guidelines and laws shall be deemed incorporated by reference to

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this Agreement without the need of executing a separate written and signed amendment.

ii. Change Orders

The AWARDEE shall acknowledge that any changes in plans or specifications after this Agreement has been executed including any increase or decrease to the quantity of work to be performed or materials, equipment, or supplies to be furnished shall not be allowed without the express written authorization of PRDOH.

All requests for change orders shall only be considered if the AWARDEE demonstrates the change is necessary, reasonable, and cannot be funded with the Project's Budget or through funding sources other than CDBG-MIT. PRDOH will evaluate all requests for a change order under consultation with a third-party cost estimator to determine whether such changes in costs are necessary and reasonable for the timely completion of the Project or to protect the assessment of the Grant. Approval of change orders is subject to the discretion of PRDOH and availability of CDBG-MIT funds.

Any work performed outside of the approved scope of work without prior authorization by means of a Change Order is not reimbursable under this Agreement. AWARDEE shall be responsible for all costs incurred due to activities performed beyond the approved scope of work without prior authorization by a duly authorized change order.

2. Termination

i. Termination for Cause or Default

PRDOH may terminate this Agreement, in whole or in part, whenever it determines that the AWARDEE has failed to comply with any term, condition, requirement, or provision of this Agreement and/or the Grant. Failure to comply, includes (but is 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, HUD guidelines, Program Guidelines, as applicable, and policies or directives as may become applicable at any time;
- b. Failure, for any reason, of the AWARDEE 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 federal and state regulations for CDBG-DR/MIT funds; or,
- d. Submission of reports by the AWARDEE to PRDOH that are incorrect or incomplete in any material respect.

PRDOH shall terminate this Agreement by delivering to the AWARDEE a **thirty (30) calendar day** notice of termination specifying the extent to which the performance of the service under this Agreement is terminated, the reason therefor, and the effective date of termination. The AWARDEE shall, upon written notice, be provided with a **ten**

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(10) calendar day opportunity to cure the alleged defect that resulted in the perceived default by submitting a Corrective Action Plan to be approved by PRDOH. If the defect is not cured within the period of time established in the Corrective Action Plan, the Awardee shall immediately discontinue all such services being terminated and deliver to PRDOH all information, notes, drafts, documents, analyses, reports, compilations, studies, and other materials accumulated or generated in performing the services contemplated in this Agreement, whether completed or in process.

Notwithstanding the above, the Awardee shall not be relieved of liability to PRDOH for damages sustained by PRDOH's CDBG-MIT Program by virtue of any breach of the Agreement by the Awardee. PRDOH may withhold any payments to the Awardee, for the purpose of off-set or partial payment, as the case may be, of amounts owed to PRDOH by the Awardee. PRDOH shall make payment, in accordance with the terms of this Agreement, of any amounts due to Awardee for allowable services rendered prior to the termination notice.

ii. Termination for Convenience of PRDOH

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

This Agreement may also be terminated in whole or in part by either PRDOH or the Awardee, or based upon the agreement by both PRDOH and the Awardee.

iii. Notification and Recoupment of Costs incurred Prior to Termination

PRDOH shall promptly notify the Awardee, in writing, of its determination and the reasons for the termination together with the date on which the termination shall take effect. Upon termination, PRDOH retains the right to recover from the Awardee any improper expenditure incurred contrary to this Agreement or federal and state regulations for CDBG-DR/MIT funds, and the Awardee shall return to PRDOH any improper expenditures no later than **thirty (30) days** after the date of termination. In the case of a Termination for Convenience only, PRDOH may, at its sole discretion, allow the Awardee 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 and any other applicable state or Federal statutes, regulations or requirements.

iv. Unilateral Termination

PRDOH may terminate this Agreement, in whole or in part, at PRDOH's sole discretion, with or without cause, at any time. PRDOH will terminate this Agreement by delivering to the Awardee 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

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date of termination. Upon receipt of such notice, the Awardee shall immediately discontinue all services affected and deliver to PRDOH all information, studies, and other materials property of PRDOH, if applicable. If the Awardee does not deliver to PRDOH all information, studies, and other materials property of PRDOH within the established timeframe, and PRDOH invests any additional funds to reproduce the information, studies, and other materials not provided by the Awardee upon termination, then PRDOH will disallow from payments to the Awardee under this Agreement the funds expended for PRDOH to reproduce such information, studies, and other materials. In the event of a termination by Notice, PRDOH shall be liable only for payment of allowable services rendered up to and including the effective date of termination, in accordance with this Agreement.

v. Immediate Termination

PRDOH may immediately terminate this Agreement, at PRDOH's sole discretion, at any time upon notice to the Awardee of such immediate termination, in the event the Awardee is subjected to a criminal or civil action, suit, proceeding, inquiry, or court of the applicable Jurisdiction, or any governmental agency, or the Awardee shall be subject to an order, judgment, or opinion, issued by any federal or local authority, a court of the applicable jurisdiction, or any governmental agency in connection with the execution, delivery, and performance by the Awardee of this Agreement or the Awardee has been non-compliant, in breach, inaccurate in any representation, warranties, covenants, or the certifications provided herein, or in violation of 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" (**Act No. 2-2018**). The Awardee has a continuous obligation to report to PRDOH any proceedings which apply to the Awardee under this paragraph.

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

vi. Availability of Funds

This Agreement is contingent upon the availability of CDBG-MIT 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, PRDOH has the right, upon **ten (10) business days** written notice to the Awardee, 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.

Upon the termination of this Agreement for any reason as set forth in this Section 16(b)(2), the Awardee shall have no further rights or claims under this Agreement or under the Grant, except as expressly set forth herein.

3. Suspension and Debarment

This Agreement is a covered transaction for purposes of 2 C.F.R. Part 180 and 2 C.F.R. Part 2424. As such, the Awardee is required to verify that none of the contractors or subcontractors, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. §180.905) are excluded (defined at 2 C.F.R. §180.940) or disqualified (defined at 2 C.F.R. §180.935).

This certification is a material representation of fact relied upon by PRDOH. If it is later determined that the Awardee did not comply with 2 C.F.R. Part 180, subpart C, and 2 C.F.R. Part 2424, subpart C, in addition to the remedies available to PRDOH, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

The Awardee agrees to comply with the requirements of 2 C.F.R. Part 180, subpart C, and 2 C.F.R. Part 2424, subpart C, while this Agreement is valid and throughout the period of any contract that may arise from this Agreement. The Awardee further agrees to include a provision requiring such compliance in its lower-tier covered transactions.

Section 17. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS, AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD, GOVERNMENTAL REQUIREMENTS, RECORDKEEPING, AND ADDITIONAL PRDOH REQUIREMENTS

A. Compliance with Attachments

1. The "HUD General Provisions" which are attached to, and made an integral part of this Agreement as **Attachment E**, sets forth certain requirements imposed by HUD with respect to PRDOH's Federal award or CDBG-MIT Grant. The Awardee agrees to carry out its obligations under this Agreement in compliance with all the requirements described in **Attachment E**. The Awardee also agrees to comply during the Useful Life of the Project with the applicable CDBG-MIT requirements and the Program Guidelines, as well as with all applicable recordkeeping and reporting provisions described in **Attachment E**.
2. Moreover, **Attachment H**, attached herein and made an integral part of this Agreement, outlines several situations that may reasonably be considered as conflicts of interest. The Awardee 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 CDBG-MIT grantee before HUD, to identify, evaluate, disclose, and manage apparent, potential, or actual conflicts of interest related to CDBG-MIT funded projects, activities, and/or operations.
3. The Awardee certifies that it is in compliance with all laws and regulations related to governmental impositions set forth in this Agreement and

Attachments applicable to it and/or the AWARDEE's personnel, businesses, and organizations.

- B. Compliance with Act No. 173 of August 12, 1988. The AWARDEE hereby certifies that by signing this Agreement it is in compliance with Act No. 173 of August 12, 1988, as amended, known as the "Board of Examiners of Engineers, Architects, Surveyors and Landscape Architects of Puerto Rico Act," 20 LPRA §§ 711-711z, by those exercising the profession of engineering, architecture, surveying or landscaping architecture in Puerto Rico, including that such professionals be registered in the official Register of the Board, and be an active member of the College of Engineers and Surveyors of Puerto Rico (**CIAPR**, by its Spanish acronym) or the College of Architects and Landscape Architects of Puerto Rico (**CAAPPR**, by its Spanish acronym), as applicable. The AWARDEE and its subcontractors shall include in all design and build contracts a clause that obligates them to comply with all provisions of Act No. 173, *supra*, and all other regulations pertaining to Engineers, Architects, Surveyors, and Landscape Architect professions. The AWARDEE is a healthcare facility and it does not offer or provide engineering services in Puerto Rico. Any engineering work requiring licensing in Puerto Rico in connection with the Project will be subcontracted and performed by properly licensed, third-party engineers.
- C. Property standards. CDBG-MIT-assisted new construction and rehabilitation projects must meet the Federal and State building codes, as applicable, and all applicable codes, rehabilitation standards, ordinances, and zoning ordinances at the time of the Project completion and throughout the Useful Life of the Project. If necessary, the AWARDEE shall constitute Land Use Restrictive Covenants over the Property and the Project that must commence prior to any disbursement of CDBG-MIT funds and shall remain in full force and effect during the Useful Life of the Project.
- D. Ethics clause
1. Pursuant to Act No. 2-2018, *supra*, no employee or officer of PRDOH nor any member of their families can have any interest in the earnings or benefits from this Agreement.
 2. PRDOH and the AWARDEE hereby certify that in signing this Agreement they are in compliance with Act. No. 1-2012, as amended, 3 LPRA § 1854, *et seq.*, known as "Puerto Rico Government Ethics Act of 2011," regarding potential conflicts of interest.
- E. Non-conviction. The AWARDEE certifies that it has not been convicted nor accused of a felony or misdemeanor against the government, public faith, and

function, or that involves public property or funds, either federal or local in origin. Furthermore, the AWARDDEE also certifies that:

1. It has not been convicted nor has plead guilty at a state or federal bar, in any jurisdiction of the United States of America of crimes consisting of fraud, embezzlement or misappropriation of public funds, as stated in Act No. 2-2018 which prohibits the award of offers or government contracts to those convicted of fraudulent appropriation of public funds.
2. It understands and accepts that any guilty plea or conviction for any of the crimes specified in Article 3 of Act No. 2-2018 will also result in the immediate cancellation of any contracts in force at the time of conviction between the undersigned and Government Agencies, Instrumentalities, Public Corporations, Municipalities, and the Legislative or Judicial Branches.
3. It declares under oath the abovementioned in conformity with what is established in Act No. 2-2018, which prohibits awarding offers for government contracts to those convicted of fraud, embezzlement, or misappropriation of public funds.
4. The AWARDDEE represents and guarantees that none of its employees, officials, or agents have been convicted of a felony or misdemeanor as described in this sub-section. Moreover, the AWARDDEE agrees to notify PRDOH should any employee, official, or agent be convicted of a felony or misdemeanor as described in this sub-section after the execution of this Agreement. Said notice shall be made within **ten (10) business days** from the time of the conviction.
5. No action, suit, investigation, litigation, or proceeding affecting the Property or the AWARDDEE or, to the knowledge of the AWARDDEE, threatened before any court exists, Governmental authority, or arbitrator that (i) is reasonably likely to materially affect the business and operations of the AWARDDEE, (ii) is reasonably likely to materially affect the Property and/or the Project, or (iii) purports to affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby or thereby.

F. Ownership and use of documents.

1. With the exception of the AWARDDEE's working papers, the AWARDDEE acknowledges PRDOH's ownership of all information, drafts, documents, reports, surveys, plans, designs, papers, and other materials developed and prepared by the AWARDDEE, its agents or representatives for purposes of performing key obligations hereunder. In the event of any termination, the AWARDDEE shall deliver such information, drafts, reports, surveys, plans, designs, papers, and other materials to PRDOH, in document form or as computer program data, and the AWARDDEE recognizes PRDOH's right to

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request such documentation or computer program data. If the Awardee fails to deliver said information, PRDOH may seek a judicial order to enforce its rights.

2. Proof of expenditures incurred by the Awardee on behalf of PRDOH shall be made available to PRDOH. The Awardee agrees to maintain accurate records and files of all contract documents, correspondence, book estimates, bills, and other information related to its management of the funds. These documents shall be open for PRDOH examination at all reasonable times during the term of this Agreement, and up to **five (5) years** from the closeout of the Grant Agreement between PRDOH and HUD, or the period required by other local applicable laws and regulations.

G. Non-disclosure and confidentiality.

1. Confidential Information; Definition: The term Confidential Information, as used throughout this Section, means any information concerning the operations of PRDOH, the Government of Puerto Rico, HUD, and that of the Awardee (e.g., projects, computer processing systems, object, and source codes, and other PRDOH, the Government of Puerto Rico and HUD business and financial affairs). The term shall also be deemed to include all notes, analyses, compilations, studies, interpretations or other documents prepared by Awardee, its agents, or representatives in connection with the operations of PRDOH, the Government of Puerto Rico and HUD.
2. Non-Disclosure: The Awardee agrees to take all reasonable steps or measures to safeguard all Confidential Information and will not, at any time, present or future, without the express written authorization of PRDOH signed by the Secretary of PRDOH, use, sell, market, or disclose any Confidential Information to any third party, contractor, corporation, or association for any purpose whatsoever, except in the case of the Awardee's consultant, as authorized by PRDOH. The Awardee further agrees that, except as they relate to the normal course of the service, it will not make copies of the Confidential Information except upon PRDOH's express written authorization, signed by an authorized representative of PRDOH, and will not remove any copy or sample of Confidential Information without prior written authorization from PRDOH. The Awardee retains the right to control its work papers subject to these confidentiality provisions.
3. Return Documents: Upon receipt of a written request from PRDOH, the Awardee will return to PRDOH all copies or samples of Confidential Information which at the time of the notice are in Awardee's or its agent's possession. The Awardee reserves the right to retain a set of its work papers.
4. Equitable Relief: The Awardee acknowledges and agrees that a breach of the provision of this subsection will cause PRDOH to suffer irreparable

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damage that could not be remedied or compensated adequately only by mere monetary retribution. The AWARDDEE further agrees that money damages may not be a sufficient remedy for any breach of this subsection. Accordingly, the AWARDDEE agrees that PRDOH shall have the right to seek injunctive relief and the specific performance of the provisions of this subsection to enjoin a breach or attempted breach of the provision hereof, such right being in addition to any and all other rights and remedies that are available to PRDOH by law, equity or otherwise.

- H. Solid Waste Disposal Act. In the performance of this Agreement, the AWARDDEE shall make maximum use of products containing recovered materials that are EPA- designated items, unless the product cannot be acquired:
1. Competitively within a timeframe that complies with the Agreement's performance schedule;
 2. In a manner that meets the Agreement's performance requirements; or
 3. At a reasonable price.
- I. Drug-free workplace. The AWARDDEE should establish procedures and policies to promote a drug-free workplace. The AWARDDEE should notify all employees of its policy for maintaining a Drug-Free workplace and the penalties that may be imposed for drug abuse violations occurring in the workplace. Further, the AWARDDEE shall notify PRDOH if any of its employees is convicted of a criminal drug offense in the workplace no later than **ten (10) days** after such conviction.

Section 18. INSURANCE & BONDING

- A. Insurance Specifications. The AWARDDEE shall carry sufficient insurance coverage and bonding from insurers licensed to conduct business in Puerto Rico to protect all contract assets from loss due to any cause, including but not limited to flooding, hurricane, fire, theft, fraud, and/or physical damage and any other coverage as required in **Attachment H**. The aforementioned insurance coverage shall be provided by the AWARDDEE through a Commercial General Liability (**CGL**) insurance policy during the life of the Agreement. The Government of Puerto Rico, PRDOH, and HUD shall be named as additional insured parties on all such insurance. The AWARDDEE shall meet all other insurance requirements as 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 PRDOH from time to time. Certificates of insurance shall be provided to PRDOH, and full and complete copies of the policies and/or bonds shall be provided to PRDOH upon its request for such.

Notwithstanding the above, for construction or facility improvement performed by the subcontractors or third parties, the AWARDDEE shall ensure that the subcontractors or third parties comply, at a minimum, with the bonding requirements established in **Attachment H**.

Moreover, the AWARDDEE must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by PRDOH. Federally owned property need not be insured unless required by the terms and conditions of the Federal award.

The AWARDDEE shall provide insurance set forth in accordance with the requirements of PRDOH. If the AWARDDEE uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the AWARDDEE shall amend, supplement, or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the contract services. Without in any way affecting the indemnity herein provided and in addition thereto, the AWARDDEE shall secure and maintain throughout the Agreement term the types of insurance and with the limits established by PRDOH.

The AWARDDEE shall submit proof of the CGL insurance and Workers' Compensation insurance policies to the PRDOH before the execution of the Grant Agreement. The AWARDDEE shall also ensure that all other insurance policies and bonds required under this Agreement are secured by its subcontractors. The AWARDDEE is responsible for providing to the PRDOH evidence of these additional insurance policies and bonds within five (5) days after the execution of each individual subcontract agreement.

- B. Failure to procure coverage. In the event that any insurance policy required by PRDOH does not comply with PRDOH's requirements, is not procured, or is canceled and not replaced, PRDOH has the right to terminate the Agreement or obtain insurance if it deems necessary and any premiums paid by PRDOH will be promptly reimbursed by the AWARDDEE, or PRDOH disbursements to the AWARDDEE will be reduced to pay for PRDOH's purchased insurance.
- C. Related requirements.
1. The AWARDDEE shall furnish original Certificates of Insurance evidencing the required coverage to be in force on the effective date of the Agreement. In the case of Payment and Performance Bond, Certificate of Authority, Power of Attorney, and Power of Attorney License issued by the Commissioner of Insurance shall be furnished. The required documentation must be received prior to the AWARDDEE commencing work. No AWARDDEE or its authorized representatives are to begin their responsibilities under the

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Agreement prior to full compliance with this requirement and notification from PRDOH to proceed.

2. Renewal Certificates of Insurance or such similar evidence is to be received by PRDOH prior to expiration of insurance coverage. At PRDOH's option, non-compliance will result in one (1) or more of the following actions: (i) PRDOH will purchase insurance on behalf of the AWARDEE and will charge back all costs to the AWARDEE; (ii) all payments due the AWARDEE will be held until the AWARDEE has complied with the Agreement; and/or (iii) the AWARDEE will be assessed Five Thousand Dollars (\$5,000.00) for every day of non-compliance.
3. The receipt of any certificate does not constitute agreement by PRDOH that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with the requirements of the Agreement. The insurance policies shall provide for **ninety (90) days** written notice to be given to PRDOH in the event coverage is substantially changed, cancelled or non-renewed.
4. PRDOH shall require all subcontractors or consultants to carry the insurance required herein or the AWARDEE may provide the coverage for any or all of its subcontractors and, if so, the evidence of insurance submitted shall so stipulate and adhere to the same requirements and conditions as outlined above.
5. The AWARDEE expressly understands and agrees that whenever the AWARDEE is covered by other primary, excess, or excess contingent insurance that any insurance or self-insurance program maintained by PRDOH shall apply in excess of and will not contribute with insurance provided by the AWARDEE under this Agreement.

Section 19. FEDERAL LAWS AND REGULATIONS APPLICABLE TO CONSTRUCTION CONTRACTS

Projects receiving CDBG-MIT funding are required to comply with federal labor standards laws, including Davis-Bacon Act of 1931 and Related Acts (**DBRA**), as amended, 40 U.S.C. § 3141-3148; Fair Labor Standards Act of 1938 (**FLSA**), as amended, 29 U.S.C. § 201 et seq.; Contract Work Hours and Safety Standards Act (**CWHSSA**), 40 U.S.C. § 3701; and Copeland Anti-Kickback Act, 40 U.S.C. § 3145. Together, these laws ensure that workers are paid the appropriate prevailing wage rate and are treated fairly by employers receiving CDBG-MIT funding to execute program activities. Each of these laws requires important recordkeeping practices to ensure compliance and allow for accurate and efficient reporting as required by PRDOH. These laws are described in **Attachment E**.

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Section 20. CDBG-MIT POLICIES AND PROCEDURES

In addition to the provisions established in this Agreement, the Awardee shall comply with all CDBG-MIT Program-specific and general policies, procedures and guidelines, which may include, but are not limited to, OS&H Guideline, MWBE Policy, URA & ADP Guidelines, Cross Cutting Guidelines, AFWAM Policy, Section 3 Policy, Personally Identifiable Information, Confidentiality, Language Access Plan, Nondisclosure Policy and Conflict of Interest and Standards of Conduct Policy, as found in the CDBG-DR/MIT Website (www.recuperacion.pr.gov and <https://recuperacion.pr.gov/welcome/en/>), which are herein included and made an integral part of this Agreement, as they may be updated from time to time.

Section 21. SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION

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

Section 22. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION

The Awardee certifies that:

- A. Neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- B. It promises to complete the registration process in SAM and is responsible, during performance and through final payment, for the accuracy and completeness of the data within SAM. Failure to maintain registration in SAM may impact obligations and payments under this Agreement.

Section 23. 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, or any other force majeure event, including inclement weather (each event, herein referred to as "**Force Majeure**") during the term of this Agreement, neither PRDOH nor the Awardee 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 AWARDEE shall notify 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 nonperformance or delay relates to or arises from the Force Majeure event, its anticipated duration, and any action taken to minimize its effect. The AWARDEE may be entitled to reasonable adjustments in the schedule, among other measures, in the foregoing circumstances. If non-performance continues for more than **thirty (30) days** without reasonable justification, PRDOH may terminate this Agreement immediately upon written notification to AWARDEE.

Section 24. INDEPENDENT CONTRACTOR

- A. 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 and their contractors or subcontractors. The AWARDEE shall at all times remain an “independent contractor” with respect to the efforts to be performed under this Agreement. PRDOH shall be exempt from payment of all Unemployment Compensation, Federal Insurance Contributions Act (**FICA**), retirement, life and/or medical insurance, and Workers’ Compensation Insurance, as the AWARDEE is an independent entity.
- B. The AWARDEE shall have exclusive control over its employees and subcontractors (and the AWARDEE’s employees and subcontractors are herein, collectively, referred to as the “**AWARDEE’s Personnel**”), its labor and employee relations, and its policies relating to wages, hours, working conditions, and other employment conditions. The AWARDEE has the exclusive right to hire, transfer, suspend, lay off, recall, promote, discipline, discharge, and adjust grievances with its Personnel. The AWARDEE is solely responsible for all salaries and other compensation of its Personnel.
- C. The AWARDEE is solely responsible for making all deductions and withholdings from its employees’ salaries and other compensation and for paying all contributions, taxes, and assessments, including union payments. The AWARDEE shall be responsible for and shall defend, indemnify, and hold harmless PRDOH, the Government of Puerto Rico and HUD, and its agents, officers, directors, employees, representatives, awardee’s, successors, and assigns against all costs, expenses, and liabilities, including without limitation reasonably prudent attorneys’ fees relative to the situation, in connection with the AWARDEE’s employment and/or hiring of any AWARDEE’s Personnel providing any of the services, including without limitation: (i) payment when

due of wages and benefits, retirement, life and/or medical insurance; (ii) withholding of all payroll taxes, including, but not limited to, unemployment insurance, workers' compensation, FICA, and Federal Unemployment Tax Act (**FUTA**); (iii) compliance with the Immigration Reform and Control Act; and (iv) compliance with any other applicable laws relating to employment and/or hiring of any AWARDDEE's Personnel in connection with this Agreement.

Section 25. ASSIGNMENT OF RIGHTS

The AWARDDEE shall not assign or transfer any interest in this Agreement without the prior written consent of PRDOH. This Agreement shall be binding upon and shall inure to the benefit of PRDOH and the AWARDDEE, their successors and assigns.

Section 26. 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.

Section 27. HEADINGS

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

Section 28. CONSOLIDATIONS, MERGERS, CHANGE OF NAME, OR DISSOLUTIONS

A. Consolidation or Merger

In the event that the signing party of the Agreement with the PRDOH moves for 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 Legal Division at contractscdbgdr@vivienda.pr.gov at least **fifteen (15) days** prior to the effective date of the consolidation or merger. The notice shall include, but not limited to, a description of the expected effective date of the consolidation or merger; the 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

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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 signing party 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 this Agreement.

B. Change of Name

In the event that the signing party 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 Legal Division at contractscdbgdr@vivienda.pr.gov at least **fifteen (15) days** prior to the effective date of such event. The notice shall include, but not limited to, a description of the expected effective date of the change of name; the proposed name; notification about of change of address; and reference to 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 this Agreement.

C. Dissolution

In the event that the signing party 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 Legal Division at contractscdbgdr@vivienda.pr.gov 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 PRDOH, after termination of the Agreement, with the assistance reasonably requested to facilitate the orderly transfer of responsibility for the performance of the tasks or services to PRDOH or a third party

designated by 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.

Section 29. COMPUTATION OF TIME PERIODS.

In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” and the words “to” and “until” each mean “to but excluding.” Unless otherwise specified, the established periods or timeframes included in this Agreement and all documents or Attachments will be considered calendar days.

Section 30. NON-WAIVER

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

Section 31. HOLD HARMLESS

The AWARDEE shall, and hereby agrees to, hold harmless, defend (with counsel acceptable to 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, liabilities, attorney's fees, claims, expenses, injuries, property damage, causes of action, complaints, violations of law, violations of this Agreement, and losses of any form or nature arising from or related to the conduct of the AWARDEE 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 AWARDEE to indemnify and reimburse PRDOH for any and all attorneys' fees and other litigation or dispute resolution costs incurred or to be incurred in PRDOH's enforcement of this Agreement or any portion thereof against the AWARDEE or otherwise arising in connection with the AWARDEE's breach, violation, or other noncompliance with this Agreement. This clause shall survive indefinitely the termination of this Agreement for any reason.

Section 32. BANKRUPTCY

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

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Section 33. GOVERNING LAW: JURISDICTION

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

Section 34. COMPLIANCE WITH THE 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 the 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.

Section 35. SUBROGATION

The AWARDEE acknowledges that funds provided through this Agreement are Federal funds administered by HUD under the CDBG-MIT Program and that all funds provided by this Agreement are subject to audit, disallowance, and repayment in accordance with Section 39 of this Agreement. Any disagreement with adverse findings may be challenged and is subject to Federal regulation; however, the AWARDEE shall promptly return any and all funds to 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 **Attachment F**.

Section 36. COMPTROLLER REGISTRATION

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 thereto. The services object of this Agreement may not be invoiced or paid until this Agreement has been registered by 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.

Section 37. 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.

Section 38. FEDERAL FUNDING

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

Section 39. RECAPTURE OF FUNDS

PRDOH may recapture payments made to the AWARDEE, and the AWARDEE acknowledges and agrees to repay any funds used: (i) for ineligible costs; (ii) if the Project is never completed; (iii) if the AWARDEE fails to meet any applicable requirement or complete any task under this Agreement; (iv) if the Project is found noncompliant with funding requirements; (v) if expenditures exceed the maximum allowable rates; (vi) if expenditures are not allowed under applicable laws, rules, or regulations; or (vii) that are otherwise inconsistent with this Agreement, including any unapproved expenditures. Therefore, the AWARDEE acknowledges and agrees to indemnify and to hold PRDOH, the Government of Puerto Rico, and HUD harmless from the consequences of using CDBG-MIT funds to pay for ineligible costs or for any of the instances described in this paragraph. The AWARDEE must refund such recaptured payments within **thirty (30) days** after PRDOH issues notice of recapture to the AWARDEE. For more information, refer to the Recapture of Funds Policy.

Section 40. OVERPAYMENT

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

Section 41. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which 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 PRDOH within **thirty (30) days** of execution by the other party, this Agreement shall be null and void.

Section 42. 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;

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

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

PUERTO RICO DEPARTMENT OF HOUSING

By: Ciary Y. Pérez Peña
Ciary Y. Pérez Peña (Mar 14, 2025 17:32 EDT)
Name: Ciary Y. Pérez Peña
Title: Secretary

DORADO HEALTH, INC.

By: César E. Hernández Monagas
César E. Hernández Monagas (Mar 14, 2025 16:51 EDT)
Name: César E. Hernández Monagas
Title: Senior Vice-President Finance

ATTACHMENT A

SCOPE OF WORK

INFRASTRUCTURE MITIGATION PROGRAM HEALTHCARE STRENGTHENING SET-ASIDE DORADO HEALTH, INC.

Manatí Medical Center Mitigation and Improvement Project

The Puerto Rico Department of Housing (**PRDOH**) has established the following Scope of Work (**SOW**) as part of the Grant Agreement (**GA**) between PRDOH and the Awardee for the Infrastructure Mitigation Program – Healthcare Strengthening Set-Aside (**Program**) under the Community Development Block Grant for Mitigation (**CDBG-MIT**) Program.

The Awardee will prepare and submit all necessary documentation related to the project identified above (**Project**) for development under this Program. The Project documentation shall demonstrate compliance with all eligibility requirements established in the INFRA-MIT Program Guidelines.

The Awardee shall ensure compliance with Act No. 173 of August 12, 1988, as amended, known as the "Board of Examiners of Engineers, Architects, Surveyors, and Landscape Architects of Puerto Rico Act," 20 LPRA §§ 7n-711z, which requires all personnel that will exercise the profession of engineering, architecture, surveying or landscaping architecture in Puerto Rico, be registered in the official Register of the Board, and be an active member of the College of Engineers and Surveyors of Puerto Rico or the College of Architects and Landscape Architects of Puerto Rico, as applicable.

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

Task 1. Project Management Services

Activity: Utilizing internal staff and/or selected professional services, the Awardee shall perform all required Project Management services including, but not limited to, the following roles and responsibilities:

- a) Act as point of contact between PRDOH, its representatives, and Awardee's contractors.
- b) Lead coordination and control over execution of approved Project activities.
- c) Assist in the coordination and reporting of overall and specific Project activities.
- d) Monitor Project status and establish necessary tools for controlling schedule, budget, and scope.
- e) Lead and coordinate the implementation of change management, risk management, and quality assurance.
- f) Lead and approve Project monitoring activities to prepare and present reports as required by the PRDOH.

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- g) Lead, coordinate, and facilitate all necessary high profile, Program-wide public presentations and meetings, and government or non-government stakeholder meetings.
- h) Coordinate, support, and analyze performance measurement of contractors, and report results in coordination with PRDOH or its authorized representative.
- i) Maintain a complete understanding of all applicable CDBG-MIT Program policies, requirements, procedures, and guidelines; and identify/promote all necessary corrective actions. Ensure all such requirements are met throughout Project development and implementation.
- j) Coordinate documentation submissions for the approved Project.
- k) Track and report status and performance of approved Project.
- l) Provide, coordinate, or manage technical assistance to technical team (e.g., consultants and employees performing technical work to develop Project).
- m) Review and recommend for payment all invoices related to professional services including change orders. Submit all invoice documentation using the PRDOH Financial Management System (**System**).
- n) Monitor and prepare progress reports to communicate the status of the work, pending matters, and the budgetary situation of the Project.
- o) Identify, communicate, and resolve delays or situations that affect the scope, budget, or schedule of the Project.
- p) Lead the management of Project development from Project initiation through necessary planning and design.
- q) Monitor compliance with regulations, laws, safety codes, standards, policies, management of Program resources, and current procedures applicable to the design of construction projects.
- r) Prepare and update the Project Implementation Plan, as needed, identifying key activities, deliverables, and timeframes of performance for the Project.

Task 2. Architecture and Engineering Services/Project Design Development

Activity: Utilizing internal staff and/or selected professional services, Awardee shall perform all required A&E Design services including, and not limited to, the following responsibilities:

- a) Ensure professional, architectural, or engineering services are performed by licensed professionals with the proper qualifications, skills, and experience necessary to perform such services, according to applicable federal and local rules and regulations.
- b) Lead and complete the A&E Design Services of the Project to 100% Construction Documents, with the ultimate purpose of completing its construction. A&E Design Services shall include the following:
 - 1. Conceptual Design,
 - 2. Land Acquisition, if applicable,
 - 3. Feasibility Review, if applicable,
 - 4. Environmental Review,
 - 5. Cost Estimates,
 - 6. Development of Design Documents, and

7. Studies needed to complete the Project Statement of Work, drawings, specifications, and corresponding documents such as, Geotechnical studies, LBP/ACM, etc.

- c) Participate in the identification of current best practices and cost-effective solutions required to be considered in construction documentation.
- d) Services are to be provided in compliance with HUD Regulations including Section 3 and Minority- and Women-Owned Business Enterprises (**M/WBE**) best faith efforts.
- e) Coordinate and perform necessary field studies.
- f) Prepare, coordinate, and manage required permitting documentation.
- g) Coordinate and prepare necessary cost estimates to determine and document reasonable costs of the Project(s).
- h) If necessary, participate in the supervision of construction activities.
- i) Prepare and implement work plan for environmental review performance in coordination with Environmental Professional as soon as the Project reaches sufficient level of development to identify Project elements and activities to begin the assessment as established in 24 C.F.R. Part 58.
- j) Coordinate and perform delivery of conceptual/schematic design documentation to PRDOH for review. The design documentation to be delivered to PRDOH shall include drawings, plans, specifications, permit documentation, studies, cost estimate, and any other document required upon request.
- k) Apply the most recent federal and local construction codes applicable to the Project.
- l) Manage changes and risks associated with changes in policies, regulations, and construction codes applicable to the Project.
- m) If necessary, prepare presentations for PRDOH regarding the Project.

The Awardee shall prepare all necessary documents for Project development and implementation, including the following examples: drawings, specifications, property acquisition drawings and documentation, technical studies and analyses, required permits and endorsements, cost estimate and construction schedule.

The Awardee shall perform all necessary deliveries to PRDOH of construction documents at established benchmarks for revision and to demonstrate progress of the work. The schedule of deliveries shall be coordinated with the PRDOH before commencing the design development of the Project.

After the revision of each delivery, the Awardee may receive comments from PRDOH that may result in required revisions of the documentation. PRDOH expects to receive all necessary progress deliveries with a compliance certification of applicable codes and regulations and the progress accomplished, prepared by the Architect/Engineer in charge of the design of each Project.

Deliverable: The Awardee shall submit a Project Implementation Plan indicating the established timeframe for each of the deliverables, and for each design phase. Once established, PRDOH expects the submission of construction documents, at the expected delivery schedule, and subsequent construction documents, at established benchmarks.

Task 3. Environmental Review and Clearance

Activity: The Awardee shall coordinate and prepare all necessary information to complete the Environmental Review for the Project in compliance with 24 C.F.R. Part 58 regulation. This task can be carried out with internal staff and/or selected professional services. The Awardee may request technical assistance from the PRDOH for this task.

The Awardee shall prepare and submit for PRDOH's review all required documentation necessary to support the environmental findings for one of the following, as applicable:

- a) If Exempt or Categorically Excluded Not Subject to 24 C.F.R. § 58.5 (**CENST**), complete review for this category using the provided template and submit to PRDOH for review.
- b) If Categorically Excluded Subject to 24 C.F.R. § 58.5 (**CEST**), complete review for this category using the provided template and submit to PRDOH for review.
- c) If an Environmental Assessment (**EA**) is required, complete review for this category (including any requirements for Phase I or II site assessment) using the provided template and submit to PRDOH for review.
- d) If an Environmental Impact Assessment (**EIS**) is required, complete review for this category (including any requirements for Phase I or II site assessment) using the provided template and submit it to PRDOH for review.

The Awardee shall submit the Environmental Review Record (**ERR**), in accordance with 24 C.F.R. § 58.38, to the PRDOH for review and signature of PRDOH's Certifying Officer. All activities must be of no significant impact or with obtainable mitigation activities to render the action to one of no impact. All mitigation activities must be clearly identified in the Environmental Review.

If approved and the Findings of No Significant Impact (**FONSI**) and CEST are certified by the PRDOH Certifying Officer, the Awardee must publish the FONSI or the Notice of Intent (**NOI**) to Request Release of Funds (**RROF**) public notice for an EA or a NOI/RROF for a CEST in a newspaper of general circulation (in accordance with 24 C.F.R. § 58.43).

After all comments are received and addressed by the Awardee with revisions to the Environmental Review, as appropriate, the PRDOH will complete the applicable Sections of the provided template for the RROF and submit the RROF to HUD for approval as the responsible entity.

The Awardee cannot initiate any non-exempt activities for which the funding is requested before the AUGF is received by the PRDOH and forwarded to the Awardee. The Awardee shall notify the PRDOH, in writing, of any changes to the approved Project scope and shall perform a re-evaluation of the Environmental Review to determine if the change(s) impact the environmental determination for the Project. During the performance of this Task, the Awardee shall deliver reports of progress of the work to PRDOH for revision. After PRDOH's review of each delivery, the Awardee shall expect comments from PRDOH that may result in required revisions of the documentation.

The Awardee shall perform all necessary Environmental Services including, but not limited to, the following roles and responsibilities:

- a) Maintain awareness, knowledge, and applicability of most recent federal and local environmental laws, regulations, and policies that may apply to PRDOH CDBG-MIT projects.

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- b) Support preliminary environmental evaluations to determine eligibility of Project under CDBG-MIT Program.
- c) Lead the coordination and preparation of environmental related studies, analysis of impacts, and recommendations for Project under CDBG-MIT programs.
- d) Participate in the identification of current best practices and cost-effective solutions required to be considered in construction documentation.
- e) Lead the coordination and preparation of all required documentation to comply with NEPA, 24 C.F.R. Part 58, and all applicable environmental related laws and regulations in Puerto Rico.
- f) Prepare, complete, and submit to PRDOH, for review and approval, all documents for Environmental Review of the Project.
- g) Lead the coordination and preparation of all documentation required to accomplish environmental reviews, for example: Project description, maps, photographs, studies, consultations and other correspondence, public notices, programmatic agreements, etc.
- h) Provide all necessary support to the PRDOH to develop and process activities regarding RROFs for CDBG-MIT programs.
- i) Lead the coordination of monitoring activities for environmental compliance during the construction of Project.

The Awardee must perform any necessary activities to complete this task and may request technical assistance from the PRDOH in order to prepare any required documentation related to the necessary activities.

Deliverable: If not Exempt, the publication of the FONSI/NOI/RROF for an EA or a NOI/RROF for a CEST in a newspaper of general circulation (in accordance with 24 C.F.R. § 58.43). Subsequently, PRDOH will submit the RROF to HUD. With HUD's approval for the AUGF, the Awardee will be allowed to move forward with the Project. With PRDOH's approval of the Feasibility Study, if applicable, and HUD's approval for the AUGF, the Awardee will be authorized to continue Project implementation.

Task 4. Construction & Construction Inspection Services

Activity: Upon PRDOH's approval of the Feasibility Study, if applicable, the completion of the Environmental Review, and receipt of HUD's AUGF, the Awardee shall complete the Construction Services and the Construction Inspection services selections. The contracted Design Professional/Firm shall be responsible for the design of the Project and the required documentation for obtaining the necessary permits and/or endorsements for the Project.

Task 5. Construction and Construction Inspection Services

Activity: Utilizing internal staff and/or selected professional services, the Awardee shall provide appropriate construction and construction inspection services for the Project. The Construction contractor(s) shall be responsible for construction of the Project and acquiring the necessary permits for construction, while the Construction Inspection Firm will carry out the construction inspection and environmental monitoring services required for the Project.

The Awardee shall comply, at a minimum, with the following roles and responsibilities for the mentioned services:

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- a) Utilizing internal staff and/or selected professional services, Awardee shall perform all services required to implement, monitor, supervise, inspect, and complete the construction of the Project in accordance with established requirements and in compliance with applicable laws and regulations, including all established CDBG-MIT compliance requirements.
- b) Services shall be provided by a professional Engineer or Architect licensed in Puerto Rico.
- c) Supervise all construction activities to be performed as a part of the Project.
- d) Attend preconstruction meetings and participate in recurrent construction meetings.
- e) Serve as the field/construction Point of Contact.
- f) Provide daily and regular correspondence with the Construction Contractor(s).
- g) Coordinate Project schedules with Construction Contractor(s) and other required participants.
- h) Maintain necessary written communication with Project Manager(s) and the Awardee.
- i) Inspect progress and construction methods to ensure construction work meets contract requirements.
- j) Communicate and resolve field problems with Construction Contractor(s), Project Manager(s), and any other affected parties.
- k) Coordinate necessary activities to perform required materials testing.
- l) Coordinate testing results evaluation with Architect and/or Engineer to ensure compliance with Project requirements.
- m) Aid in the coordination of inspection activities with required Public or Private Utility Entities as required by permits or endorsements.
- n) Prepare and submit necessary digital daily and monthly reports to at least document weather conditions, on-site construction personnel, hours worked, construction equipment used, detailed description of construction activities observed, photos, and documentation of any field decisions.
- o) Ensure compliance with all permits and endorsements of the construction project.
- p) Measure and document Project quantities, maintain digital record, and log of all quantities.
- q) Review and recommend Contractor invoices and change order requests (cost estimates). Coordinate review and approval of such documentation as needed by the Project Manager, Architect and/or Engineer.
- r) Review Contractor quality control documentation.
- s) Coordinate survey and staking needs for the Project.
- t) Supervise compliance with HUD requirements, including Davis Bacon requirements. This may require conducting wage interviews with individual employees and providing reporting documentation to the Oversight Manager.
- u) Prepare necessary Project closeout documentation.
- v) Prepare punch list with, among other necessary items, list of deficiencies to be corrected.
- w) Monitor work zone traffic control.
- x) Monitor Project safety in compliance with OSHA regulations.

- y) Monitor and report on environmental requirements established in the ERR for the Project.

The Awardee is responsible for coordinating construction inspection services to ensure this service is contracted prior to construction start. Construction inspection services shall be provided in compliance with all applicable laws and regulations.

Deliverable: Appropriate construction inspection services capacity is in place with construction activities. Submit evidence and credentials of the selected inspector(s) to PRDOH.

Task 6. Compliance with CDBG-MIT Operation and Maintenance requirements

Activity: The Awardee shall perform the necessary actions to plan for the long-term operation and maintenance (**O&M**) of the Project funded under this Agreement.

The Awardee shall submit an Operation and Maintenance Plan (**OMP**) to the PRDOH that shall describe, at minimum, the following:

- a) The Awardee's ability to operate the Project for its useful life.
- b) Preliminary estimate of that useful life.
- c) The O&M costs required and the proposed source of such funding.
- d) Identify the responsible entity (or entities) in charge of such O&M activities including, but not limited to, any letters of intent, Memorandums of Understanding (**MOUs**), or other agreements, as necessary, when multiple parties are involved, as well as any other aspect or requirement established by the PRDOH, CDBG-MIT Program and/or HUD, associated with this task.

The OMP shall be updated and submitted for PRDOH review and comments as the Project progresses in accordance with PRDOH Guidelines.

All Awardees who are awarded funds for a Project acknowledge the requirement of an OMP as part of compliance with a National Objective. Failure to comply with this requirement could result in a potential repayment of funds to PRDOH.

Deliverable: An OMP updated at established Project development milestones. The OMP should describe and comply with established PRDOH requirements.

Task 7. Compliance with Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (more commonly known as URA) and Section 104(d) of the Housing and Community Development Act of 1992, as amended (Section 104(d))

Activity: Utilizing internal staff and/or selected professional services, the Awardee shall comply with the URA requirement for the Project to perform valuation, surveys, and inspections of properties and provide legal assistance for the Project.

Relocation and Real Property Acquisition shall be carried out in compliance with URA, Section 104(d) and PRDOH requirements, if applicable to the Project.

Deliverable: Upon completion of all URA activities the Awardee shall submit to PRDOH all required documentation for URA phase closeout in compliance with PRDOH's requirements.

Task 8. Training

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Activity: The Awardee will be responsible to participate in mandatory training sessions pertaining to the following topics:

- a) CDBG-MIT eligible Project requirements and national objectives,
- b) Prevention of Fraud, Waste, and Abuse,
- c) Duplication of Benefits avoidance,
- d) CDBG-MIT financial management,
- e) CDBG-MIT monitoring and reporting, and
- f) Others, as requested by PRDOH.

Task 9. Reporting

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

Task 10. Invoicing

Activity: The Awardee will be responsible for submitting monthly invoices for reimbursement of costs of contracted services. Each invoice must be prepared in compliance with PRDOH's invoice requirements.

Upon CDBG-MIT compliance determination by the Program, the Awardee agrees to submit a Request for Reimbursement, uploaded to PRDOH's System. The Awardee will be required to set up a unique account through the System and provide all required information, including information related to dedicated bank accounts.

A key area of focus for HUD is ensuring CDBG-MIT projects are reimbursement-based and that Contractors who undertake work are paid for services provided. HUD requires all documented costs to be incurred and completed at the time of invoice submission. As such, PRDOH cannot approve CDBG-MIT reimbursement for work the Awardee undertook until it has obtained proof that the work was performed, completed and all required information is uploaded to PRDOH databases.

Task 11. Closeout

Activity: Once final completion of the activities established herein is obtained, the Awardee shall submit to PRDOH all required documentation necessary for Agreement closeout in compliance with PRDOH's requirements.

Deliverable: The Awardee is responsible for submitting an Agreement Closeout Binder.

END OF DOCUMENT

ATTACHMENT B

TIMELINES AND PERFORMANCE GOALS

INFRASTRUCTURE MITIGATION PROGRAM HEALTHCARE STRENGTHENING SET-ASIDE DORADO HEALTH, INC.

1. PROGRAM OBJECTIVE:

The Infrastructure Mitigation Program – Healthcare Strengthening Set-Aside (**Program**) serves to strengthen healthcare facilities to benefit medically underserved citizens and minimize, through accessible healthcare, fatalities resulting from a disaster event. Also, the Program seeks to implement projects that mitigate the most risk for the greatest number of people and strengthens resilience, redundancy, and reliability in healthcare facilities that provide essential health services on the Island, especially in the face of future disasters. These objectives will be achieved by addressing facility hardening or retrofitting healthcare facilities' structures and, more importantly, by reducing multiple threats to the health and medical lifeline.

2. TERMS:

Indicator – The quantitative method used to demonstrate that the Key Activities have been performed.

Key Component – The major components the Program wants to achieve throughout implementation.

Key Activity – The activities necessary to carry out the Objective.

Project Planning Phase – Refers to the initial architectural and engineering services to be performed and approved by PRDOH including conceptual and schematic design, Feasibility Study (if applicable), Environmental Review, and Cost Estimating of project costs. Services in this phase include all architectural and engineering services needed to define the project scope and requirements up to thirty percent (30%) Design Development.

Project Implementation Plan – Refers to a document consisting of a table and project schedule where the Agreement's Key Activities, deliverables, and timeframes of performance are established in detail. The document serves as an expansion of the Timelines and Performance Goals set forth in general terms under this Attachment. The document is to be prepared by the Awardee and sent to the PRDOH for concurrence and approval. An approved Project Implementation Plan is binding upon the parties for monitoring, measurement, and oversight of the Agreement Key Activities' progress.

Source of Verification – The documentation used to verify that the indicators have been met, and thus, the Key Activities are complete.

Target – The goal for each of the indicators.

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3. KEY ACTIVITIES, TIMELINES & PERFORMANCE

KEY COMPONENT	KEY ACTIVITY	INDICATORS	SOURCE OF VERIFICATION	TARGET GOALS	TIMELINE
1. Project Implementation Plan	1.1 Development & approval of the Project Implementation Plan (and accompanying project schedule)	(#) of Project Implementation plans	Approved Project Implementation Plan	1 Project Implementation Plan	60 calendar days from execution of Grant Agreement.
2. Submission of Documentation for Services Selection	2.1 Submission of documentation for required selected services.	(#) of contracts executed.	Documentation for required selected services submitted.	Submission of documentation for, but not limited to, Project/Construction Management, A&E, Design, Permitting, Environmental Review, Feasibility Review, Construction Inspection, Design/Build and Construction, as required.	As per the Project Implementation Plan.

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KEY COMPONENT	KEY ACTIVITY	INDICATORS	SOURCE OF VERIFICATION	TARGET GOALS	TIMELINE
3. Design, Operations & Maintenance Plan, Environmental, Feasibility Review. and Permitting	3.1 Project Planning Phase design is completed and delivered	(#) of projects that receive Planning Phase Design approval of Project Design Development	Approval of Project Design Development at Planning Phase threshold.	(1) Completion of all required Planning design phases.	As per the Project Implementation Plan.
	3.2 Project Design Development Phase	(#) of projects that receive approval of Project Design Development at the corresponding thresholds	Approval of Project Design Development at required thresholds.	Completion of all design thresholds.	As per the Project Implementation Plan.
	3.3 Development & Submission of O&M Plan (OMP)	(#) of OMP that are updated and submitted at specified development stages	Approval of OMP at specified development stages.	Prepare and/or update OMP at Conceptual/ Schematic Design 30%, 60%, and 90% Design Development and Completed OMP at Construction Completion.	As per the Project Implementation Plan.

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KEY COMPONENT	KEY ACTIVITY	INDICATORS	SOURCE OF VERIFICATION	TARGET GOALS	TIMELINE
	3.4 Completion of Environmental Review Process	(#) of projects that receive approval of Environmental Review Documents	HUD form 7015.16 – Authority to Use Grant Funds (AUGF)	(1) Approved Environmental Review Record towards obtaining AUGF.	As per the Project Implementation Plan.
	3.5 Completion of Feasibility Review, if applicable	(#) of projects that receive approval of Feasibility Review	Approval of Feasibility Review by PRDOH.	Feasibility Review Report.	As per the Project Implementation Plan.
	3.6 Permits	(#) of projects that receive approval of Construction Permits	Construction Permits issued by OGPe and other regulatory agencies	(1) Acquisition of all Construction Permits.	As per the Project Implementation plan.
#4-Relocation and Acquisition of Real Property	4.1 Land Acquisition, if applicable	(#) of properties acquired	Deeds of properties acquired.	Land Acquisition for project.	As per the Project Implementation Plan.
	4.2 Relocations Performed, if applicable	(#) Commercial Entities Relocated	Relocation Plan	Relocations of all tenants	As per the Project Implementation Plan.
#5-Construction	5.1 Project Construction is completed	(#) of projects that started construction, (#) of projects that	Inspection Certification and Construction Monitoring	(1) Construction completion of the project in its entirety.	As per the Project Implementation Plan.

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KEY COMPONENT	KEY ACTIVITY	INDICATORS	SOURCE OF VERIFICATION	TARGET GOALS	TIMELINE
		achieve substantial completion, and (#) of projects that achieve final completion	Construction Documents submission Substantial Completion Certificate Final Inspection Certification		
#6- Construction Closeout	6.1 Project Delivery & Closeout. Proper documentation is provided to ensure that construction was completed to standard	(#) of closeout binders including final OMP. (#) of certificates of occupancy (#) Project's Final Acceptance from Awardee	Closeout binder- delivered and includes Final Completion Report Certificate of Occupancy – ("Permiso de Uso")	(1) Complete project closeout process and submit complete required documentation. (1) Certificate of Occupancy (1) Project's Final Acceptance from Awardee.	As per the Project Implementation Plan.

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KEY COMPONENT	KEY ACTIVITY	INDICATORS	SOURCE OF VERIFICATION	TARGET GOALS	TIMELINE
#7- Grant Agreement Closeout	7.1 Agreement Closeout is completed	(#) of closeout binders	Closeout binder delivered	(1) Complete Agreement Closeout process and submit completed required documentation.	As per the Project Implementation Plan.

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KEY ACTIVITY 1.I: DEVELOPMENT & APPROVAL OF PROJECT IMPLEMENTATION PLAN

Key activities, deliverables, and timeframes for the Agreement's implementation activities will be established in a Project Implementation Plan. The Project Implementation Plan will be prepared and submitted by the Awardee and approved by the PRDOH.

The Project Implementation Plan must include, at a minimum, commencement, intermediate, and completion milestones for the following:

1. Environmental Review,
2. Feasibility Review, if applicable,
3. Selection and contracting of all services required,
4. Design Development at 30%, 60%, 90% and 100% of each of the projects,
5. Permitting for each of the project,
6. Relocation/Property Acquisition, if applicable,
7. Achievement of construction milestones showing progress for each of the projects,
8. Construction Closeout for each project,
9. Agreement Closeout, and
10. Disaster Recovery Grant Reporting (**DRGR**) outcome metrics projections and timelines.

The Awardee agrees key activities, deliverables, and timeframes established in the Project Implementation Plan and approved by the PRDOH will be binding upon the parties. PRDOH will monitor, measure, and oversee the Awardee's performance under this Agreement against the Key Activities, deliverables, and timeframe requirements set forth in the latest approved Project Implementation Plan. The Awardee and PRDOH may, by mutual, written agreement between the parties, change an originally approved Project Implementation Plan to add, remove, or modify Key Activities, deliverables, and timeframes associated to the Agreement's implementation activities. Neither the original Project Implementation Plan nor any subsequent changes to it will require an amendment to the Agreement for it to be binding between the parties. PRDOH INFRA-HSA Program approval of the Project Implementation Plan is required for it to be binding upon the parties.

KEY ACTIVITY 2.1: SUBMISSION OF DOCUMENTATION FOR SERVICES SELECTION

Awardee shall prepare and present documentation and evidence that establishes all requirements needed to perform the project/construction management services, construction inspection services, and the design and construction components needed to complete the Project.

The Feasibility Review, if applicable, and the Environmental Review processes must be completed prior to execution of the Construction Services Agreement.

KEY ACTIVITY 3.1: PROJECT PLANNING PHASE DESIGN IS COMPLETED AND DELIVERED

After completion of the selection and contracting processes for the Design Services, the Planning Phase A&E Design Services shall be carried out as established in the Project Implementation Plan and must include, at a minimum, Conceptual/Schematic Design and will be carried out as established in the Project Implementation Plan.

KEY ACTIVITY 3.2: PROJECT DESIGN DEVELOPMENT IS COMPLETED AND DELIVERED

After the approval of the Planning Phase design, the Project Design Development process shall begin. Design Development phases shall be carried out as established in the Project Implementation Plan.

KEY ACTIVITY 3.3: DEVELOPMENT & SUBMISSION OF OPERATION AND MAINTENANCE PLAN (OMP)

The U.S. Department of Housing and Urban Development (**HUD**) requires Awardees to establish plans for funding the long-term operation and maintenance of infrastructure and public facility projects funded by the Community Development Block Grant–Mitigation (**CDBG-MIT**) Program. The OMP must demonstrate the Project owners’ ability to operate and maintain the Project throughout its useful life, including funding sources and other necessary resources.

Drafting and development of the OMPs for the Project will occur during the Planning and Design Phase of the Project, with draft submittals at 30%, 60%, and

90% design. Upon completion of the Planning and Design Phase, a final OMP must be submitted.

KEY ACTIVITY 3.4: COMPLETION OF ENVIRONMENTAL DOCUMENTS

The Awardee shall submit the Environmental Review Record (**ERR**), in accordance with 24 C.F.R. § 58.38, to the PRDOH for review and approval (signature) of PRDOH’s Certifying Officer. All activities must be of no significant impact or with obtainable mitigation activities to render the action to one of no significant impact. Once the ERR is completed, the PRDOH, as the responsible entity, will submit the Request for Release of Funds (**RROF**) to HUD and once approved, receive the AUGF.

KEY ACTIVITY 3.5: COMPLETION OF FEASIBILITY REVIEW

The Awardee shall submit the completed Feasibility Report, if applicable to the Project, in compliance with PRDOH guidance. The Feasibility Report will need to be presented for PRDOH review and approval prior to contracting of the Construction or Design/Build Services.

KEY ACTIVITY 3.6: PERMITS

After the execution of the Construction or Design/Build contract, as applicable, the Contractor shall initiate the submission of all the required documentation to obtain the required permits from corresponding municipal, state and federal government entities. Permits shall be obtained for the work as established in the Project Implementation Plan.

KEY ACTIVITY 4.1: LAND ACQUISITION

After the execution of the Agreement, if applicable, the Awardee shall implement all required actions to obtain the title for all real property and negotiation contracts for relocation of all tenants located within the proposed right of way or area of impact of the Project. All relocation and real property acquisition activities must be carried out in accordance with Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as

amended, (more commonly known as URA) and section 104(d) of the Housing and Community Development Act of 1992, as amended (**Section 104(d)**).

KEY ACTIVITY 4.2: RELOCATION OF TENANTS

After the execution of the Agreement, if applicable, the Awardee shall implement all required actions to relocate all residential and/or commercial tenants as required by project requirements. All relocation activities must be carried out in accordance with URA and section 104(d).

KEY ACTIVITY 5.1: PROJECT CONSTRUCTION – START TO COMPLETION

Following the environmental review process and the permitting stage of the Project, construction will commence. For Design-Build Projects, construction will be scheduled to commence based on the level of completion of the design development documents. Disbursements for each phase shall be approved by the PRDOH and processed for payment after presentation of construction documents, site inspection by engineers or architects and issuance of certifications pursuant to the inspection services agreement. A total of ten percent (10%) of each of the requested disbursements shall be retained and disbursed after the Project's final inspection and resulting observations have been addressed. Indicators to measure construction phase are to be established in the Project Implementation Plan.

KEY OBJECTIVE 6.1: PROJECT DELIVERY & CONSTRUCTION CLOSEOUT

Once all the physical work has been completed the construction closeout phase is initiated. The construction closeout process includes, but is not limited to, the following:

1. Certificate of Substantial Completion,
2. Completed Punchlist,
3. Design Team Approvals,
4. Inspection Certificates,
5. Certificate of Occupancy,
6. OMP,
7. Final Pay Applications,

8. Documentation of materials and equipment used in the Project (submittals), and
9. Any and all certifications and/or documentation required for the intended use of the facility.

KEY OBJECTIVE 7.1: COMPLETION OF GRANT AGREEMENT CLOSEOUT

For the Project to be considered “completed” milestones must be delivered to ensure the safety of the Project’s user(s). The Project’s completion is not based solely upon the completion of the Project’s Planning Phase but is also demonstrated by obtaining the approval of the Project Closeout binder.

The Closeout process will begin when all eligible activities and national objectives have been completed, and all CDBG-MIT funds have been disbursed. Before the commencement of the closeout process, the Awardee must complete the Closeout Package, which includes the following information for the Project:

1. Awardee name.
2. Designated Point of Contact.
3. Agreement Number.
4. Amendment(s) to the Agreement and date(s) of execution, if any.
5. Obligated amounts by work types.
6. List of activities exactly as they are identified in the Action Plan (or subsequent Amendments) and the DRGR System.
7. Updated data on budgeted, obligated, and expended amounts, by activity.
8. Requests for disbursements and supporting documentation.
9. Disbursements and supporting documentation.
10. Certification of compliance with terms of Agreement, financial requirements, programmatic requirements, and monitoring requirements, if any.
11. Any relevant documentation the Awardee deems necessary to submit to PRDOH to complete the closeout process.

Additional documentation may vary depending on the Awardee, or Agreement requirements. The aforementioned list is not meant to substitute or replace

programmatic requirements and is not meant to be exhaustive. The Program may require additional documentation.

Furthermore, the following compliance matters shall also be documented in the Closeout Package:

- a. All activities were eligible, completed, and met a national objective.
- b. Grant funds allocated to the Project were expended on necessary and reasonable costs, and any remaining funds were returned to the grant account.
- c. All funds used for the Program have been properly accounted for and reconciled.
- d. All required permits have been properly closed out with the proper governmental entities.
- e. All deliverables were completed.
- f. All milestones were met.
- g. All reporting requirements were completed and submitted.
- h. Agreement responsibilities have been fulfilled and any special conditions of the grant award were met.
- i. Necessary documentation and records have been collected.
- j. Performance reports and Key Performance Indicators have been submitted and documented.
- k. Local and federal compliance requirements have been met.
- l. Program compliance requirements have been met.
- m. Any applicable special conditions were met.

END OF DOCUMENT

ATTACHMENT C

BUDGET

INFRASTRUCTURE MITIGATION PROGRAM HEALTHCARE STRENGTHENING SET-ASIDE DORADO HEALTH, INC.

1. Total Allocation and Authorized Budget

The Puerto Rico Department of Housing (**PRDOH**) awarded **the Awardee** a total allocation amount of **nine million nine hundred forty-five thousand dollars (\$9,945,000.00)** under the Infrastructure Mitigation – Healthcare Strengthening Set-Aside (**Program**) for activities included in this Grant Agreement.

2. Distribution of Authorized Maximum Budget

The maximum budget amount shall be distributed as follows:

Item Id	Item Name:	Maximum Authorized Budget
1	Professional Services	\$994,500.00
2	Construction Services	\$8,950,500.00
3	Equipment	\$0.00
4	Acquisitions	\$0.00

Total Authorized Budget: \$9,945,000.00

3. Budget Re-Distribution

- a) The Awardee may submit a written request to the PRDOH for a redistribution of the Maximum Authorized Budgets shown above without exceeding the Total Authorized Budget.
- b) The PRDOH will evaluate the redistribution request to validate the purpose and balance of funds, and if the redistribution is determined to be of benefit for the Program and the balance of funds is validated, the PRDOH will issue a written authorization to the Awardee. The redistribution of funds cannot be considered as authorized until PRDOH’s written authorization is received by the Awardee.
- c) An authorized redistribution of funds obtained as described herein shall be considered binding and will not require an amendment to this Grant Agreement.

END OF DOCUMENT

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ATTACHMENT D

Contract Code: 10516
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: Dorado Health, Inc.
Source of Funds: 14.228 CDBG Funds
For: Infrastructure Mitigation Program - Healthcare Strengthening Set-Aside
Amount: \$9,945,000.00

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

Grant	Area / Project	Activity Code	Category Description	Account	Amount
B-18-DP-72-0002	Infrastructure	miti06hfs-doh-lm	I - Construction Services (Subrecipient)	6090-01-000	\$4,475,250.00
B-18-DP-72-0002	Infrastructure	miti06hfs-doh-lm	I - Professional Services (Sub-recipient)	6090-01-000	\$497,250.00
B-18-DP-72-0002	Infrastructure	miti06hfs-doh-un	I - Construction Services (Subrecipient)	6090-01-000	\$4,475,250.00
B-18-DP-72-0002	Infrastructure	miti06hfs-doh-un	I - Professional Services (Sub-recipient)	6090-01-000	\$497,250.00
					\$9,945,000.00

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 use.

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

Cesar Candelario Signed Date - 02/13/2025
Electronic Approval
Budget Manager

Nilda Baez Signed Date - 02/13/2025
Electronic Approval

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

Finance Director

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

ATTACHMENT E

HUD GENERAL PROVISIONS

Given that the Grant Agreement 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 Grant Agreement. In addition, Awardee shall comply with the Federal Labor Standards Provisions set forth in Form HUD-4010, available at <https://www.hud.gov/sites/dfiles/OCHCO/documents/4010.pdf> and must include Form HUD-4010 clauses as an appendix, or by reference, to all covered contracts. Also, awardees, contractors and subcontractors are required to insert them in any lower-tier subcontracts.

The terms and conditions outlined in this document (HUD General Provisions) must be included in their entirety by the Awardee in all purchase orders or subcontracts that are directly related to the Agreement, even though some of the terms and conditions might not apply to a particular kind of purchase order or subcontract.

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

2. STATUTORY AND REGULATORY COMPLIANCE

Awardee shall comply with all laws and regulations applicable to the Community Development Block Grant-Disaster Recovery funds appropriated by: the Continuing Appropriations Act, 2018, and Supplemental Appropriations for Disaster Relief Requirements, 2017 (**Pub. L. 115-56**) approved on September 8, 2017, as amended; the Bipartisan Budget Act of 2018 (**Pub. L. 115-123**) approved on February 9, 2018, as amended; the Additional Supplemental Appropriations for Disaster Relief Act, 2019, (**Pub. L. 116-20**) approved on June 6, 2019, as amended; as well as including, but not limited, to the applicable Office of Management and Budget Circulars, which may impact the administration of funds and/or set forth certain cost principles, including if certain expenses are allowed.

3. BREACH OF GRANT 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 Grant Agreement, in instances where the Awardee or any of its subcontractors violate or breach any Grant Agreement or Contract term. If the Awardee or any of its subcontractors violate or breach any Grant Agreement or Contract term, they shall be subject to such sanctions and penalties as may be appropriate. The duties and obligations imposed by the Grant Agreement or Contract documents, and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

4. REPORTING REQUIREMENTS

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

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5. ACCESS TO RECORDS

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

6. MAINTENANCE/RETENTION OF RECORDS

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

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

The Awardee will take necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used in subcontracting and purchases from material suppliers 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 Awardee shall comply with PRDOH established quarterly reporting regarding contract and subcontract activity. This will enable PRDOH to complete federal reporting on all efforts to HUD as per the previously used HUD Form 2516 (Contract and Subcontract Activity) and data requested on this form.

8. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

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

9. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

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

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

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The Awardee shall comply with the provisions of Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall on the grounds of race, color, national origin, religion or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Section 109 further provides that discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.

11. SECTION 504 OF THE REHABILITATION ACT OF 1973

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

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

12. AGE DISCRIMINATION ACT OF 1975

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

13. DEBARMENT, SUSPENSION, AND INELIGIBILITY

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

14. CONFLICTS OF INTEREST

The Awardee shall notify the PRDOH as soon as possible if this Grant Agreement or any aspect related to the anticipated work under this Grant Agreement raises an actual or potential conflict of interest (as defined at 24 C.F.R. §578.95; 24 C.F.R. §570.489(g) and (h); and 24 C.F.R. §570.611, if applicable). The Awardee 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 Awardee shall provide the PRDOH any additional information necessary to fully assess and address such actual or potential conflict of interest. The Awardee shall accept any reasonable conflict mitigation strategy employed by the PRDOH, including but not limited to the use of an independent subcontractor(s) to perform the portion of work that gives rise to the actual or potential conflict.

15. SUBCONTRACTING

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

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

The Awardee 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 Grant Agreement.

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

16. ASSIGNABILITY

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

17. INDEMNIFICATION

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

18. COPELAND "ANTI-KICKBACK" ACT

The Awardee will comply with "anti-kickback" regulations found in section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 3145) known as the Copeland Act which applies to this Grant Agreement subject to Federal wage standards and which is for the construction, prosecution, completion, or repair of public buildings, public works or buildings or works financed in whole or in part by loans or grants from the United States. The Copeland Act enforces minimum wage provisions of the Davis-Bacon Act and the various statutes for federally assisted construction, including those provisions which are not subject to Reorganization Plan No. 14 of 1950. This act also enforces overtime provisions of the Contract Work Hours and Safety Standards Act whenever they are applicable to construction work.

Each awardee, contractor or subcontractor engaged in the construction, prosecution, completion, or repair of any public building or public work, or building or work financed in whole or in part by loans or grants from the United States, each week must provide a copy of its weekly payroll for all laborers and mechanics engaged on work covered by this part and part 5 of this chapter during the preceding weekly payroll period, accompanied by a statement of compliance certifying the accuracy of the weekly payroll information. This statement must be executed by the awardee, contractor or subcontractor or by an authorized officer or employee of the awardee, contractor or subcontractor who supervises the payment of wages, and must be on the back of Form WH-347, "Payroll (For Contractors Optional Use)" or on any form with identical wording.

Each certified payroll required under § 3.3 must be delivered by the awardee, contractor or subcontractor, within 7 days after the regular payment date of the payroll period, to a representative at the site of the building or work of the agency contracting for or financing the work, or, if there is no representative of the agency at the site of the building or work, the statement must be delivered by mail or by any other means normally assuring delivery by the awardee, contractor or subcontractor, within that 7 day time period, to the agency contracting for or financing the building or work. After the certified payrolls have been reviewed in accordance with the contracting or sponsoring agency's procedures, such certified payrolls must be preserved by the agency for a period of 3 years after all the work on the prime contract is completed and must be produced for inspection, copying, and transcription by the Department of Labor upon request.

The Awardee will abide by federal regulation in § 3.5 regarding permissible payroll deductions and follow guidance on obtaining approval from the Secretary of Labor for additional deductions.

19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

The Awardee will comply with the provisions of the Contract Work Hours and Safety Standards Act applicable to this Grant Agreement in excess of \$100,000 and subject to its overtime provisions.

- (1) **Overtime requirements.** No awardee, contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- (2) **Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in [paragraph \(b\)\(1\)](#) of this section the awardee, contractor and any subcontractor responsible therefor shall be liable for the unpaid wages and interest from the date of the underpayment. In addition, such awardee, contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchpersons and guards, employed in violation of the clause set forth in [paragraph \(b\)\(1\)](#) of this section, in the sum of \$32 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1).
- (3) **Withholding for unpaid wages and liquidated damages —**
- (i) **Withholding process.** The PRDOH may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for any unpaid wages; monetary relief, including interest; and liquidated damages required by the clauses set forth in

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this [paragraph \(b\)](#) on this Grant Agreement, any other Federal contract with the same prime contractor, or any other federally assisted contract subject to the Contract Work Hours and Safety Standards Act that is held by the same prime contractor (as defined in [§ 5.2](#)). The necessary funds may be withheld from the contractor under this Grant Agreement, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to the Contract Work Hours and Safety Standards Act and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld.

(ii) **Priority to withheld funds.** The Department has priority to funds withheld or to be withheld in accordance with [paragraph \(a\)\(2\)\(i\)](#) or [\(b\)\(3\)\(i\)](#) of this section, or both, over claims to those funds by:

(A) A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;

(B) A contracting agency for its procurement costs;

(C) A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;

(D) A contractor's assignee(s);

(E) A contractor's successor(s); or

(F) A claim asserted under the Prompt Payment Act, [31 U.S.C. 3901-3907](#).

(4) **Subcontracts.** The contractor or subcontractor must insert in any subcontracts the clauses set forth in [paragraphs \(b\)\(1\) through \(5\)](#) of this section and a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor is responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (5). In the event of any violations of these clauses, the prime contractor and any subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss, due to any workers of lower-tier subcontractors, and associated liquidated damages and may be subject to debarment, as appropriate.

- (5) Anti-retaliation.** It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:
- (i) Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the Contract Work Hours and Safety Standards Act (CWHSSA) or its implementing regulations in this part;
 - (ii) Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under CWHSSA or this part;
 - (iii) Cooperating in any investigation or other compliance action, or testifying in any proceeding under CWHSSA or this part; or
 - (iv) Informing any other person about their rights under CWHSSA or this part.

20. DAVIS-BACON ACT

The Awardee will comply with labor standards provisions contained in the Davis-Bacon Act (46 Stat. 1494, as amended; 40 U.S.C. 3141 et seq.) and its related statutes ("Related Acts") for this Grant Agreement, in excess of \$2,000, which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a public building or public work, or building or work financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the laws referenced by § 5.1, the following clauses:

(i) Minimum wages —

- (i) **Wage rates and fringe benefits.** All laborers and mechanics employed or working upon the site of the work (or otherwise working in construction or development of the project under a development statute), will be paid unconditionally and not less often than once a week, and without subsequent

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deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act ([29 CFR part 3](#))), the full amount of basic hourly wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. As provided in [paragraphs \(d\)](#) and [\(e\)](#) of this section, the appropriate wage determinations are effective by operation of law even if they have not been attached to the contract. Contributions made or costs reasonably anticipated for bona fide fringe benefits under the Davis-Bacon Act ([40 U.S.C. 3141\(2\)\(B\)](#)) on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of [paragraph \(a\)\(1\)\(v\)](#) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics must be paid the appropriate wage rate and fringe benefits on the wage determination for the classification(s) of work actually performed, without regard to skill, except as provided in [paragraph \(a\)\(4\)](#) of this section. Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: *Provided*, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classifications and wage rates conformed under [paragraph \(a\)\(1\)\(iii\)](#) of this section) and the Davis-Bacon poster (WH-1321) must be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii) ***Frequently recurring classifications.***

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(A) In addition to wage and fringe benefit rates that have been determined to be prevailing under the procedures set forth in [29 CFR part 1](#), a wage determination may contain, pursuant to [§ 1.3\(f\)](#), wage and fringe benefit rates for classifications of laborers and mechanics for which conformance requests are regularly submitted pursuant to [paragraph \(a\)\(1\)\(iii\)](#) of this section, provided that:

- (1) The work performed by the classification is not performed by a classification in the wage determination for which a prevailing wage rate has been determined;
- (2) The classification is used in the area by the construction industry; and
- (3) The wage rate for the classification bears a reasonable relationship to the prevailing wage rates contained in the wage determination.

(B) The Administrator will establish wage rates for such classifications in accordance with [paragraph \(a\)\(1\)\(iii\)\(A\)\(3\)](#) of this section. Work performed in such a classification must be paid at no less than the wage and fringe benefit rate listed on the wage determination for such classification.

(iii) **Conformance.**

(A) The contracting officer must require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract be classified in conformance with the wage determination. Conformance of additional classification and wage rate and fringe benefits is appropriate only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2) The classification is used in the area by the construction industry; and
- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) The conformance process may not be used to split, subdivide, or otherwise avoid the application of classifications listed in the wage determination.

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(C) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken will be sent by the contracting officer by email to DBAconformance@dol.gov. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer will, by email to DBAconformance@dol.gov, refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(E) The contracting officer must promptly notify the contractor of the action taken by the Wage and Hour Division under [paragraphs \(a\)\(1\)\(iii\)\(C\)](#) and [\(D\)](#) of this section. The contractor must furnish a written copy of such determination to each affected worker or it must be posted as a part of the wage determination. The wage rate (including fringe benefits where appropriate) determined pursuant to [paragraph \(a\)\(1\)\(iii\)\(C\)](#) or [\(D\)](#) of this section must be paid to all workers performing work in the classification under this Grant Agreement from the first day on which work is performed in the classification.

- (iv) **Fringe benefits not expressed as an hourly rate.** Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor may either

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pay the benefit as stated in the wage determination or may pay another bona fide fringe benefit or an hourly cash equivalent thereof.

- (v) **Unfunded plans.** If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, *Provided*, That the Secretary of Labor has found, upon the written request of the contractor, in accordance with the criteria set forth in [§ 5.28](#), that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.
- (vi) **Interest.** In the event of a failure to pay all or part of the wages required by the contract, the contractor will be required to pay interest on any underpayment of wages.

(2) **Withholding** –

- (i) **Withholding requirements.** The PRDOH may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for the full amount of wages and monetary relief, including interest, required by the clauses set forth in [paragraph \(a\)](#) of this section for violations of this Grant Agreement, or to satisfy any such liabilities required by any other Federal contract, or federally assisted contract subject to Davis-Bacon labor standards, that is held by the same prime contractor (as defined in [§ 5.2](#)). The necessary funds may be withheld from the contractor under this Grant Agreement, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to Davis-Bacon labor standards requirements and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld. In the event of a contractor's failure to pay any laborer or

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mechanic, including any apprentice or helper working on the site of the work (or otherwise working in construction or development of the project under a development statute) all or part of the wages required by the contract, or upon the contractor's failure to submit the required records as discussed in [paragraph \(a\)\(3\)\(iv\)](#) of this section, the [Agency] may on its own initiative and after written notice to the contractor, sponsor, applicant, owner, or other entity, as the case may be, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

- (ii) **Priority to withheld funds.** The Department has priority to funds withheld or to be withheld in accordance with [paragraph \(a\)\(2\)\(i\)](#) or [\(b\)\(3\)\(i\)](#) of this section, or both, over claims to those funds by:
- (A) A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;
 - (B) A contracting agency for its procurement costs;
 - (C) A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;
 - (D) A contractor's assignee(s);
 - (E) A contractor's successor(s); or
 - (F) A claim asserted under the Prompt Payment Act, [31 U.S.C. 3901-3907](#).

(3) **Records and certified payrolls —**

(i) **Basic record requirements —**

(A) **Length of record retention.** All regular payrolls and other basic records must be maintained by the contractor and any subcontractor during the course of the work and preserved for all laborers and mechanics working at the site of the work (or otherwise working in construction or development of the project under a development statute) for a period of at least 3 years after all the work on the prime contract is completed.

(B) **Information required.** Such records must contain the name; Social Security number; last known address, telephone number, and email address of each such worker; each worker's correct classification(s) of work actually performed; hourly

rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in [40 U.S.C. 3141\(2\)\(B\)](#) of the Davis-Bacon Act); daily and weekly number of hours actually worked in total and on each covered contract; deductions made; and actual wages paid.

(C) **Additional records relating to fringe benefits.** Whenever the Secretary of Labor has found under [paragraph \(a\)\(1\)\(v\)](#) of this section that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in [40 U.S.C. 3141\(2\)\(B\)](#) of the Davis-Bacon Act, the contractor must maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits.

(D) **Additional records relating to apprenticeship.** Contractors with apprentices working under approved programs must maintain written evidence of the registration of apprenticeship programs, the registration of the apprentices, and the ratios and wage rates prescribed in the applicable programs.

(ii) **Certified payroll requirements —**

(A) **Frequency and method of submission.** The contractor or subcontractor must submit weekly, for each week in which any DBA- or Related Acts-covered work is performed, certified payrolls to the PRDOH if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the certified payrolls to the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records, for transmission to the [write in name of agency]. The prime contractor is responsible for the submission of all certified payrolls by all subcontractors. A contracting agency or prime contractor may permit or require contractors to submit certified payrolls through an electronic system, as long as the electronic system requires a legally valid electronic signature; the system allows the contractor, the contracting agency, and the Department of Labor to

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access the certified payrolls upon request for at least 3 years after the work on the prime contract has been completed; and the contracting agency or prime contractor permits other methods of submission in situations where the contractor is unable or limited in its ability to use or access the electronic system.

(B) **Information required.** The certified payrolls submitted must set out accurately and completely all of the information required to be maintained under [paragraph \(a\)\(3\)\(i\)\(B\)](#) of this section, except that full Social Security numbers and last known addresses, telephone numbers, and email addresses must not be included on weekly transmittals. Instead, the certified payrolls need only include an individually identifying number for each worker (e.g., the last four digits of the worker's Social Security number). The required weekly certified payroll information may be submitted using Optional Form WH-347 or in any other format desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/wh347/.pdf> or its successor website. It is not a violation of this section for a prime contractor to require a subcontractor to provide full Social Security numbers and last known addresses, telephone numbers, and email addresses to the prime contractor for its own records, without weekly submission by the subcontractor to the sponsoring government agency (or the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records).

(C) **Statement of Compliance.** Each certified payroll submitted must be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor, or the contractor's or subcontractor's agent who pays or supervises the payment of the persons working on the contract, and must certify the following:

- (1) That the certified payroll for the payroll period contains the information required to be provided under [paragraph \(a\)\(3\)\(ii\)](#) of this section, the appropriate information and basic records are being maintained under [paragraph \(a\)\(3\)\(i\)](#) of this section, and such information and records are correct and complete;

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- (2) That each laborer or mechanic (including each helper and apprentice) working on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in [29 CFR part 3](#); and
- (3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification(s) of work actually performed, as specified in the applicable wage determination incorporated into the contract.
- (D) **Use of Optional Form WH-347.** The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 will satisfy the requirement for submission of the "Statement of Compliance" required by [paragraph \(a\)\(3\)\(ii\)\(C\)](#) of this section.
- (E) **Signature.** The signature by the contractor, subcontractor, or the contractor's or subcontractor's agent must be an original handwritten signature or a legally valid electronic signature.
- (F) **Falsification.** The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under [18 U.S.C. 1001](#) and [31 U.S.C. 3729](#).
- (G) **Length of certified payroll retention.** The contractor or subcontractor must preserve all certified payrolls during the course of the work and for a period of 3 years after all the work on the prime contract is completed.
- (iii) **Contracts, subcontracts, and related documents.** The contractor or subcontractor must maintain this Grant Agreement or subcontract and related documents including, without limitation, bids, proposals, amendments, modifications, and extensions. The contractor or subcontractor must preserve these contracts, subcontracts, and related documents during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

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(iv) **Required disclosures and access –**

(A) **Required record disclosures and access to workers.** The contractor or subcontractor must make the records required under [paragraphs \(a\)\(3\)\(i\) through \(iii\)](#) of this section, and any other documents that the [write the name of the agency] or the Department of Labor deems necessary to determine compliance with the labor standards provisions of any of the applicable statutes referenced by [§ 5.1](#), available for inspection, copying, or transcription by authorized representatives of the [write the name of the agency] or the Department of Labor, and must permit such representatives to interview workers during working hours on the job.

(B) **Sanctions for non-compliance with records and worker access requirements.** If the contractor or subcontractor fails to submit the required records or to make them available, or refuses to permit worker interviews during working hours on the job, the Federal agency may, after written notice to the contractor, sponsor, applicant, owner, or other entity, as the case may be, that maintains such records or that employs such workers, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available, or to permit worker interviews during working hours on the job, may be grounds for debarment action pursuant to [§ 5.12](#). In addition, any contractor or other person that fails to submit the required records or make those records available to WHD within the time WHD requests that the records be produced will be precluded from introducing as evidence in an administrative proceeding under [29 CFR part 6](#) any of the required records that were not provided or made available to WHD. WHD will take into consideration a reasonable request from the contractor or person for an extension of the time for submission of records. WHD will determine the reasonableness of the request and may consider, among other things, the location of the records and the volume of production.

(C) Required information disclosures. Contractors and subcontractors must maintain the full Social Security number and last known address, telephone number, and email address of each covered worker, and must provide them upon request to the PRDOH if the agency is a party to the contract, or to the Wage and Hour Division of the Department of Labor. If the Federal agency is not such a party to the contract, the contractor, subcontractor, or both, must, upon request, provide the full Social Security number and last known address, telephone number, and email address of each covered worker to the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records, for transmission to the [write in name of agency], the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or other compliance action.

(4) Apprentices and equal employment opportunity –

(i) Apprentices –

(A) Rate of pay. Apprentices will be permitted to work at less than the predetermined rate for the work they perform when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship (OA), or with a State Apprenticeship Agency recognized by the OA. A person who is not individually registered in the program, but who has been certified by the OA or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice, will be permitted to work at less than the predetermined rate for the work they perform in the first 90 days of probationary employment as an apprentice in such a program. In the event the OA or a State Apprenticeship Agency recognized by the OA withdraws approval of an apprenticeship program, the contractor will no longer be permitted to use apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(B) Fringe benefits. Apprentices must be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe

benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringe benefits must be paid in accordance with that determination.

(C) **Apprenticeship ratio.** The allowable ratio of apprentices to journeyworkers on the job site in any craft classification must not be greater than the ratio permitted to the contractor as to the entire work force under the registered program or the ratio applicable to the locality of the project pursuant to [paragraph \(a\)\(4\)\(i\)\(D\)](#) of this section. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated in [paragraph \(a\)\(4\)\(i\)\(A\)](#) of this section, must be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under this section must be paid not less than the applicable wage rate on the wage determination for the work actually performed.

(D) **Reciprocity of ratios and wage rates.** Where a contractor is performing construction on a project in a locality other than the locality in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyworker's hourly rate) applicable within the locality in which the construction is being performed must be observed. If there is no applicable ratio or wage rate for the locality of the project, the ratio and wage rate specified in the contractor's registered program must be observed.

(ii) **Equal employment opportunity.** The use of apprentices and journeyworkers under this part must be in conformity with the equal employment opportunity requirements of [Executive Order 11246](#), as amended, and [29 CFR part 30](#).

(5) **Compliance with Copeland Act requirements.** The contractor shall comply with the requirements of [29 CFR part 3](#), which are incorporated by reference in this Grant Agreement.

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(6) Subcontracts. The contractor or subcontractor must insert in any subcontracts the clauses contained in [paragraphs \(a\)\(1\) through \(11\)](#) of this section, along with the applicable wage determination(s) and such other clauses or contract modifications as the PRDOH may by appropriate instructions require, and a clause requiring the subcontractors to include these clauses and wage determination(s) in any lower tier subcontracts. The prime contractor is responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section. In the event of any violations of these clauses, the prime contractor and any subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss, due to any workers of lower-tier subcontractors, and may be subject to debarment, as appropriate.

(7) Contract termination: debarment. A breach of the contract clauses in [29 CFR 5.5](#) may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in [29 CFR 5.12](#).

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in [29 CFR parts 1, 3, and 5](#) are herein incorporated by reference in this Grant Agreement.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this Grant Agreement shall not be subject to the general disputes clause of this Grant Agreement. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in [29 CFR parts 5, 6, and 7](#). Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

- (i) By entering into this Grant Agreement, the contractor certifies that neither it nor any person or firm who has an interest in the contractor's firm is a person or firm

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ineligible to be awarded Government contracts by virtue of [40 U.S.C. 3144\(b\)](#) or [§ 5.12\(a\)](#).

- (ii) No part of this Grant Agreement shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of [40 U.S.C. 3144\(b\)](#) or [§ 5.12\(a\)](#).
- (iii) The penalty for making false statements is prescribed in the U.S. Code, Title 18 Crimes and Criminal Procedure, [18 U.S.C. 1001](#).

(11) **Anti-retaliation.** It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:

- (i) Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the DBA, Related Acts, this part, or [29 CFR part 1](#) or [3](#);
- (ii) Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under the DBA, Related Acts, this part, or [29 CFR part 1](#) or [3](#);
- (iii) Cooperating in any investigation or other compliance action, or testifying in any proceeding under the DBA, Related Acts, this part, or [29 CFR part 1](#) or [3](#); or
- (iv) Informing any other person about their rights under the DBA, Related Acts, this part, or [29 CFR part 1](#) or [3](#).

21. TERMINATION FOR CAUSE

(Applicable to contracts exceeding \$10,000)

If, through any cause, the Awardee shall fail to fulfill in a timely and proper manner his or her obligations under this Grant Agreement, or if the Awardee shall violate any of the covenants, agreements, or stipulations of this Grant Agreement, the PRDOH shall thereupon have the right to terminate this Grant Agreement by giving written notice to the Awardee 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 Awardee under this Agreement shall, at the option of the PRDOH, become the PRDOH's property and the Awardee shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, the Awardee 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 Awardee, and the Government of Puerto Rico and/or PRDOH may withhold any payments to the Awardee 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 Awardee is determined.

22. TERMINATION FOR CONVENIENCE

(Applicable to contracts exceeding \$10,000)

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

23. SECTION 503 OF THE REHABILITATION ACT OF 1973

(Applicable to contracts exceeding \$10,000)

The Awardee 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 Awardee 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 Awardee 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 Awardee;
- (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 Awardee including social or recreational programs; and
- (ix) Any other term, condition, or privilege of employment.

- 2) The Awardee 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 Awardee'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 Awardee 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 Awardee's obligation under the law to take

affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The Awardee must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the Awardee 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 Awardee will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Awardee 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 Awardee will include the provisions of this clause in every subcontract or purchase order in excess of \$10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to Section 503 of the act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Awardee will take such action with respect to any subcontract or purchase order as the Deputy Assistant Secretary for Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

24. EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

- 1) The Awardee shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Awardee 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 Awardee shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by Contracting Officer setting forth the provisions of this non-discrimination clause. The Awardee shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- 3) The Awardee will, in all solicitations or advertisements for employees placed by or on behalf of the Awardee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- 4) The Awardee 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 Awardee'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 Awardee will comply with all provisions of Exec. Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
- 6) The Awardee will furnish all information and reports required by Exec. Order No. 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records

and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

- 7) In the event of the Awardee'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 Awardee may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 and such other sanctions as may be imposed and remedies invoked as provided in Exec. Order No. 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.
- 8) Awardee 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 Awardee 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 Awardee becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Awardee may request the United States to enter into such litigation to protect the interests of the United States.

25. CERTIFICATION OF NONSEGREGATED FACILITIES

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

The Awardee 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 Awardee

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

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

CLEAN AIR ACT

- 1) --The Awardee agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 *et seq.*
- 2) -The Awardee agrees to report each violation to the PRDOH and understands and agrees that the PRDOH will, in turn, report each violation as required to assure notification to the Government of Puerto Rico, HUD, and the appropriate Environmental Protection Agency Regional Office.

- 3) -The Awardee agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by HUD.

WATER POLLUTION CONTROL ACT

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

The Awardee and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 U.S.C. § 7401 *et seq.*, the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 *et seq.*, and the regulations of the Environmental Protection Agency with respect thereto, at 5 C.F.R. Part 919 Subpart E and 24 C.F.R. Part 58 as amended, Section 508 of the Clean Water Act (33 U.S.C. § 1368) and Executive Order 11738.

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

- 1) A stipulation by the Awardee or subcontractors, that any facility to be utilized in the performance of any nonexempt contract or subcontract, is not listed on the Excluded Party Listing System pursuant to 40 C.F.R. Part 32 or on the List of Violating Facilities issued by the Environmental Protection Agency (**EPA**) pursuant to 24 C.F.R. Part 58, as amended.
- 2) Agreement by the Awardee 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 Awardee 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 Awardee will take such action as the government may direct as a means of enforcing such provisions.

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

By the execution of this Grant Agreement, the Awardee 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 Awardee, 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 Awardee shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities", in accordance with its instructions.

- 3) The Awardee shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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

28. BONDING REQUIREMENTS

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

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

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

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

- 1) The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (**Section 3**). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- 2) The parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. Part 75 which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.
- 3) The Awardee agrees to send to each labor organization or representative of workers with which the Awardee has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Awardee's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- 4) The Awardee 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 Awardee will not subcontract with any subcontractor where the Awardee has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 75.

- 5) The Awardee will certify that any vacant employment positions, including training positions, that are filled: (1) after the Awardee is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 75 require employment opportunities to be directed, were not filled to circumvent the Awardee's obligations under 24 C.F.R. Part 75.
- 6) Noncompliance with HUD's regulations in 24 C.F.R. Part 75 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- 7) With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (46 U.S.C. § 5307) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible: (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).
- 8) The Awardee 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.

30. FAIR HOUSING ACT

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

31. ENERGY POLICY AND CONSERVATION ACT

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

32. HATCH ACT

Awardee agrees to comply with mandatory standards and policies relating to Hatch Act, Public Law 76-252, as amended.

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

The Awardee may not do the following activities: be a candidate in partisan elections; use official influence to interfere in elections; coerce political contributions from

subordinates in support of political parties or candidates. The office of special counsel operates a website that provides guidance concerning hatch act issues.

33. HEALTH AND SAFETY STANDARDS

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

34. PERSONNEL

The Awardee 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 Awardee 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 Grant Agreement.

35. WITHHOLDING OF WAGES

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

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36. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES

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

37. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS

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

38. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS

The Awardee 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 Awardee will be aware of and avoid any violation of the laws of this State which prohibit municipal officers and employees from having or owning any interest or share, individually or as agent or employee of any person or corporation, either directly or indirectly, in any contract made or let by the governing authorities of such municipality for the construction or doing of any public work, or for the sale or purchase of any materials, supplies or property of any description, or for any other purpose whatsoever, or in any subcontract arising therefrom or connected therewith, or to receive, either directly or indirectly, any portion or share of any money or other thing paid for the construction or doing of any public work, or for the sale or purchase of any property, or upon any other contract made by the governing authorities of the municipality, or subcontract arising therefore or connected therewith.

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

39. INTEREST OF CERTAIN FEDERAL OFFICERS

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

40. INTEREST OF CONTRACTOR

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

41. POLITICAL ACTIVITY

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

42. RELIGIOUS ACTIVITY

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

43. FLOOD DISASTER PROTECTION ACT OF 1973

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

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44. LEAD BASED PAINT

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

45. VALUE ENGINEERING

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

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

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

Every project funded in part or in full by Community Development Block Grant – Disaster Recovery (CDBG-DR) 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. Awardee 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.

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

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

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

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

48.FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA)

The Federal Funding Accountability and Transparency Act of 2006 (**FFATA**), as amended, was signed with the intent of reducing wasteful government spending and providing citizens with the ability to hold the government accountable for spending decisions. 2 C.F.R. § Part 170 outlines the requirements of recipients' in reporting information on subawards and executive total compensation under FFATA legislation. Any non-Federal entity that receives or administers Federal financial assistance in the form of grants, loans, loan guarantees, subsidies, insurance, food commodities, direct appropriations, assessed and voluntary contributions; and/or other financial assistance transactions that authorize the non-Federal entities' expenditure of Federal fund, is subject to these requirements. Prime contract awardees and prime grant awardees are required to report against subcontracts and subgrants awarded in the FFATA Subaward Reporting System (FSRS), the reporting tool for Federal prime awardees. This information reported will then be displayed on a public and searchable website: www.USASpending.gov.

49.PROCUREMENT

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

50.CHANGE ORDERS TO CONTRACTS

Change orders are issued when the initial agreed-upon pricing or work to be completed requires modification. First, the Awardee must complete a Change Order Request Form. This form and supporting documentation must be delivered to the PRDOH for review. Each change order must have a cost analysis. Once the Project Manager approves the change order, it is returned to the contractor for execution.

Change orders are only invoiced on the final draw and categorized as “change orders.” The amount listed on the invoice must match the previously approved amount and must be cost-reasonable. The PRDOH is responsible for verifying cost reasonableness. Verification documentation for cost reasonableness becomes an attachment to the change order.

51. LANGUAGE ACCESS PLAN

Executive Order No. 13166, signed on August 11, 2000, requires programs, subrecipients, contractors, subcontractors, and/or developers funded in whole or in part with CDBG-DR financial assistance to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (**LEP**) and/or deaf/hard of hearing. Fair access is ensured through the implementation of a Language Assistance Plan (**LAP**), which includes non-English-based outreach, translation services of vital documents, free language assistance services, and staff training. Vital documents are defined as depending on the importance of the program, information, encounter, or service involved, and the consequence to the LEP person if the information in question is not provided accurately or in a timely manner.

The Fair Housing and Equal Opportunity Language Access Plan for all CDBG-DR/MIT Programs states that Subrecipient Agreements will include requirements for the provisions of LEP and Limited Spanish Proficient (**LSP**) resources by subrecipients for all public participatory activities, including marketing, outreach, applications, vital document translations as well as monitoring requirements. Subrecipients and contractors have to comply with the following LEP/LSP requirements:

- a. Provide Spanish translations for all outreach, marketing, application materials, and vital documents, and advertise the availability of language assistance services.
- b. Requirements will also be added for subrecipients, contractors, and other administering entities that interact with LEP/LSP individuals as part of the implementation of the CDBG-DR/MIT Programs to:

- i. Develop and maintain operating procedures that address LEP/LSP assistance;
- ii. Maintain inquiry and application logs that specify language of choice;
- iii. Submit documentation to PRDOH supporting subrecipient efforts to further LEP access;
- iv. Submit translated documentation to PRDOH for maintenance in PRDOH's project files; and
Require periodic monitoring by PRDOH for compliance with LEP/LSP requirements.

CDBG-DR/MIT subrecipients and contractors, as well as any other administering entities that interact with LEP/LSP individuals as part of the implementation of the programs, will be required to maintain inquiry and application logs that document the language preference of persons seeking to apply or participate in CDBG-DR/MIT funded activities.

52. PERSONALLY IDENTIFIABLE INFORMATION

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

53. PROCUREMENT OF RECOVERED MATERIALS

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (**EPA**) at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a

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satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

END OF DOCUMENT

ATTACHMENT F

SUBROGATION AND ASSIGNMENT PROVISIONS

INFRASTRUCTURE MITIGATION PROGRAM

HEALTHCARE STRENGTHENING SET-ASIDE

Dorado Health, Inc.

1. General Provisions.

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

2. Subrogation and Assignment Relating to Funds Received from the Puerto Rico Department of Housing – Infrastructure Mitigation Program Healthcare Strengthening Set-Aside

- a) These provisions are incorporated into the Grant Agreement in consideration of the commitment by PRDOH to evaluate the Awardee's application for the award of disaster assistance funds (the "**Application**") or the Awardee's receipt of CDBG-MIT funds (the "**Grant Proceeds**") under the Program being administered by PRDOH.
- b) Awardee 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 Awardee may only receive assistance to the extent that the Awardee has a disaster recovery need that is not fully met by insurance or other forms of disaster assistance. Awardee further acknowledges that these provisions are intended to ensure that Awardee does not receive duplicate benefits

available to the Awardee 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 Awardee's total need before awarding assistance.

- c) Awardee hereby subrogates and assigns to PRDOH any and all of Awardee's future rights to, and any interest Awardee may have in, any reimbursement and all payments received or subsequently received from any grant, loan, insurance policy, or policies of any type (each individually, a **"Policy"** and collectively, the **"Policies"**), or under any subsidy, reimbursement or relief program related to or administered by the Federal Emergency Management Agency (**"FEMA"**), insurance payments, or any other federal, state or local government agency (each, individually, a **"Disaster Program"** and collectively, the **"Disaster Programs"**) to the extent of all Grant Proceeds paid or to be paid under the Program and that are determined, in the sole discretion of PRDOH or its designated agent, to be a duplication of benefits (**"DOB"**). Any payments referred to in this paragraph, whether they are from Policies, FEMA, or any other source, and whether or not such amounts are a DOB, shall be referred to herein as **"Proceeds"**; any Proceeds that are determined to be a DOB shall be referred to herein as **"DOB Proceeds"**.
- d) Awardee agrees that in the event that Awardee receives additional Proceeds related to disaster recovery that are not listed on the Duplication of Benefits Certification submitted in connection with the Application, Awardee will notify the PRDOH within **ten (10) working days** of receipt of the funds by sending a written notification to inframit@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 Awardee 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 Awardee has or may have under any Policies, Awardee agrees to assist and cooperate with PRDOH. Awardee's assistance and cooperation shall include, but shall not be limited to, allowing the suit to be brought in Awardee'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. Awardee also agrees to assist and cooperate in the attainment and collection of any DOB Proceeds that the Awardee would be entitled to under any applicable Disaster Assistance Program.
- b) If requested by PRDOH, Awardee 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 Awardee 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. Awardee further agrees to take, or cause to be taken, all actions and to do, or cause to be done, all things requested by the PRDOH to consummate and make effective the purposes of these provisions.
- c) Awardee expressly allows and authorizes PRDOH to request information from any company with which Awardee holds or held any insurance policy or policies of any type, any other company or entity -public or private- from which the Awardee has applied for or is receiving assistance (such as FEMA, or others), or any non-public or confidential information determined by PRDOH, in its sole discretion, to be reasonably necessary to monitor/enforce its interest in the rights subrogated and assigned to it under this Agreement, and grant consent to such company or entity to release said information to the PRDOH.

4. Agreement to Turn Over Proceeds; Future Reassignment.

- a) If Awardee (or, to the extent permitted by superior loan documents, any lender to which DOB Proceeds are payable) hereafter receives any DOB Proceeds, Awardee agrees to promptly pay such amounts to PRDOH, if Awardee received Grant Proceeds under the Program in an amount greater than the amount Awardee would have received if such DOB Proceeds had been considered in the calculation of Awardee's award.
- b) In the event that Awardee receives or is scheduled to receive any Proceeds not listed on its Duplication of Benefits Certification ("**Subsequent Proceeds**"), Awardee 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 Awardee has received full payment of the Grant Proceeds, Awardee shall remit any Subsequent DOB Proceeds to PRDOH. PRDOH shall return to the Awardee any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.
 - (ii) If Awardee has received no payment of the Grant Proceeds, PRDOH shall reduce the payment of the Grant Proceeds to Awardee by the amount of the Subsequent DOB Proceeds and shall return all Subsequent Proceeds in excess of the Subsequent DOB Proceeds to Awardee.
 - (iii) If Awardee 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 Awardee, and (B) Awardee shall remit any remaining Subsequent DOB Proceeds to PRDOH. PRDOH shall also return to the Awardee any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.
 - (iv) If the PRDOH determines that Awardee does not qualify to participate in the Program or the Awardee decides not to participate in the Program,

PRDOH shall return the Subsequent Proceeds to Awardee, and the Agreement shall terminate.

- c) Once PRDOH has recovered an amount equal to the Grant Proceeds paid to Awardee, PRDOH will reassign to Awardee any rights given to PRDOH under these provisions.

5. Miscellaneous.

- a) Awardee hereby represents that all statements and representations made by Awardee 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) Awardee 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.
- h) Awardee acknowledges that they have been informed and understand the penalties for making a materially false or misleading statement to obtain CDBG-MIT funds under the Program or any other of the PRDOH's Programs.

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ATTACHMENT G

NON-CONFLICT OF INTEREST CERTIFICATION

INFRASTRUCTURE MITIGATION PROGRAM

HEALTHCARE STRENGTHENING SET-ASIDE

DORADO HEALTH, INC.

The Awardee certifies that to the best of its knowledge:

1. No public servant of this executive agency has a pecuniary interest in this agreement, contract, purchase, or commercial transaction.
2. No public servant of this executive agency has requested me or accepted from me, directly or indirectly, for him (her), for any member of his family unit or for any person, gifts, bonuses, favors, services, donations, loans or anything else of monetary value.
3. No public servant (s) requested or accepted any good of economic value, linked to this transaction, from any person of my entity as payment for performing the duties and responsibilities of their employment.
4. No public servant has requested from me, directly or indirectly, for him (her), for any member of 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 of 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."

César E. Hernández Monagas
César E. Hernández Monagas (Mar 14, 2025 16:51 EDT)

Signature

César E. Hernández Monagas

Printed Name

March 14, 2025

Date

Senior Vice-President
Finance

Position

**INSURANCE REQUIREMENTS AND BONDING SPECIFICATIONS
DORADO HEALTH, INC.**

MANATÍ MEDICAL CENTER MITIGATION AND IMPROVEMENT

Infrastructure Mitigation Program

Healthcare Strengthening Set-Aside

Community Development Block Grant- Mitigation

Puerto Rico Department of Housing

A. In General

Dorado Health, Inc. (AWARDEE) shall obtain and maintain, at its own expense and for the duration of the contract including any warranty periods under the Contract are satisfied, the insurance coverages set forth below.

These insurance requirements are minimum requirements for the Contract and in no way limit any indemnity covenants in the Contract. Puerto Rico Department of Housing (**PRDOH**) does not warrant that these minimum limits are sufficient to protect the **AWARDEE** from liabilities that might arise out of the performance of the work under the Contract by the **AWARDEE**, its agents, representatives, employees, or subcontractors.

The insurance required hereunder shall not be interpreted to relieve the **AWARDEE** of any obligations under the Contract. The **AWARDEE** shall remain fully liable for all deductibles and amounts in excess of the coverage actually realized.

B. Minimum scope and limit of insurance:

Coverage should be at least as broad as to be requested in applicable acquisition processes:

- 1. Surety Bonds:** The AWARDDEE must provide or cause those conducting the work to provide and maintain bonds covering the faithful performance of the contract and payment of all obligations in the following amounts:

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- a) **Bid Bond:** 5% of the contract value.
- b) **Performance Bond:** 100% of the contract value, including change orders.
- c) **Payment Bond:** 100% of the contract value, including change orders.

2. **Commercial General Liability Insurance**

The **AWARDEE** must provide or cause those conducting the work to provide and maintain Commercial General Liability Insurance (broad form coverage) insuring against claims for bodily injury, property damage, personal injury and advertising injury that shall be no less comprehensive and no more restrictive than the coverage provided by Insurance Services Office (**ISO**) form for Commercial General (**CG 00-01**). By its terms or appropriate endorsements such insurance shall include the following coverage, to wit: Bodily Injury, Property Damage, Fire Legal Liability, Personal Injury, Blanket Contractual, Independent Contractors, Premises Operations, Products and Completed Operations. The policy cannot be endorsed to exclude the perils of explosion (**x**), collapse (**c**) and underground (**u**) exposures without the specific written approval of the Owner.

If Commercial General Liability Insurance or other form with a general aggregate limit and products and completed operations aggregate limit is used, then the aggregate limits shall apply separately to the Project, or the **AWARDEE** may obtain separate insurance to provide the required limit which shall not be subject to depletion because of claims arising out of any other project or activity of the **AWARDEE**

Type of Coverage:	Occurrence Basis
Amount of Coverage	
• General Aggregate	\$2,000,000
• Each Occurrence	\$1,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Contractual Liability	\$1,000,000
• Fire Legal Liability	\$ 50,000
• Medical Expense	\$ 5,000

- a) Policy will include the following additional insured language: Puerto Rico Department of Housing (**PRDOH**), Puerto Rico Government, US Department of Housing and Urban Development (**HUD**), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the **AWARDEE**.
- b) Policy will contain a waiver of subrogation against Puerto Rico Department of Housing (**PRDOH**), Puerto Rico Government, US Department of Housing and Urban Development (**HUD**), its officers, officials, agents, and employees, for losses arising from work performed by or on behalf of the **AWARDEE**”.
- c) Duration of Coverage: liability policies shall continue coverage for a minimum of five (**5**) years for Completed Operations liability coverage. Such Insurance must be maintained, and evidence of insurance must be provided for at least five (**5**) years after completion of the contract of work.

3. **Automobile Liability Insurance**

The **AWARDEE** must provide or cause those conducting the work to provide and maintain Comprehensive Automobile Liability Insurance insuring against claims for bodily injury and property damage and covering the ownership, maintenance or use of any auto or all owned/leased and non-owned and hired vehicles (Symbols 2, 8 and 9) used in the performance of the Work, both on and off the Project Site, including loading and unloading. The coverage be provided by Insurance Services Office form for Commercial Auto Coverage (**CA-00-01**) or equivalent.

Type of Coverage:

Occurrence Basis

Amount of Coverage:

\$1,000,000 combined single limit

- a) Policy will include the following additional insured language: Puerto Rico Department of Housing (**PRDOH**), Puerto Rico Government, US Department of Housing and Urban Development (**HUD**), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the **AWARDEE**.

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b) Policy will contain a waiver of subrogation against: Puerto Rico Department of Housing (**PRDOH**), Puerto Rico Government, US Department of Housing and Urban Development (**HUD**), its officers, officials, agents, and employees, for losses arising from work performed by or on behalf of the **AWARDEE**.

4. **Workers’ Compensation and Employer’s Liability Insurance**

The **AWARDEE** must provide or cause those conducting the work to provide Worker’s Compensation Insurance with “Statutory Limits” as required by Act 45 of April 18, 1935, as amended, known as “The Workmen’s Accident Compensation Act” (*Ley del Sistema de Compensaciones por Accidentes del Trabajo*).

The **AWARDEE** must provide or cause those conducting the work to provide Employer Liability Insurance covering its legal obligation to pay damages because of bodily injury or occupational disease (including resulting death) sustained by an employee.

Amount of Coverage:	\$1,000,000 bodily injury by accident
	\$1,000,000 bodily injury by disease
	\$1,000,000 policy limit

5. **Umbrella/Excess Liability**

The **AWARDEE** must provide or cause those conducting the work to provide Umbrella/Excess Liability insurance limits as follows:

Coverage:	Written on a following form basis over the primary policies: Commercial General Liability, Employers’ Liability and Automobile Liability Insurance.
------------------	---

Limits	Each occurrence	\$10,000,000
	General Aggregate	\$10,000,000
	SIR	\$10,000

a) Any such excess insurance shall be at least as broad as the **AWARDEE 's** primary insurance.

- b) Policy will include the following additional insured language: Puerto Rico Department of Housing (**PRDOH**), Puerto Rico Government, US Department of Housing and Urban Development (**HUD**), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the **AWARDEE**.
- c) Duration of Coverage: umbrella/excess liability policies shall continue coverage for a minimum of five (**5**) years for Completed Operations liability coverage. Such Insurance must be maintained, and evidence of insurance must be provided for at least five (**5**) years after completion of the contract of work.

6. **Contractors Pollution Liability** to indemnify for bodily injury, property damage, or amounts which the **AWARDEE**, its employees, its agents, or its Contractors are legally obligated to pay for cleanup/remediation work arising out of or related to the services to be provided under this “Agreement”. Pollution Liability policy must include contractual liability coverage.

Amount of Coverage:	Per Loss	\$3,000,000
	Aggregate	\$3,000,000

- a) Coverage shall apply to sudden and gradual pollution conditions resulting from the escape of release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, natural gas, waste materials, or other irritants, contaminants, or pollutants (including asbestos). Policy shall cover the **AWARDEE** completed operations.
- b) If the coverage is written on a **claims-made basis**, the **AWARDEE** warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract; and that continuous coverage will be maintained, or an extended discovery period will be exercised for a period of five (**5**) years beginning from the time that work under this contract is completed.
- c) The policy shall be endorsed to include the following as Additional Insureds: Puerto Rico Department of Housing (**PRDOH**), Puerto Rico Government, US Department of Housing and Urban Development (**HUD**), its officers, agents, and employees named as an additional

insured with respect to liability and defense of suits arising out of the activities performed by, or on behalf of the **AWARDEE**, including completed operations.

- d) Endorsements CA9948 and MCS-90 are required on the Automobile Liability Coverage if the **AWARDEE** or its Contractors transports any type of hazardous materials.

7. Professional Liability Insurance

The **AWARDEE** must provide or cause those conducting the work to provide Professional Liability insurance with respect to negligent or wrongful acts, errors or omissions, or failure to render services in connection with the professional services to be provided under this “Agreement”. This insurance shall protect against claims arising from professional services of the insured, or by its employees, agents, or contractors, and includes coverage (or no exclusion) for contractual liability.

Amount of Coverage:	Per Claim	\$3,000,000
	Aggregate	\$3,000,000

- a) If the coverage is written on a **claims-made basis**, the **AWARDEE** warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract; and that continuous coverage will be maintained, or an extended discovery period will be exercised for a period of five (5) years beginning from the time that work under this contract is completed.

8. Builders’ Risk Insurance

Unless otherwise provided, **AWARDEE** will procure, pay for, and maintain, builder's risk (and/or Installation Floater) in the amount of the initial Contract Sum, plus value of subsequent Contract modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a value-at-risk-at-time-of-loss (**VARTOL**) valuation clause (as defined in the builders’ risk policy).

- a) Such builders risk insurance shall end when the first of the following occurs:

i. The **PRDOH** interest in the Work ceases;

- ii. the policy expires or is cancelled; or
- iii. the Work is accepted by **PRDOH**.

- b) **AWARDEE** is responsible for the deductible for any claim made against the policy. A separate certificate of insurance evidencing the coverage required herein shall be provided to **PRDOH**.
- c) The **PRDOH** shall be added as Additional Named Insured and Loss Payee.
- d) Policy must provide coverage from the time any covered property becomes the responsibility of the **AWARDEE**, and continue without interruption during construction, renovation, or installation, including any time during which the covered property is being transported to the construction installation site, or awaiting installation, whether on or off site.
- e) Builders' Risk Coverage shall be on a Special Covered Cause of Loss Form and shall include theft, vandalism, malicious mischief, collapse, false-work, temporary buildings and debris removal including demolition, increased cost of construction, architect's fees and expenses, flood (including water damage), earthquake, and if applicable, all below and above ground structures, piping, foundations including underground water and sewer mains, piling including the ground on which the structure rests and excavation, backfilling, filling, and grading. Equipment Breakdown Coverage (a.k.a. Boiler & Machinery) shall be included as required by the Contract Documents or by law, which shall specifically cover insured equipment during installation and testing (including hot testing, where applicable).
- f) The Builders' Risk shall be written for 100% of the completed value (replacement cost basis) of the work being performed. The Builders' Risk shall include the following provisions:
 - i. Replacement Cost Basis - including modification of the valuation clause to cover all costs needed to repair the structure or work (including overhead and profits) and will pay

based on the values figured at the time of rebuilding or repairing, not at the time of loss.

- g) If the project does not involve new or major reconstruction, at the option of Puerto Rico Department of Housing (**PRDOH**), the **SUBRECIPEINT** may provide an Installation Floater Policy in lieu of a Builders Risk policy, with the similar coverage as the Builder's Risk policy. For such projects, an Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the **SUBRECIPEINT's** site.

9. Other Coverages:

The **PRDOH** reserves the right to require **AWARDEE** to obtain and maintain additional insurance coverages, provided that such requests are reasonable and consistent with industry standards. The **AWARDEE** shall secure these additional coverages within a reasonable time frame following the Department's request, ensuring continuous compliance with contractual obligations.

C. Other Provisions

1. Acceptability of Insurers

The insurance company providing any of the insurance coverage required herein shall be an Insurance Company duly authorized to do business in Puerto Rico and approved by the Office of the Commissioner Insurance of Puerto Rico and classified by A.M. Best Co. with a rating of no less than financial strength of A or have a financial size of IV or better.

If at any time an insurer issuing any such policy does not meet the minimum A. M. Best rating, the **AWARDEE** shall obtain a policy with an insurer that meets the A. M. Best rating and shall submit another certificate of insurance as required in the contract.

2. Premiums, Deductibles and Self-Insured Retentions

The **AWARDEE** shall be responsible for payment of premiums for all of the insurance coverages required under this Section. The **AWARDEE** further agrees that for each claim, suit or action made against insurance provided hereunder, with respect to all matters for which the **AWARDEE** is responsible hereunder, the **AWARDEE** shall be solely responsible for all deductibles and self-insured retentions. Any deductible or self-insured retentions over **\$50,000.00** in the **AWARDEE** insurance must be declared and approved in writing by **PRDOH**.

3. Claims Made Policies

If any coverage required is written on a claims-made coverage form:

- a) The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work.
- b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of contract work.
- c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work.
- d) A copy of the claims reporting requirements must be submitted to the Entity for review.

4. Proof of Insurance

The **AWARDEE** shall submit proof of the Comprehensive General Liability (**CGL**) insurance and Workers' Compensation insurance policies to the **PRDOH** before the execution of the Grant Agreement. The **AWARDEE** shall also ensure that all other insurance policies and bonds required under this Agreement are secured by its subcontractors. The **AWARDEE** is responsible for providing to the **PRDOH** evidence of these additional insurance policies and bonds within five (5) days after the execution of each individual subcontract agreement.

5. Verification of Coverage

The **AWARDEE** shall provide a Certificate or Certificates of Insurance, in a form satisfactory to Puerto Rico Department of Housing (**PRDOH**) (i.e., an ACORD Certificate), before commencing any work under the contract or agreement.

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Certificates of Insurance shall:

- a) Be in the form acceptable to **PRDOH** (i.e.: an ACORD Certificate);
- b) Disclose any Deductible, Self-Insured Retention, Aggregate Limit or any exclusion to the policy that materially changes the coverage required by the contract.;
- c) Project/contract number and project description shall be noted on the certificate of insurance.;
- d) Be signed by an authorized representative of the Insurance carriers; and
- e) Contain the following language in the Description of Operations/Locations/Vehicles section:

“Additional Insured protection afforded is on a primary and non-contributory basis. A waiver of subrogation is granted in favor of the Additional Insureds.”

Only original documents (Certificate(s) and any Endorsements or other attachments) or electronic versions of the same that can be directly traced back to the Insurer, Agent or Broker via e-mail distribution or similar means will be accepted.

The **PRDOH** reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

All certificates required by this Agreement shall be sent directly to:

Sonia Damaris Rodríguez
Especialista en Seguros |CDBG-DR/MIT
Oficina de Recuperación de Desastres
Tel. (787)274-2527 ext. 4081
srodriguez@vivienda.pr.gov

6. Renewal Policies

The **AWARDEE** shall promptly deliver **PRDOH** a certificate of insurance with respect to each renewal policy, as necessary to demonstrate the maintenance of the required insurance coverage for the terms specified herein. Such certificate shall be delivered to **PRDOH** not less than 30 days prior to the

expiration date of any policy and bear a notation evidencing payment of the premium thereof.

7. Cancellation and Modification of Insurance Coverages

The **AWARDEE** shall be responsible for immediately notifying the **PRDOH** in writing of any changes or cancelations of its insurance or may be found in breach of the contract and the contract could be terminated. This notice requirement does not waive the insurance requirements contained herein.

8. Policies Primary and Non-Contributory

All policies required above are to be primary and noncontributory with any insurance programs carried by the **PRDOH**.

9. Waiver of Subrogation

AWARDEE hereby grants to **PRDOH** a waiver of any right to subrogation which any insurer of said **AWARDEE** may acquire against **PRDOH** by virtue of the payment of any loss under such insurance. **AWARDEE** agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not **PRDOH** has received a waiver of subrogation endorsement from the insurer.

10. Special Risks or Circumstances

The **PRDOH** reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

11. Subcontractors

The **AWARDEE** and its Contractors shall include all subcontractors as insureds under its policies or shall be responsible for verifying and maintaining the certificates provided by each subcontractor. Subcontractors shall be subject to all of the requirements stated herein. The agency reserves the right to request copies of subcontractor's certificates at any time.

12. No Recourse

There shall be no recourse against **PRDOH** for the payment of premiums or other amounts with respect to the insurance required from the **AWARDEE** under this Section.

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13. Limits of Coverage

If the **AWARDEE** maintains higher limits than the minimums shown below, **PRDOH** requires and shall be entitled to coverage for the higher limits maintained by the **AWARDEE**. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to **PRDOH**.

14. Indemnification/Hold Harmless Agreement

AWARDEE agrees to protect, defend, indemnify, save, and hold harmless, Puerto Rico Department of Housing (**PRDOH**), Puerto Rico Government, US Department of Housing and Urban Development (**HUD**), its officers, officials, agents, employees, and volunteers, from and against any and all claims, damages, expenses, and liability arising out of injury or death to any person or the damage, loss, or destruction of any property which may occur, or in any way grow out of, any act or omission of **AWARDEE**, its contractors, agents, servants, and employees, or any and all costs, expenses and/or attorney fees incurred by **AWARDEE** as a result of any claims, demands, suits or causes of action, except those claims, demands, suits, or causes of action arising out of the negligence of , Puerto Rico Department of Housing (**PRDOH**), Puerto Rico Government, US Department of Housing and Urban Development (**HUD**), its officers, officials, agents, employees, and volunteers. **AWARDEE** agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands, suits, or causes of action at its sole expense and agrees to bear all other costs and expenses related thereto, even if the claims, demands, suits, or causes of action are groundless, false or fraudulent.

15. 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 in amounts or limits, etc., with respect to insurance requirements, the conditions of insurance and bonds established in these Insurance Requirements and Bonding Specifications shall prevail over any other insurance specifications.