



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

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

**AGREEMENT FOR
DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE IMPLEMENTATION
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND
ELATION SYSTEMS, INC.**



This **AGREEMENT FOR DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE IMPLEMENTATION (Agreement or Contract)** is entered into in San Juan, Puerto Rico, this 28 of June, 2024, 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 at 606 Barbosa Avenue, San Juan, Puerto Rico, herein represented by William O. Rodríguez Rodríguez, attorney, of legal age, single, and resident of Guaynabo, Puerto Rico, in his capacity as Secretary; and **ELATION SYSTEMS, INC. (CONTRACTOR)**, with principal offices in 5000 Hopyard Road, Suite 405, Pleasanton CA 94588 herein represented by Rick Shi, in his capacity as President, of legal age, married, and resident of California, duly authorized by Corporate Resolution issued on June 3, 2024.

RS
RS

WDRR
WDRR

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

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

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

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

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

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

accountability and is committed to the responsible, efficient, and transparent administration of CDBG-DR grant funding.

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

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

RS
RS

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

WRR
WRR

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

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

WHEREAS, the PRDOH is interested in contracting Davis Bacon & Related Acts SaaS System for Compliance Implementation to assist PRDOH in collecting, cataloging, and overall management of the DBRA related requirements. This SaaS platform will be accessible by PRDOH, subrecipients, prime contractors, developers, entities with federal loans, and subcontractors for all construction-related projects in PRDOH's CDBG-DR and CDBG-MIT programs portfolio. This firm will support PRDOH's objectives of ensuring compliance with all CDBG-DR/MIT, HUD and applicable federal and local requirements, rules and regulations, as well as in PRDOH's objectives of the Action Plan, as amended, and adequately coordinating and monitoring all CDBG-DR/MIT related activities.

WHEREAS, on December 1, 2023, the PRDOH issued the Request for Proposals CDBG-DRMIT-RFP-2023-10 "Davis Bacon & Related Acts SaaS System for Compliance Implementation" with CDBG-DR/MIT funds. This request was placed through the "Registro Unico de Subastas del Gobierno" (**RUS**, for its Spanish acronym) and the CDBG-DR Program website. Through this procurement process, PRDOH received two (2) proposals. The proposals were evaluated by an Evaluation Committee appointed pursuant to Administrative Order No. 24-09 dated February, 8, 2024. The Evaluation committee performed an evaluation of the Proposals based on the criteria stated in the RFP.

WHEREAS, on January 31, 2024, the CONTRACTOR submitted a proposal, which fully complied with the requirements set forth by the PRDOH.

WHEREAS, the PRDOH desires to enter into an Agreement with Elation Systems, Inc. to secure its services and accepts the CONTRACTOR's Proposal and reasonable costs, and the CONTRACTOR by its acceptance of the terms and conditions of this Agreement is ready, willing and able to provide the requested services contemplated under this Agreement.

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

I. TYPE OF CONTRACT

Contract Type: This is a fixed fee and hourly contract. Under this Agreement, the CONTRACTOR shall submit monthly invoices to the PRDOH based on **Attachment C** (Compensation Schedule) and as the services are rendered. Any and all changes and/or modifications to this Agreement shall be in writing and must be signed by both Parties.

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

Attachment A	Proposal
Attachment B	Scope of Services
Attachment C	Compensation Schedule
Attachment D	Performance Requirements
Attachment E	Insurance Requirements
Attachment F	HUD General Provisions
Attachment G	Contractor Certification Requirement
Attachment H	Non-Conflict of Interest Certification

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

II. TERM OF AGREEMENT

- A.** This Agreement shall be in effect and enforceable between the Parties from the date of its execution. The Term of this Agreement will be for a performance period of **thirty-six (36) months**, ending on June, 27, 2027.
- B. Contract Extensions:** PRDOH may, at its sole discretion, extend the Agreement's term for two (2) additional terms of **twelve (12) months**, or expressed in days, **three hundred sixty-five (365) calendar days** upon mutual written agreement of the Parties.
- C.** The term of this Agreement shall not exceed the lifetime of the initial Grant Agreement between PRDOH and HUD unless the term of the initial Grant Agreement is extended by HUD, in which case the Agreement nor extension shall not exceed said extended period.

III. SCOPE OF SERVICES

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

IV. COMPENSATION AND PAYMENT

- A. The PRDOH agrees to pay the CONTRACTOR for allowable Services rendered under this Agreement in accordance with the rates and amounts described in **Attachment C** (Compensation Schedule) of this Agreement.
- B. The PRDOH will pay the CONTRACTOR, for allowable services performed during the term of this Agreement, a maximum amount not to exceed **TWO MILLION FIVE HUNDRED SIXTY THOUSAND FORTY-ONE DOLLARS (\$2,560,041.00)**; **Account Numbers: mita12adm-doh-na 4190-13-000, mita12adm-doh-na 4190-22-000, r02a01adm-doh-na 4190-13-000, and r02a01adm-doh-na 4190-22-000.**
- C. Such payment shall be compensation for all allowable services required, performed, and accepted under this Agreement included in **Attachment B** (Scope of Services), **Attachment C** (Compensation Schedule), and **Attachment D** (Performance Requirements).
- D. Any additional funds to complete the services requested by the PRDOH to the CONTRACTOR will be subject to evaluation before acceptance as well as funds availability and will require a written amendment to this Agreement signed by both Parties.
- E. The CONTRACTOR shall submit an invoice to PRDOH on a monthly basis. Said invoice must be submitted including all required invoice supporting documents, including but not limited to monthly reports, timesheets, invoice and photos evidence, expense plan and/or work projections. If PRDOH determines that the submitted invoice and supporting documents are acceptable, then the invoice will be approved for payment.
- F. The services rendered under the Agreement, shall be payable within **forty-five (45) business days** from the date the invoice is received and approved by a PRDOH representative for payment. If PRDOH raises any objections, PRDOH will return the invoice for corrections and the CONTRACTOR shall modify the invoice and return it within **five (5) business days**. Once the CONTRACTOR returns the modified invoice, the PRDOH shall resume and conclude the payment process within the next **forty-five (45) business days**, counted from receiving the duly modified invoice and approved by a PRDOH representative for payment.
- G. An authorized representative of the PRDOH will review each invoice and, if adequate, will approve and process its payment. Payments to the CONTRACTOR shall be made by electronic funds transfer (**EFT**). PRDOH reserves the right to conduct any audits it deems necessary. The CONTRACTOR agrees to cooperate fully with any such audit or audits which includes, but is not limited to, after Agreement's expiration or termination.
- H. While providing the services under this Agreement, the CONTRACTOR must adhere to applicable requirements of the CDBG-DR/MIT grant. If the CONTRACTOR performs ineligible activities under the CDBG-DR/MIT grant or program, the CONTRACTOR cannot include them in the invoice for payment to the CONTRACTOR.
- I. CONTRACTOR shall be liable to the PRDOH for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Agreement.

RS
RS

WRR
WRR

CONTRACTOR shall reimburse such disallowed costs from funds other than those CONTRACTOR received under this Agreement.

- J. The CONTRACTOR acknowledges and agrees to repay any CDBG-DR/MIT funds used for ineligible costs. As per, CDBG-DR Recapture of Funds Policy, as found in the CDBG-DR Website (<https://recuperacion.pr.gov/welcome/index.html>), which are herein included and made an integral part of this Agreement, as they may be updated time to time, and any local or federal regulation, as applicable.
- K. In order for the CONTRACTOR to receive payment for any work performed hereunder, the following certification must be included in each application for payment or invoice submitted to the PRDOH for payment:

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

V. REIMBURSABLE EXPENSES

The PRDOH will not reimburse any costs incurred by the CONTRACTOR not included in the approved Proposal or in an executed written amendment.

VI. ADDITIONAL SERVICES

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

VII. OWNERSHIP AND USE OF DOCUMENTS

- A. With the exception of the CONTRACTOR's working papers, the CONTRACTOR acknowledges the PRDOH's ownership of all information, drafts, documents, reports, papers, and other materials developed and prepared by the CONTRACTOR, its agents or representatives, for purposes of performing key obligations hereunder. In the event of any termination, which includes but is not limited to closeout process, the CONTRACTOR shall deliver such information, drafts, reports, papers and other materials to the PRDOH, in document form or as computer program data, and the CONTRACTOR recognizes the PRDOH's right to request such documentation or computer program data. If the CONTRACTOR fails to deliver said information, the PRDOH may seek a judicial order to enforce its rights.
- B. Proof of expenditures incurred by the CONTRACTOR on behalf of PRDOH must be made available to PRDOH. The CONTRACTOR agrees to maintain accurate records and files of all contract documents, correspondence, book estimates, bills, and other information related to the CONTRACTOR account. These documents shall be open for the PRDOH examination at all reasonable times during the term of this Agreement,

RS

WRR

and up to **five (5) years** from the closeout of the grant to the state concludes, or the period required by other local applicable laws and regulations.

VIII. WORK FOR HIRE

The CONTRACTOR expressly acknowledges and agrees that all proprietary materials prepared under this Agreement shall be considered "Work Made for Hire" as defined under the Copyright Act, as amended, 17 U.S.C. § 10, and must be the exclusive property of PRDOH. These materials shall include, but shall not be limited to, any and all deliverables resulting from the Services or contemplated by the Agreement, all tangible results and proceeds of the Services, works in progress, records, diagrams, notes, drawings, specifications, schematics, documents, designs, improvements, inventions, discoveries, developments, trademarks, trade secrets, customer lists, codes, computer programs, databases, software, programs, middleware, applications, and solutions conceived, created, or discovered by the CONTRACTOR, whether independently or collaboratively, during the Services. These materials will encompass anything that may and/or has circumstantial, indirect, or direct connection with the Agreement.

RS
RS

WORR
WORR

The CONTRACTOR commits to exercising the standard of care that a reasonably prudent person would have exercised in a similar situation, diligently safeguarding all proprietary materials, indemnifying PRDOH for any fault or negligence on its part. Additionally, the CONTRACTOR pledges to cooperate with PRDOH in any claim they may have against a third party for use of any proprietary materials.

The CONTRACTOR agrees that, under no circumstances, if the Images contain sensitive or confidential information, they shall not use these Images in their portfolio or for any other purpose that may compromise the confidentiality of the information. The CONTRACTOR acknowledges and respects the need to maintain the confidentiality of such content and refrains from using it in any manner that could disclose or compromise this confidentiality.

IX. DOCUMENTATION AND RECORDKEEPING

- A. Records to be Maintained:** The CONTRACTOR shall maintain records of the state and units of general local government, including supporting documentation, which must be retained for **five (5) years** from the closeout of the grant to the state concludes, or the period required by other local applicable laws and regulations, whichever is greater. Such records include but are not limited to: Records providing a full description of each activity undertaken; Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-DR/MIT program; Records required to determine the eligibility of activities; Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG-DR/MIT assistance; Records documenting compliance with the fair housing and equal opportunity requirements of the CDBG-DR/MIT program regulations; Financial records as required by 24 C.F.R. § 570.506, and 2 C.F.R. part 200, including records necessary to demonstrate compliance with all applicable procurement requirements; and other records necessary to document compliance with this Agreement, any other applicable Federal statutes and regulations, and the terms and conditions of PRDOH's Federal award.
- B. Access to Records:** The CONTRACTOR shall permit the PRDOH and auditors to have access to the CONTRACTOR's records and financial statements as necessary for the PRDOH to meet its audit requirements under the Federal award.

- C. Record Retention and Transmission of Records to the PRDOH:** Prior to closeout of this Agreement, the CONTRACTOR must transmit to the PRDOH records sufficient for the PRDOH to demonstrate and satisfy that all costs under this Agreement met the requirements of the Federal award.
- D. CONTRACTOR's Data and Privileged Information:** The CONTRACTOR is required to maintain confidential data demonstrating client eligibility for activities provided under this Agreement. Such data may include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of activities provided.
- E. PII Policy:** The CONTRACTOR must comply with the PRDOH CDBG-DR/MIT Personal Identifiable Information Policy, as found in the CDBG-DR/MIT Website (<https://recuperacion.pr.gov/welcome/index.html>), which is herein included and made an integral part of this Agreement, as it may be updated from time to time.

X. ACCESS TO RECORDS

- A.** The CONTRACTOR agrees to provide the Government of Puerto Rico, PRDOH, HUD's Secretary, the Comptroller General of the United States, or any of their authorized representative's access to any books, documents, papers, and records of the CONTRACTOR which are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions. The access includes, but is not limited to, as contemplated on section "VIII. Work for Hire".
- B.** The CONTRACTOR agrees to permit any of the foregoing Parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

XI. NON-DISCLOSURE AND CONFIDENTIALITY

- A. Confidential Information; Definition:** The term Confidential Information as used throughout this Section, means any information concerning PRDOH operations and that of its CONTRACTOR (e.g., the projects, computer processing systems, object and source codes and other PRDOH business and financial affairs). The term Confidential Information shall also deem to include all notes, analysis, compilation, studies and interpretation or other documents prepared by CONTRACTOR, its agents or representatives, in connection with PRDOH operations.
- B. Non-Disclosure:** CONTRACTOR agrees to take all reasonable steps or measures to keep confidential all Confidential Information and will not, at any time, present or future, without PRDOH express written authorization, signed by the Secretary of the PRDOH, use or sell, market or disclose any Confidential Information to any third party, contractor, corporation, or association for any purpose whatsoever. CONTRACTOR further agrees that, except as they relate to the normal course of the service, the CONTRACTOR will not make copies of the Confidential Information except upon PRDOH express written authorization, signed by an authorized representative of PRDOH, and will not remove any copy or sample of Confidential Information without prior signed written authorization from PRDOH. CONTRACTOR retains the right to control its work papers subject to these confidentiality provisions.
- C. Return Documents:** Upon receipt of written request from the PRDOH, CONTRACTOR will return to PRDOH all copies or samples of Confidential Information which, at the time of the notice are in CONTRACTOR's or its agent's possession. CONTRACTOR reserves the right to retain a set of its work papers.

- D. Equitable Relief:** The CONTRACTOR acknowledges and agrees that a breach of the provision of subparagraph B and C of this Section will cause PRDOH to suffer irreparable damage that could not be remedied or compensated adequately only by mere monetary retribution. The CONTRACTOR further agrees that money damages may not be a sufficient remedy for any breach of this Section. Accordingly, the CONTRACTOR agrees that PRDOH shall have the right to seek injunctive relief and the specific performance of the provisions of this Section to enjoin a breach or attempted breach of the provision hereof, such right being in addition to any and all other rights and remedies that are available to PRDOH by law, equity, or otherwise.

XII. PERFORMANCE WARRANTY

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

XIII. TERMINATION

- A. Termination for Cause or Default:** The PRDOH may terminate this Agreement, in whole or in part, because of CONTRACTOR's failure to fulfill any of its obligations. The PRDOH shall terminate this Agreement by delivering to the CONTRACTOR a **thirty (30) calendar day** notice of termination specifying the extent to which the performance of the service under this Agreement is terminated, the reason therefor and the effective date of termination. CONTRACTOR shall, upon written notice, be provided a **ten (10) calendar day** opportunity to cure the alleged defect that resulted in the perceived default. If the defect is not cured within that period of time, CONTRACTOR shall immediately discontinue all such services being terminated and deliver to the PRDOH all information, notes, drafts, documents, analysis, reports, compilations, studies and other materials accumulated or generated in performing the services contemplated in this Agreement, whether completed or in process. Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the PRDOH for damage sustained to PRDOH CDBG-DR/MIT Program by virtue of any breach of the Agreement by the CONTRACTOR. The PRDOH may withhold any payments to the CONTRACTOR, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the PRDOH by the CONTRACTOR. PRDOH shall make payment, in accordance with the terms of this Agreement, of any amounts due to CONTRACTOR for allowable services rendered prior to the termination notice.

B. Termination for Convenience: The PRDOH may terminate this Agreement, in whole or in part, whenever the PRDOH determines that such termination is necessary or convenient to the Agency. The PRDOH will terminate this Agreement by delivering to the CONTRACTOR a **thirty (30) calendar days'** notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the effective date of termination. Upon receipt of such notice, the CONTRACTOR shall immediately discontinue all services affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. In the event of termination by Notice, the PRDOH shall only be liable for payment of services rendered up to and including the effective date of termination, taking into account the CONTRACTOR's obligation to immediately discontinue all affected services upon receipt of the termination notice. PRDOH shall make payment, in accordance with the terms of this Agreement, of any amounts due to CONTRACTOR for allowable services rendered prior to the termination notice.

RS
RS

WRR
WRR

C. Termination by Unilateral Abandonment: The PRDOH will consider this Agreement immediately terminated, in the event that the CONTRACTOR unilaterally and without prior notice, chooses to abandon (in any shape, form or fashion according to what PRDOH deduces) cease and desist in the specific performance of its general and particular duties and responsibilities as agreed in this Agreement. Upon the knowledge of such event, the PRDOH will not be held liable and will immediately, automatically and retroactively deduct from any future reimbursement, all funds from the day such unilateral abandonment took place. The PRDOH will not be compelled to continue the performance of this Agreement, should the CONTRACTOR breach this Agreement by unilateral abandonment. For the purposes of this Section, Abandonment shall mean that CONTRACTOR voluntarily and intentionally disavows its contractual duties in a manner that is overt and without question a relinquishment of said contractual duties.

D. Unilateral Termination: The PRDOH may terminate this Agreement, in whole or in part, at PRDOH's sole discretion, with or without cause, at any time. The PRDOH will terminate this Agreement by delivering to the CONTRACTOR a **thirty (30) calendar days'** notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the effective date of termination. Upon receipt of such notice, the CONTRACTOR shall immediately discontinue all services affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. In the event of termination by Notice, the PRDOH shall only be liable for payment of services rendered up to and including the effective date of termination, taking into account the CONTRACTOR's obligation to immediately discontinue all affected services upon receipt of the termination notice.

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

F. Immediate Termination: In the event the CONTRACTOR is subjected to a criminal or civil action, suit, proceeding, inquiry or court of applicable jurisdiction, or any governmental agency, or the CONTRACTOR shall be subject to an order, judgment, or opinion, issued by any federal or local authority, a court of applicable jurisdiction, or any governmental agency, in connection with the execution, delivery, and performance by the CONTRACTOR of this Agreement or the CONTRACTOR of this Agreement has been noncompliant, breach, inaccuracy of any representation, warranties, covenants, or the certifications provided herein, whether the

noncompliance, breach or inaccuracy takes place before or after the execution of this Agreement, the PRDOH shall have the right to the immediate termination of this Agreement notwithstanding, any provisions to the contrary herein. This Section will apply, but is not limited to, in the event of any judgment that may obligate the PRDOH to terminate the Agreement pursuant to Act Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico.

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

XIV. PENALTIES AND LIQUIDATED DAMAGES

A. Penalties

1. In the event the CONTRACTOR is determined to have engaged in any proscribed conduct or otherwise is in default as to any applicable term, condition, or requirement of this Agreement, at any time following the Effective Date of the Agreement, the CONTRACTOR agrees that PRDOH may impose sanctions against the CONTRACTOR for any default in accordance with **Attachment B** (Scope of Services) and **Attachment D** (Performance Requirements) and this Section. Refer to all required provisions set forth at 2 C.F.R. § 200.326 and 24 C.F.R. § 570.489(g), if applicable, and the Contract and Subrecipient Agreement Manual, Section 2, Subsection 2.4.1(a), as found in the CDBG-DR/MIT Website (<https://recuperacion.pr.gov/welcome/index.html>) which is herein included and made an integral part of this Agreement, as it may be updated from time to time.
2. If the CONTRACTOR fails to comply with federal and/or local statutes, regulations or the terms and conditions of the Agreement, PRDOH may take one or more of the following actions:
 - i. Temporarily withhold cash payments pending correction of the deficiency by the CONTRACTOR.
 - ii. Disallow all or part of the cost of the activity or action not in compliance.
 - iii. Initiate suspension or debarment proceedings as authorized under 2 C.F.R. part 180.
 - iv. Withhold further Federal awards for the project or program.
 - v. Take other remedies that may be legally available.

B. Liquidated damages

The CONTRACTOR shall pay to PRDOH, as liquidated damages, **one hundred dollars (\$100.00)** for each calendar day that any task deliverable required is late until deemed in compliance subject to a maximum of **one thousand dollars (\$1,000.00)** established in this Agreement between PRDOH and the CONTRACTOR, in accordance with **Attachment B** (Scope of Services) and **Attachment D** (Performance Requirements). Said sum, in view of the difficulty of accurately ascertaining the loss which PRDOH will suffer by reason of delay in the completion of the **Work hereunder**, is hereby fixed and agreed as the liquidated damages that PRDOH will suffer by reason of such delay. Liquidated damages received hereunder are not intended to be nor shall they be treated as either a partial or full waiver or discharge of PRDOH's right to indemnification, or the CONTRACTOR's obligation to indemnify the PRDOH pursuant to this Contract, or to any other remedy provided for in this Contract or by Law. Liquidated damages may be assessed at the sole discretion of PRDOH. For the purpose of applying and calculating such liquidated damages, a grace period of **ten (10) business days** shall be observed. The PRDOH may deduct and retain out of the monies which may become due hereunder, the amount of any such liquidated damages; and in case the amount which may become due hereunder shall be less than the amount of liquidated damages due to the PRDOH per the formula above, the CONTRACTOR shall be liable to pay the difference.

XV. LIABILITY

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

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

XVI. INSURANCE

A. Required Coverage

The CONTRACTOR shall keep in force and effect for the period beginning from the execution of the Agreement and ending at the completion of all services to be provided hereunder which are included in the **Attachment B** (Scope of Services) and **Attachment D** (Performance Requirements), insurance policies in compliance with the Insurance Requirements, attached hereto and made an integral part hereof as **Attachment E** (Insurance Requirements). The CONTRACTOR shall meet all other insurance requirements as may be imposed by PRDOH from time to time.

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

Any deductible amount, under any of the policies, will be assumed in whole by the CONTRACTOR for any and all losses, claims, expenses, suits, damages, costs, demands or

RS
RS

WORR
WORR

liabilities, joint and several of whatever kind and nature arising from the Agreement resulting from this solicitation by and between the CONTRACTOR and PRDOH.

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

B. Endorsements

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

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

The CONTRACTOR shall furnish to PRDOH, prior to commencement of the work, certificates of insurance from insurers with a rating by the A.M. Best Co. of B+ and five (5) or over on all policies, reflecting policies in force, and shall also provide certificates evidencing all renewals of such policies. Insurers shall retain an A.M. Best Co. rating of B+ and five (5) or over on all policies throughout the term of this Agreement and all policy periods required herein. The insurance company must be authorized to do business in Puerto Rico and be in good standing. The CONTRACTOR is solely responsible for reviewing whether the insurance company complies with the requirements included in this section.

C. Related Requirements

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

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

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

The CONTRACTOR shall require all subcontractors or consultants to maintain in force all insurance policies and/or bonds necessary to cover their individual participation in the risk or risks related to the subcontracted work or service to be rendered. The CONTRACTOR may provide the coverage for any or all of its subcontractors and if so, the evidence of insurance submitted shall so stipulate and adhere to the same requirements and conditions as outlined above.

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

RS

WORR
WORR

XVII. HOLD HARMLESS

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

XVIII. 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, or declare by the United States of America, strike, labor dispute or unrest, embargo, war, insurrection or civil unrest, any Force Majeure including inclement weather, herein collectively referred to as Force Majeure during the term of this Agreement, neither the PRDOH nor the CONTRACTOR shall be liable to the other party for nonperformance during the conditions created by such event. The party claiming Force Majeure shall exercise due diligence to prevent, eliminate, or overcome such Force Majeure event where it is possible to do so and shall resume performance at the earliest possible date.

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

XIX. CONFLICTS OF INTEREST

The CONTRACTOR must comply with the ethics requirements set forth herein including, but not limited to federal and local regulations, and warrant that to the best of its

knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of the work under a PRDOH contract and CONTRACTOR'S organizational, financial, contractual or other interest are such that:

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

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

RS
RS

WRR
WRR

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

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

XX. INDEPENDENT CONTRACTOR

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

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

The CONTRACTOR is solely responsible for making all deductions and withholdings from its employees' salaries and other compensation and paying all contributions, taxes and

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

XXI. NOTICES

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

RS
RS

WORR
WORR

To: PRDOH

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

To: CONTRACTOR

Rick Shi
President
Elation Systems, Inc.
5000 Hopyard Road, Suite 405,
Pleasanton, CA, 94588

XXII. THIRD PARTIES

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

XXIII. SUBCONTRACTS

A. General: All subcontracts shall contain the applicable provisions described in **Attachment F** (HUD General Provisions), as well as applicable provisions set forth in 2 C.F.R. § 200.101. PRDOH shall review subcontracts as part of the compliance, monitoring, and oversight process performed by PRDOH or upon request.

B. Specific Requirements: All subcontracts must contain provisions specifying:

- i. That the work performed by the subcontractor be in accordance with the applicable terms of this Agreement between PRDOH and CONTRACTOR;
- ii. That nothing contained in such subcontract agreement shall impair the rights of PRDOH;
- iii. That nothing contained herein, or under this Agreement will create any contractual relation between the subcontractor and PRDOH;

- iv. That the subcontractor specifically agrees to be bound by the confidentiality provision regarding Personal Identifiable Information set forth in this Agreement;
- v. That CONTRACTOR will be responsible for ensuring all subcontract work is performed consistent with federal and state regulations and/or policies to be eligible for reimbursement of the approved work; and
- vi. All Federal flow down provisions are included in the subcontract agreement per Federal guidelines.

C. Monitoring: CONTRACTOR shall diligently monitor all subcontracted services. If CONTRACTOR discovers any areas of noncompliance, CONTRACTOR shall provide to PRDOH summarized written reports supported with documented evidence of corrective action.

D. Content: CONTRACTOR shall cause all the applicable provisions of this Agreement to be included in, and made a part of, any subcontract executed in the performance of this Agreement.

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

XXIV. CERTIFICATION OF COMPLIANCE WITH LEGAL REQUIREMENTS

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

A. Compliance with Executive Order No. 24: Pursuant to Executive Order No.24 of June 18, 1991, the CONTRACTOR certifies and guarantees that at the signing of this Agreement it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last **five (5) years**. The CONTRACTOR further certifies that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The CONTRACTOR expressly agrees that the conditions outlined throughout this Section are essential requirements of this Agreement; thus, should any one of these representations, warrants, and certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for PRDOH to render this Agreement null and void and the CONTRACTOR reimburse to PRDOH all money received under this Agreement. The CONTRACTOR shall hand out, to the satisfaction of the PRDOH and whenever requested by the PRDOH during the term of this Agreement, the necessary documentation to support its compliance of this clause. The CONTRACTOR will be given a specific amount of time by the PRDOH to produce said documents. During the term of this Agreement, the CONTRACTOR agrees to pay and/or to remain current

with any repayment plan agreed to by the CONTRACTOR with the Government of Puerto Rico.

- RS
RS
- WDRR
WDRR
- B. Compliance with Executive Order 52:** Pursuant to Executive Order No. 52 of August 28, 1992, amending Executive Order No. 1991-24, the CONTRACTOR certifies and warrants that at the time of signing this Agreement, it has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment plan in connection with any such unpaid items and is in full compliance with the terms thereof. The CONTRACTOR expressly agrees that the conditions outlined throughout this Section are essential requirements of this Agreement; thus, should any one of these representations, warrants, and certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for PRDOH to render this Agreement null and void and the CONTRACTOR reimburse to PRDOH all money received under this Agreement. The CONTRACTOR accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every CONTRACTOR and subcontractor whose service the CONTRACTOR has secured in connection with the services to be rendered under this Agreement and shall forward evidence to PRDOH as to its compliance with this requirement.

- C. Compliance with Circular Letter No. 1300-16-16 of the Puerto Rico Department of Treasury:** The CONTRACTOR accepts and acknowledges its responsibility of acquiring the certifications required in the Puerto Rico Department of Treasury Circular Letter No. 1300-16-16 issued on January 19, 2016. All certifications must be submitted during their term of validity, in accordance with applicable laws. Certifications expired or issued more than **sixty (60) calendar days** prior to the contract date will not be accepted. The last payment to be made under the contract will only be issued if the 'Debt Certifications' by the Puerto Rico Department of Treasury indicate that the CONTRACTOR has no debt with the Department of Treasury. The CONTRACTOR agrees to cancel any debt that cannot be clarified with the Department of the Treasury through a withholding made by PRDOH from the payments to which it is entitled to receive under the contract.

- D. Social Security and Income Tax Retentions:** The CONTRACTOR will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income from this Agreement.

- E. Government of Puerto Rico Municipal Tax Collection Center (CRIM, for its Spanish acronym):** The CONTRACTOR certifies and guarantees that at the signing of this Agreement it has no current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center. The CONTRACTOR further certifies to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. The CONTRACTOR shall hand out, to the satisfaction of the PRDOH and whenever requested by the PRDOH during the term of this Agreement, the necessary documentation to support its compliance of this clause. The CONTRACTOR will deliver upon request any documentation requested under this clause as per request of PRDOH. During the Term of this Agreement, the CONTRACTOR agrees to pay and/or to remain current with any repayment plan agreed to by the CONTRACTOR with the Government of Puerto Rico with regards to its property taxes.

- F. Income Tax Withholding:** The PRDOH shall retain the corresponding amount from all payments made to the CONTRACTOR, as required by the Puerto Rico Internal Revenue Code. The PRDOH will advance such withholdings to the Government of

Puerto Rico's Treasury Department (known in Spanish as *Departamento de Hacienda del Gobierno de Puerto Rico*). The PRDOH will adjust such withholdings provided the CONTRACTOR produces satisfactory evidence of partial or total exemption from withholding.

- G. Compliance with Act No. 45 of April 18, 1935, as amended, 11 LPRA § 1, et seq.:** The CONTRACTOR certifies and guarantees that at the signing of this Agreement has valid insurance issued by the State Insurance Fund Corporation (CFSE, for its Spanish Acronym), as established by Act No. 45, *supra*, known as the "Puerto Rico Workers' Accident Compensation Act".
- H. Government of Puerto Rico's Agency for the Collection of Child Support (ASUME, for its Spanish acronym):** The CONTRACTOR certifies and guarantees that at the signing of this Agreement that the CONTRACTOR nor any of its Partners, if applicable, have any debt or outstanding debt collection legal procedures with regards to child support payments that may be registered with the Government of Puerto Rico's Child Support Administration. The CONTRACTOR hereby certifies that it is a limited liability company organized and existing in good standing under the laws of the Government of Puerto Rico. The CONTRACTOR shall present, to the satisfaction of PRDOH, the necessary documentation to substantiate the same. The CONTRACTOR will be given a specific amount of time by PRDOH to deliver said documents.
- I. Compliance with Act No. 168-2000, as amended, 8 LPRA § 711, et seq.:** The CONTRACTOR is in full compliance with Act No. 168-2000, as amended, known as "Act for the Improvement of Elderly Support of Puerto Rico."
- J. Compliance with Act No. 1-2012, as amended, 3 LPRA § 1854, et seq.:** The PRDOH and the CONTRACTOR hereby certify that in signing this Agreement they are in compliance with Act No. 1-2012, as amended, known as the "Puerto Rico Government Ethics Act of 2011", in connection with the possibility of a conflict of interest.
- K. Clause of Governmental Ethics Certification of Absence of Conflict of Interests:** The CONTRACTOR certifies that: (1) No public servant of this executive agency has a pecuniary interest in this contract, purchase or commercial transaction. (2) No public servant of this executive agency has requested me or accepted from me, directly or indirectly, for him (her), for any member of his family unit or for any person, gifts, bonuses, favors, services, donations, loans or anything else of monetary value. (3) No public servant (s) requested or accepted any good of economic value, linked to this transaction, from any person of my entity as payment for performing the duties and responsibilities of their employment. (4) No public servant has requested from me, directly or indirectly, for him (her), for any member of her family unit, or for any other person, business or entity, some of economic value, including gifts, loans, promises, favors or services in exchange for the performance of said public servant is influenced in my favor or of my entity. (5) I have no kinship relationship, within the fourth degree of consanguinity and second by affinity, with any public servant who has the power to influence and participate in the institutional decisions of this executive agency.
- L. Ethics:** CONTRACTOR also acknowledges receipt and agrees to obey the Anticorruption Code for the New Puerto Rico, Act No. 2-2018, as amended, 3 LPRA § 1881, et seq., known in Spanish as "Código Anticorrupción para el Nuevo Puerto Rico".

RS

WRR

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

1. It has not been convicted, nor has pleaded guilty at a state or federal bar, in any jurisdiction of the United States of America, of crimes consisting of fraud, embezzlement or misappropriation of public funds, as stated in Act No. 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico, which prohibits the award of Offers or government contracts to those convicted of fraud, misappropriation of public fund.
2. It understands and accepts that any guilty plea or conviction for any of the crimes specified in Article 3 of said Act, will also result in the immediate cancellation of any contracts in force at the time of conviction, between the undersigned and whichever Government Agencies, Instrumentalities, Public Corporations, Municipalities and the Legislative or Judicial Branches.
3. It declares under oath the above mentioned in conformity with what is established as in Act No. 2 of January 2, 2018, as amended, known as the "Anti-Corruption Code for the New Puerto Rico", which prohibits awarding Offers for government contracts, to those convicted of fraud, embezzlement or misappropriation of public funds.
4. The CONTRACTOR represents and guarantees that none of its employees, officials or agents have been convicted of a felony or misdemeanor as described in this sub-section. Moreover, the CONTRACTOR agrees to notify PRDOH should any employee, official, or agent is convicted of a felony or misdemeanor as described in this sub-section after the date of this Agreement. Said notice shall be made within **ten (10) business days** from the time of the conviction.

N. Other payments or compensation: The CONTRACTOR certifies that it does not receive payment or compensation for regular services rendered as an official or public employee to another government entity, agency, public corporation or municipality, and knows the ethical standards of his profession and assumes responsibility for his actions.

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

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

RS
RS

WRR
WRR

Q. Compliance with PRITS Administrative Order (PRITS-2023-001) Act No. 75 of July 25, 2019, as amended, "Puerto Rico Innovation and Technology Service Act of 2019": The PRDOH hereby certifies that it received the approval of the Puerto Rico Innovation and Technology Service (PRITS) to execute this Agreement and that it complies with Act No. 75-2019, as amended. The CONTRACTOR, seller, or provider of the good or service object of the current invoice or contract, consents and agrees that PRITS may contact them and request any and/or all information regarding the goods and/or services offered to the Government of Puerto Rico, sans the intervention or consent of the contracting agency or acquirer.

The CONTRACTOR or Supplier certifies the current contract will in no way impact and/or adversely influence the current contractual agreements with any other instrumentality or entity of the Government of Puerto Rico. The CONTRACTOR particularly represents that the current contract or purchase order will not, in any way, negatively affect other obligations of the CONTRACTOR or Supplier, its affiliates, subsidiaries, and/or related entities with the Government of Puerto Rico. Adverse impact includes, but is not limited to, price, rate, time of execution, duplicity of goods or services provided to the Government of Puerto Rico. If at any moment the CONTRACTOR or Supplier becomes aware of a possible adverse impact, it must notify PRDOH of the current situation. PRDOH, in turn, is authorized to contact the Government of Puerto Rico's component which is related to the adverse situation to assess a solution. The result of the assessment may include, the contract or purchase order remaining unaltered, or being amended or rescinded, thus, remaining the CONTRACTOR or Supplier responsible for any impairment that the Government of Puerto Rico suffers. If, due to the CONTRACTOR'S or Supplier's negligence, intention, omission or non-compliance, they allow the adverse situation to materialize. The CONTRACTOR or Supplier proactively agrees to not enter into additional contracts or purchase orders with the Government of Puerto Rico if it can reasonably foresee the lack or decrease of capacity to assume new contractual responsibilities or compliance with the Purchase Order. The latter, if by not being proactive, the CONTRACTOR or Supplier, with the responsibilities or compliance adversely affect the obligations assumed through Contract or Purchase Order.

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

The Parties to this Agreement agree that its effective date will be subject to the due registration and remittance to the Office of the Comptroller of Puerto Rico. No rendering or consideration subject matter of this Agreement will be required before its registration at the Office of the Comptroller of Puerto Rico pursuant to Act No. 18 of October 30, 1975, as amended. The CONTRACTOR will be responsible for ensuring that this Agreement has been registered before the rendering of services by requesting a copy of the registered Agreement with its proper number and date of registry. No services under this Agreement will continue to be delivered after its termination date unless at the expiration date, an amendment signed by both Parties and duly registered exists. No services performed in violation of this provision will be paid. The party violating this clause will be doing so without any legal authority, this action will be deemed as *ultra vires*.

XXVI. MEMORANDUM NO. 2021-003; CIRCULAR LETTER 001-2021 OF THE OFFICE OF THE CHIEF OF STAFF OF THE GOVERNOR (SECRETARÍA DE LA GOBERNACIÓN) & THE OFFICE OF MANAGEMENT AND BUDGET (OFICINA DE GERENCIA Y PRESUPUESTO)

A. Interagency Services Clause: Both contracting Parties acknowledge and agree that services retained may be provided to any entity of the Executive Branch with which the contracting entity makes an interagency agreement or by direct provision of the

Office of the Chief of Staff of the Governor (*Secretaría de la Gobernación*). These services will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Agreement. For purposes of this clause, the term "Executive Branch entity" includes all agencies of the Government of Puerto Rico, as well as public instrumentalities and public corporations and the Office of the Governor.

B. Termination Clause: The Chief of Staff (*Secretaría de la Gobernación*) of the Governor shall have the power to terminate this Agreement at any time.

C. Contract Review Policy of the Financial Supervision and Administration Board for Puerto Rico: The Parties acknowledge that the CONTRACTOR has submitted the certification entitled "Contractor Certification Requirement" required in accordance with the Contract Review Policy of the Financial Oversight and Management Board (**FOMB**) for Puerto Rico, effective as of November 6, 2017, as amended on October 30, 2020, signed by the Contractor's Executive Director (or another official with an equivalent position or authority to issue such certifications). A signed copy of the "Contractor's Certification Requirement" is included as **Attachment G** (Contractor Certification Requirement) to this contract.

RS

WDRR

XXVII. MEMORANDUM NO. 2021-029; CIRCULAR LETTER NO. 013-2021 OF THE OFFICE OF THE CHIEF OF STAFF OF THE GOVERNOR (SECRETARÍA DE LA GOBERNACIÓN) & THE OFFICE OF MANAGEMENT AND BUDGET (OFICINA DE GERENCIA Y PRESUPUESTO):

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

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

The CONTRACTOR acknowledges that HUD financial assistance will be used to fund the Agreement only. Also, the CONTRACTOR shall comply with all applicable Federal, state and local laws, rules, regulations, and policies relating to CDBG-DR/MIT and CDBG

Program services. This includes without limitation, applicable Federal Registers; 2 C.F.R. part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Housing and Community Development Act of 1974; 24 C.F.R. part 570 Community Development Block Grant; applicable waivers; Fair Housing Act, 24 C.F.R. Part 35, 24 C.F.R. Part 58, 24 C.F.R. Part 135; National Historic Preservation Act, and any other applicable state laws or regulations, including the requirements related to nondiscrimination, labor standards, and the environment; and Action Plan amendments and HUD's guidance on the funds. Also, the CONTRACTOR shall comply, without limitation, with those set forth in **Attachment F** (HUD General Provisions) and in compliance with all the requirements described in **Attachment G** (Contractor Certification Requirement).

XXIX. CDBG-DR/MIT POLICIES AND PROCEDURES

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

XXX. SECTION 3 CLAUSE

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

B. The Parties to this contract agree to comply with HUD's regulations in 24 C.F.R. part 75, which implement Section 3. As evidenced by their execution of this contract, the Parties to this contract certify that they are under no contractual or other impediments that would prevent them from complying with the part 75 regulations.

C. The CONTRACTOR agrees to send to each labor organization or representative of workers with which the CONTRACTOR has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the CONTRACTOR'S commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth the minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The CONTRACTOR agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. part 75 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R.

RS
RS

WDRR
WDRR

part 75. The contractor will not subcontract with any subcontractor where the CONTRACTOR has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. part 75.

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

F. The CONTRACTOR will certify that any vacant employment positions, including training positions, that are filled (1) after the CONTRACTOR is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. part 75 require employment opportunities to be directed, were not filled to circumvent the CONTRACTOR'S obligations under 24 C.F.R. part 75.

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

H. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (46 U.S.C. § 5307) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

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

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

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

- A.** No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- B.** If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and

submit Standard Forms-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- C. The CONTRACTOR shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. §1352 (as amended by the Lobbying Disclosure Act of 1995). The CONTRACTOR acknowledges that any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure. The CONTRACTOR certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the CONTRACTOR understands and agrees that the provisions of 31 U.S.C. §3801 et seq., apply to this certification and disclosure, if any.

RS

WRR

XXXII.EQUAL OPPORTUNITY

- A. The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- B. The CONTRACTOR will, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- C. When applicable, the CONTRACTOR will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the CONTRACTOR's commitments under this Section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- D. The CONTRACTOR will comply with all provisions of Exec. Order No. 11246 of September 24, 1965, as amended by Exec. Order No. 11375 of October 13, 1967, and as supplemented by the rules, regulations, and relevant orders of the United States Secretary of Labor.
- E. The CONTRACTOR will furnish all information and reports required by Exec. Order No. 11246 of September 24, 1965, as amended, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of

Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

- F.** In the event of the CONTRACTOR's noncompliance with the nondiscrimination clauses of this Agreement or with any of the said rules, regulations, or orders, this Agreement may be canceled, terminated, or suspended in whole or in part and the CONTRACTOR may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Exec. Order No. 11246 of September 24, 1965, as amended, and such other sanctions as may be imposed and remedies invoked as provided in Exec. Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- G.** The CONTRACTOR will include the portion of the sentence immediately preceding paragraph (A) and the provisions of paragraphs (A) through (F) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Exec. Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance. Provided, however, that in the event a CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the CONTRACTOR may request the United States to enter into such litigation to protect the interests of the United States.

RS
RS

WRR
WRR

XXXIII.SOLID WASTE DISPOSAL ACT

- 1) In the performance of this contract, the CONTRACTOR shall make maximum use of products containing recovered materials that are Environmental Protection Agency (EPA)- designated items unless the product cannot be acquired:
 - a. Competitively within a timeframe providing for compliance with the contract performance schedule;
 - b. Meeting contract performance requirements; or
 - c. At a reasonable price.
- 2) Information about this requirement, along with the list of EPA- designated items, is available at EPA's Comprehensive Procurement Guidelines website, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.
- e
- 3) CONTRACTOR must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include:
 - a. procuring only items designated in guidelines of the EPA at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds ten thousand dollars (\$10,000) or the value of the quantity acquired during the preceding fiscal year exceeded ten thousand dollars (\$10,000);
 - b. procuring solid waste management services in a manner that maximizes energy and resource recovery; and
 - c. establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

XXXIV. DRUG FREE WORKPLACE

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

XXXV.SUSPENSION AND DEBARMENT

- RS
RS
- WORR
WORR
- A. This Agreement is a covered transaction for purposes of 2 C.F.R. part 180 and 2 C.F.R. part 2424. As such, the CONTRACTOR is required to verify that none of the CONTRACTOR, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. §180.905) are excluded (defined at 2 C.F.R. §180.940) or disqualified (defined at 2 C.F.R. §180.935).
 - B. The CONTRACTOR must comply with 2 C.F.R. part 180, subpart C, and 2 C.F.R. part 2424, and must include a requirement to comply with these regulations in any lower-tier covered transaction it enters into.
 - C. This certification is a material representation of fact relied upon by PRDOH. If it is later determined that the CONTRACTOR did not comply with 2 C.F.R. part 180, subpart C and 2 C.F.R. part 2424, in addition to remedies available to PRDOH, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
 - D. The CONTRACTOR agrees to comply with the requirements of 2 C.F.R. part 180, subpart C and 2 C.F.R. part 2424, while this Agreement is valid. The CONTRACTOR further agrees to include a provision requiring such compliance in its lower-tier covered transactions.

XXXVI. SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION

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

XXXVII. NO OBLIGATION BY THE FEDERAL GOVERNMENT

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

XXXVIII. PROGRAM FRAUD & FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS

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

XXXIX. BANKRUPTCY

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

XL. ENTIRE AGREEMENT

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

XLI. MODIFICATION OF AGREEMENT

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if written and signed by both Parties, and its authorized representatives. Those amendments shall make specific reference to this Agreement, comply with programmatic policies, procedures, and guidelines. Such amendments shall not invalidate this Agreement, nor relieve or release the Parties from their obligations under this Agreement.

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

XLII. BINDING EFFECT

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

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

XLIII. ASSIGNMENT OF RIGHTS

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

RS
RS

WRR
WRR

XLIV. NON-WAIVER

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

The Parties expressly agree that no amendment of the Agreement or Change of Order shall be understood as a contractual novation of the Agreement, unless both Parties agree to the contrary in writing. The foregoing provision shall be equally applicable in such other cases where an extension of the Agreement is executed.

XLV. ORDER OF PRECEDENCE

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

XLVI. 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.

XLVII. TIME OF ESSENCE CLAUSE

In this Agreement, unless otherwise specified, the calculation of days shall be conducted inclusively, with the first day being included and the last day being excluded. When referring to a period of 'X days', it shall be understood as a consecutive calendar day, unless is established otherwise.

If the last day of a period falls on weekend or legal holiday recognized in the jurisdiction of the Government of Puerto Rico, the period shall be extended to include the next business day. For purposes of computing deadlines or timeframes, a day shall be considered to commence at 12:00 a.m. and conclude at 11:59 p.m. local time at the location specified to execute the Agreement. In case of any ambiguity or dispute regarding the computation of days, the determination shall be made in accordance with the applicable laws of the jurisdiction of the Government of Puerto Rico.

Time shall be the essence in the performance of all obligations under this Agreement. Any deadlines, time frames, or dates specified herein must be strictly adhere to. Failure to meet any such deadlines shall be considered a material beach of this Agreement, entitling PRDOH and/or the Government of Puerto Rico to pursue all available remedies under law or equity.

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

A. Consolidation or Merger

In the event that the signing party (e.g. Subrecipient, Contractor, or Subcontractor) of the Agreement with the PRDOH moves for a consolidation or merger with another entity (private or public), by its discretion or otherwise, written notice of such decision or event

RS

WDRR

shall be delivered to the PRDOH Legal Division at contractscdbgdr@vivienda.pr.gov at **least fifteen (15) business days prior to the effective date** of the consolidation or merger. The notice shall include, but not limited to, a description of: the expected effective date of the consolidation or merger; name of each of the constituent entities moving to consolidate or merge into the single resulting or surviving entity; the proposed name of the resulting entity (in case of a consolidation) or the name of the surviving entity (in case of a merger) if necessary; reference to the projected capacity of the resulting or surviving entity to comply with the terms, conditions, obligations, tasks, services, and performance goals or requirements included in the Agreement as well as its Exhibits or Attachments; and a brief summary of the proposed plan to achieve the transition of duties (Scope of Work or Scope of Services), tasks, and performance goals or requirements to the resulting or surviving entity.

Upon the consolidation or the merger becoming effective, and supporting evidence of such event is notified to PRDOH, execution of an Amendment to the Agreement may follow. The Amendment would include, but not limited to, modifications to the clauses that refer to the identity, personal circumstances, address, and any other information related to the signing party deemed relevant by PRDOH for the execution of the Amendment. Additionally, the CONTRACTOR must deliver documents requested to satisfy any reasonable requirement made by PRDOH. These requests aim to ensure the compliance with local and federal regulations, as applicable **No amendment to the Agreement will be necessary if the Subrecipient, Contractor, or Subcontractor becomes the surviving entity following a merger.**

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

B. Change of Name

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

Upon the change of name becoming effective, and supporting evidence of such event is notified to PRDOH, execution of an Amendment to the Agreement may follow. The Amendment would include, but not limited to, modifications to the clauses that refer to the identity, personal circumstances, address, and any other information related to the signing party deemed relevant by PRDOH for the execution of the Amendment. Additionally, the CONTRACTOR must deliver documents requested to satisfy any reasonable requirement made by PRDOH. These requests aim to ensure the compliance with local and federal regulations, as applicable.

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

C. Dissolution

In the event that the signing party (e.g. Subrecipient, Contractor, or Subcontractor) of the Agreement with the PRDOH moves for dissolution of the entity, written notice of such decision or event shall be delivered to the PRDOH Legal Division at contractscdbgdr@vivienda.pr.gov at **least fifteen (15) business days prior to the effective date of such event**. The notice shall include, but not limited to, a description of the expected effective date of the dissolution; and contact information of one or more of its

RS

WORR

directors, officials or agents. Upon dissolution, becoming effective, and supporting evidence of such event is notified to PRDOH, termination of the Agreement will follow. Consequently, the signing party acknowledges and agrees to provide to the PRDOH, after termination of the Agreement, the assistance reasonably requested to facilitate the orderly transfer of responsibility for performance of the tasks or services to the PRDOH or a third party designated by the PRDOH. Moreover, all finished or unfinished records (files, data, work product) connected with this Agreement will be turned over to PRDOH following the Agreement termination.

XLIX. HEADINGS

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

RS
RS

L. FEDERAL FUNDING

WORR
WORR

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

LI. RECAPTURE OF FUNDS

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

LII. OVERPAYMENT

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

LIII. SEVERABILITY

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

LIV. COUNTERPARTS

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

LV.SURVIVAL OF TERMS AND CONDITIONS

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

RS
RS

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

WRR
WRR

PUERTO RICO DEPARTMENT OF HOUSING

ELATION SYSTEMS, INC.

William O. Rodríguez Rodríguez
William O. Rodríguez Rodríguez (Jun 28, 2024 10:15 EDT)
William O. Rodríguez Rodríguez, Esq.
Secretary

Rick Shi
Rick Shi (Jun 26, 2024 19:24 PDT)
Rick Shi
President



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE IMPLEMENTATION

UNDER THE

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

RS
RS

CDBG-DRMIT-RFP-2023-10

WORR
WORR

QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL — Exhibit A-2



Submitted by:

Rick Shi, President
5000 Hopyard Road, Ste 405
Pleasanton, CA 94588

January 31, 2024



4 Profile

Elation Systems (Elation) and 1st Tier subcontractor, MPACT Strategic Consulting LLC (MPACT) have worked together for more than eight consecutive years using Elation Systems DBRA Software and MPACT's DBRA compliance experts. The team has worked with several large state and other governmental agencies including New York State Governor's Office of Storm Recovery (GOSR), New York Homes and Community Renewal (HCR) and the New York City Housing Authority (NYCHA) to provide similar activities and Davis-Bacon compliance. ***Elation, the premier DBRA Software as a Service provider is the exclusive DBRA compliance software used by HUD*** and the Elation software is used in 49 states. Elation is also used for HUD and DOL audits for DBRA and Section 3 compliance. Elation was the first and is the only DBRA software vendor supporting a CDBG-DR Statewide compliance and monitoring program.

The Elation Team includes Elation Systems for the software solution, MPACT Strategic Consulting LLC (MPACT) for HUD, Puerto Rico's CDBG-DR program and DBRA expertise and Telecontacto, Inc (Telecontacto) Call Centers for their local customer support services and familiarity with Puerto Rico's CDBG and the DBRA program. Our Team comes fully prepared and ready to meet the compliance and reporting requirements for DBRA and prevailing wage for PRDOH within the required schedule requirements. Our comprehensive software solution and team are experienced, bilingual and have practical knowledge of DBRA compliance with an exceptional track record.

4.1 Elation Systems, Inc.

Elation System (Elation) is the premier DBRA Compliance SaaS program available and used today. Elation has been contracted through public, competitive processes by many federal, state and local governments, and private enterprises of all sizes. Elation is used exclusively by the US Department of Housing and Urban Development (HUD) and by New York State Governor's Office of Storm Recovery (GOSR) for DBRA and HUD Section 3 compliance. Our customers also include federal agencies, Public Housing Authorities, State governments, and local municipalities across the nation. We have provided our proposed compliance system and related services for projects with total construction values exceeding \$150 billion dollars. More importantly, ***Elation has consistently met and exceeded all security and functional requirements for federal, state, and local agencies.***

Elation is an experienced and well qualified firm capable of providing the Puerto Rico Department of Housing (PRDOH) with a superior compliance reporting and monitoring system and related services. Our prior customer experience and customization of our software based on multiple client installations, Elation has acquired relevant experience in understanding public agencies' compliance reporting policies, integrating essential system functionalities, and customizing reporting options, addressing contractor concerns about our systems, and even participating in local business community outreach efforts.

As our references will attest, over the 17 years it's taken to develop the current version of our labor compliance software, we have proven that we possess a solution-oriented and exceptional understanding of how to work with public agencies to develop a customized and implementable program, fully trained staff, and provide excellent end-user support services. Elation also provides training tools and documents in both English and Spanish, which can be utilized in either language for PRDOH staff, subrecipients and contractors.

Elation has been successfully awarded and contracted through public, competitive processes by many state and local governments, and private enterprises of all sizes. Our customers include Maine Department of Transportation, State of New York Housing and Community Renewal, City and County of San Francisco, and Alameda County, CA to name a few.

4.2 MPACT Strategic Consulting LLC (1st Tier)

RS
RS
WRR
WRR

MPACT Strategic Consulting LLC (MPACT) was founded in 2007 and is an SBA certified 8a as well as a certified minority-owned small business. MPACT is a full-service consulting and advisory services firm specializing in Program Management, Project Management, Construction/Infrastructure Program Oversight and Policy & Regulatory Compliance Services. One of our core and primary service lines provides expertise in Federal labor compliance and monitoring of government funded programs such as HUD CDBG-DR and CDBG-MIT, FEMA and HUD Public Housing programs to both government and private sector entities. MPACT's trained bilingual staff provides compliance and monitoring, training, case management, outreach, and housing services with exceptional results. Our service metrics include over \$2 Billion in construction projects monitored for DBRA compliance, over 10,000 staff-led compliance trainings, 400,000+ intake and enrollment applications managed, \$1 Billion in total funds administered, 75,000+ families enrolled in case management, and on-boarding 150 new local staff and case managers in 2 weeks. We have CDBG-DR experts as well as a staff of labor and wage compliance experts in federal regulations, Davis-Bacon and Section 3. Our experts primarily use the Elation Systems Davis-Bacon software program, are bilingual, have managed and monitored construction and developed and implemented compliant programs.

MPACT has decades of experience serving US communities for certified Davis Bacon wage compliance, as well as other labor and MWBE compliance projects. We have implemented innovative solutions to manage up to 1,200 Davis-Bacon projects at one time including, using back-office staff, training construction and management contractors, expediting efficient site visit schedules including using advanced QR technology on-site to conduct inquiries and interviews. Our key staff includes those trained as Compliance Officers and investigators at the US Department of Labor, experts in wage and labor standards, bilingual staff, and engineers and construction inspectors. MPACT staff are also experts in Elation software and use it for tracking and reporting their Davis-Bacon projects for over 8 years.



**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

MPACT has a proven track record of managing several projects concurrently and successfully completing all projects on time and on budget. Since Super Storm Sandy, we have continuously served the communities of New York for nearly 10 years. Our current projects include: The Governor Office of Storm Recovery (GOSR) statewide DBRA compliance (~\$2 Billion), NYCHA RAD PACT projects (~500 Million), City of Houston Infrastructure and Construction DBRA Compliance (~\$100 Million) and currently contracted to New York Homes and Community Renewal (HCR) for its state-wide DBRA compliance program amongst other compliance projects that we continue to perform at a high quality and capacity today. We also have extensive experience in community outreach, call centers and training programs. We are recognized as subject matter experts on Davis-Bacon wage compliance monitoring and related activities. Specifically, our team provides the following services:

- Experts in federal DOL, Davis-Bacon Act Prevailing Wage labor compliance.
- Systems and process integrators that develop unique technical solutions to achieve maximum compliance effectiveness.
- A cloud-based and paperless integrated reporting and monitoring solution (Elation) for prevailing wage, Davis-Bacon and other cross-cutting regulatory requirements.
- Analyzing certified payroll data to determine compliance or noncompliance with the requirements of prevailing wage and the Davis-Bacon Act.
- Conduct both offsite (desk) and onsite interviews to ensure that contractors pay prevailing wages and refrain from taking unlawful deductions from workers' paychecks.
- Investigate "red flags" and trending errors that span across contractors to proactively troubleshoot future issues.
- Provide technical assistance directly to contractors to conform their data and methodologies to DOL and DBA best practices. and,
- Rank contractors for future bidding opportunities using an "Enhanced Review" process.

The following is a summary of our relevant Puerto Rico experience.

Home Repair, Reconstruction and Relocation Program (R3)

MPACT, as a subcontractor, has been supporting Puerto Rico's Disaster Recovery efforts since Hurricanes Irma and Maria ravaged the island in 2017. We assisted the R3 program in the areas of: QA/QC, Policy, Anti-Fraud, Waste and Abuse (AFWA), Awards Coordination, Case Management, Call



January 31, 2024

Center, and Intake. MPACT assisted the Home Services Division and reviewed and settled more than 6,850 sub-recipient applications, approved, and processed 1,500 sub-recipients for program participation three months and ahead of schedule. We provided technical assistance with Guidelines and regulations as needed and wrote several SOPs including wage compliance, Anti-Fraud, Waste and Abuse, Awards, DOB. We led the AFWA unit by conducting investigations on behalf of the Alliance for the recovery of Puerto Rico, managing a team consisting of more than five staff in the areas of IT, Facilities and Safety. The call center serviced Puerto Rican residents by answering questions, addressing program concerns, and providing case status in Spanish and English. MPACT is continuing its support of this project under the new contractor.

Sheltering and Temporary Essential Power (STEP)

In response to Hurricane Maria, on October 25, 2017, FEMA authorized the Government of Puerto Rico to access FEMA Public Assistance funding to implement the Sheltering and Temporary Essential Power (STEP) Program. The program known as Tu Hogar Renace, has repaired over 120,000 dwellings, making this the largest STEP Program in History. MPACT provided management services for the program including staff management, process development, policy development and reporting services. MPACT was a subcontractor and our activities included:

- Strategy: staffing for the Project Management office, documenting governance decisions and tracking action items for future governance sessions, providing research and support for policy and procedural decisions.
- Policy: researching and interpreting federal regulations on the Sheltering and Essential Temporary Power (STEP) including documentation, monitoring and compliance for the program and drafting policy documents such as action plan amendments and waivers.
- Operations: Managing teams supporting responses to Applicant Complaints, Legal issues, Appeals, Wage compliance and Applicants Notifications.

4.3 Telecontacto

Telecontacto is a bicultural/bilingual communication powerhouse BPO contact center. As Puerto Rico family-owned business founded in 1995 by successful advertisement, marketing and public communications experts with more than 30 years of experience, we specialized in the creation, development, and maintenance of customer relationships to help our clients maximize the value of their customers and prospect.

We have developed the most successful customer service infrastructure and human resources for clients in and out of Puerto Rico. We have deep experience with inbound/outbound customer client engagements, which includes:

- Banks & Financial Services
- Insurance
- Telecommunications
- Utilities
- Consumer & Industrial Goods
- Health Care Industry
- Education
- Automotive Industry
- Computer Technology
- Government

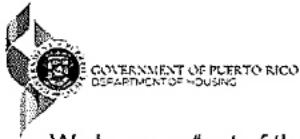
RS
RS

WORR
WORR

For over 25 years, Telecontacto has provided world-class contact center customer service and sales for some of the main companies in Puerto Rico and United States. We are well known for our excellent culture, not only in the provision of requested services, but for our passionate value adding initiatives for our customers. Pioneers in the introduction of voice over IP, real-integrated multichannel services, real-time reporting, real time process handling and stat-of-the-art technology, we have developed the most successful customer service infrastructure and human resource for clients in Puerto Rico.

Telecontacto has four (4) locations in San Juan with 700+ seats and the capacity to increase 230 more within a short time frame. Our current client's roster includes Banking & Financial Services, Insurance, Utilities, Consumer & Industrial Goods, Health Care, Education Automotive, Government and Computer Technology. Some of our current a past clients include: Assurant, Autoridad de Acueductos y Alcantarillados, Departamento de Salud Medicaid de PR program, Autoridad de Energía Eléctrica, Banco Popular de Puerto Rico, Citibank as well PR Department of Housing CDG-DR/MIT program support.

Telecontacto's approach to CDBG-DR and MIT is a turnkey, full-service Customer Service Operation includes facilities, equipment, telephone instruments, lines and cable, telephone service, software, circuits, staff, set-up testing and reporting. To demonstrate our capabilities to run, operate, process and control their overall Call Center Operation Service.



**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

We keep an “out of the box” attitude in every project we manage, integrating new cutting-edge technologies as they emerge for increased capabilities, flexibility and productivity, while maintaining high quality standards. To reach our client’s goals we employ different techniques according to project needs. Our main services include:

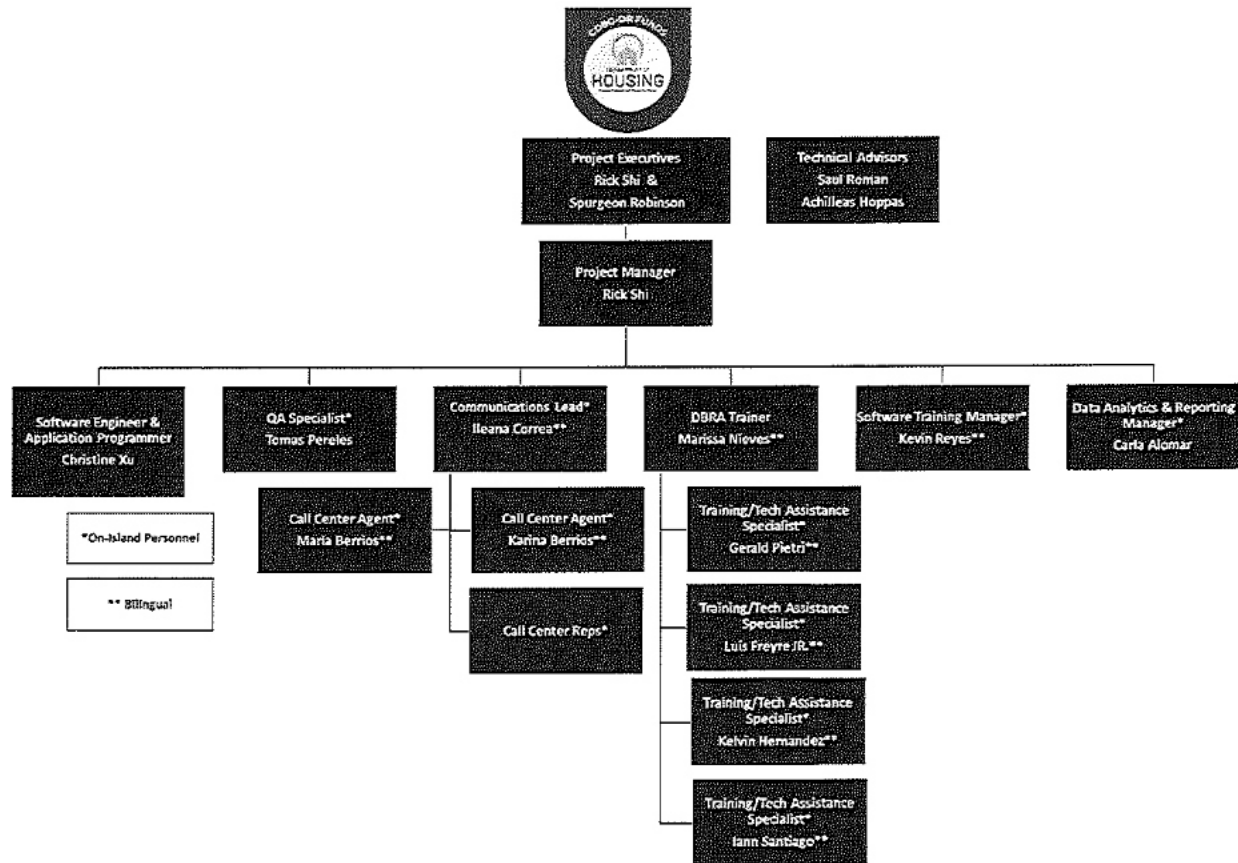
- Loyalty Programs, Customer Relationship Management, Social Media Management and Telesales Strategy – Up-sell – Cross-sell – Lead Generation Collections Answering Service / Events Research/Surveys – Check It! – Mystery Shopper! Direct Response Customer Service, Help Desk Multilingual Services Interactive Voice Response Multi-channel Response Telephone, email, chat, social media, fax,
- Web collaboration, web call back,
- Text-To-Speech (TTS) & Speech Recognition (SR)
- Contact Center
- Our multimedia contact centers are specially designed for any type of contact processing (calls, e-mails, chats, social media, web, fax, IVR, TTS, speech recognition), both inbound and outbound.
- IT Platform
- Automatic Contact Distribution (ACD) for any communication channel
- Multi-channel single integrated platform support (voice, chat, social, e-mail, video, browser collaboration).

RS
RS

WRR
WRR

5 Organizational Chart

The Elation Team consists of Elation as the prime with its expertise in DBRA compliant software, MPACT with DBRA compliance and training expertise, and local experience with Telecontacto a local Puerto Rican company with bilingual call center support capabilities. The Elation Team delivers an organizational structure that addresses the compliance roles and activities defined in the scope of work as well as efficiencies in communication and project workflow and deliverables. This Team is organized to centralize essential compliance functions and provide exceptional customer support, while also having the ability to provide compliance monitors to cover the geographic reach across contractors and the island. The functional organization identifies the specific roles of an integrated team of experts with substantial local presence to accomplish the PRDOH objectives for the Scope of Work. Additional staff are available to supplement these key positions as required by the project workload.



The role of each individual area of responsibility and authority in the performance of the tasks and sub-tasks under the Scope of Work and the required number of personnel, role, and responsibilities of each person on the project are listed in the table below.



**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

Team Member	Position/Labor Category	Responsibilities
Rick Shi (Elation)	Project Executive	Provides executive oversight and project responsibility for performance of all tasks, executive communications and contractual requirements.
Spurgeon Robinson (MPACT)	Project Executive	Provides executive oversight and communications for performance of monitoring team tasks; Assists with executive communications and contractual requirements.
Rick Shi (Elation)	Project Manager	Responsible for entire project management including system implementation, integration, training, and support.
Achilleas Hoppas Saul Roman (MPACT)	Technical Advisors	Provides technical expertise and determinations on DBRA policies and regulations.
Christine Xu (Elation)	Software Engineer	Responsible for system implementation, integration, data migration and customization programming.
Tomas Pereles (MPACT)	QA Specialist	Verifies data uploads to Elation system, provides quality control on system reports.
Ileana Correa (Telecontacto)	Communications/Call Center Lead	Coordinates call center, provides communications on issues, expedites inquiries and response times.
Maria Berrios Karina Berrios (Telecontacto)	Call Center Agents	Manages customer support team and provides them with training, QA, and staff scheduling.
6 TBD (Telecontacto)	Call Center Reps	1 st Tier Customer support responsibility and 2 nd Tier technical triage.
Kevin Reyes (MPACT)	Software Training Manager	Conducts training on Elation system, DBRA and prevailing wage compliance, and oversees technical training team and assignments.
Marissa Nieves (MPACT)	DBRA Training Advisor	Trains the Trainer, develops and implements ad hoc trainings; Incorporates new policies and procedures into trainings. Provides initial training support to PRDOH.
Carla Alomar (MPACT)	Data Analytics & Reporting Manager	Supports the Project Manager with reporting requirements and documentation of project reporting and metrics.
Gerald Pietri, Luis Freyre JR., Kelvin Hernandez, Iann Santiago (MPACT)	Training/Technical Assistance Specialist	Provides training and assistance to contractors and subcontractors, supports call center representatives as needed.

RS
RS

WORK
WORK

**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

Task #	Work Approach	Proposer Compliance with Scope	Innovated Ideas or Technology	Compliance with Security Measures
Specifications	incorporate public agencies' labor compliance reporting policies, integrating essential system functionalities, customizing reporting options, addressing contractor requirements and feedback.	effective and efficient labor compliance management solution on the market today operating in 49 states.	seamlessly integrate with a variety of external systems and services through Application Programming Interfaces	routing technologies, enables to route, or transfer, data to and from destinations minimizing the use public exchanges
Task 2 Training and Customer Service	4 call center locations in San Juan with 700+ seats and the capacity to increase 230 more within a short time frame.	PRDOH and stakeholder training, Call representative training, case manager and contractor Elation and DBRA training	All-in-one solution with training, bilingual, Elation Software and DBRA expertise.	Prioritizes the security of sensitive data on mobile devices and laptops by implementing robust limitations and enforcement mechanisms
Task 3 Service Deliverables	Turn-key system that only requires translation for bilingual users	Live review of CPR Contractors can manually report a certified payroll report or upload the exported electronic files from their accounting system	PRDOH access to a secure, web-portal, in which you will have all your KPIs in real time	TLS1.2 to provide encrypted data communication end users and the cloud service
Task 4 System Warranty	Ability to modify to any new guidance and regulations provided and implemented by HUD or other municipal clients.	99.999% system uptime.		A Business Continuity and Disaster Recovery plan in support of a comprehensive plan and overall business survivability.

RS
RS

WRR
WRR

9 Technical Proposal/Work Approach

9.1 Task 1: SaaS Platform Technical Specifications & Performance Requirements

9.1.1 A. SaaS System Technical Specifications

Elation Systems software was designed to incorporate public agencies' labor compliance reporting policies, integrating essential system functionalities, customizing reporting options, addressing contractor requirements and feedback, and participating in local business community outreach efforts. Elation Systems, Inc. is an experienced and well qualified firm capable of providing PRDOH with a superior service to meet PRDOH's need to implement an electronic compliance reporting and monitoring system. The Elation Team of DBRA, training experts and local staff meet all PRDOH's requirements and objectives to deliver a smooth transition to automation for their contractors. Our software provides the following:

1. IT hosting architecture for a DBRA SaaS system

As a web application service provider, we employ the Rapid Lifecycle Development process. The proposed system has been developed, maintained, and managed by Elation utilizing a common development, test, and production platform to deliver updates, enhancements, patches, and bug fixes faster and at lower cost than others offered. We have the sole responsibility for the entire system and, we leverage that continuity of knowledge and responsibility to provide superior lifecycle service to our customers. Refer to Figure 1 Logical Architecture of Elation Solution.

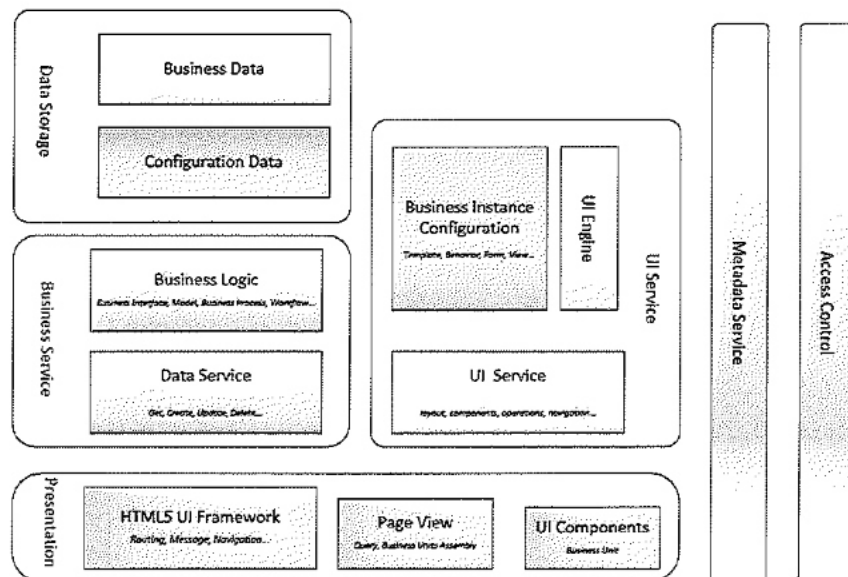


Figure 1 Logical Architecture of Elation Solution

The logical architecture of the solution is depicted in the image above, and the system component

architecture is detailed in Figure 2 System Component Diagram. The SaaS deployment of the solution will utilize single tenancy, and by doing so will add another layer of assurance in the safety and security of the data.

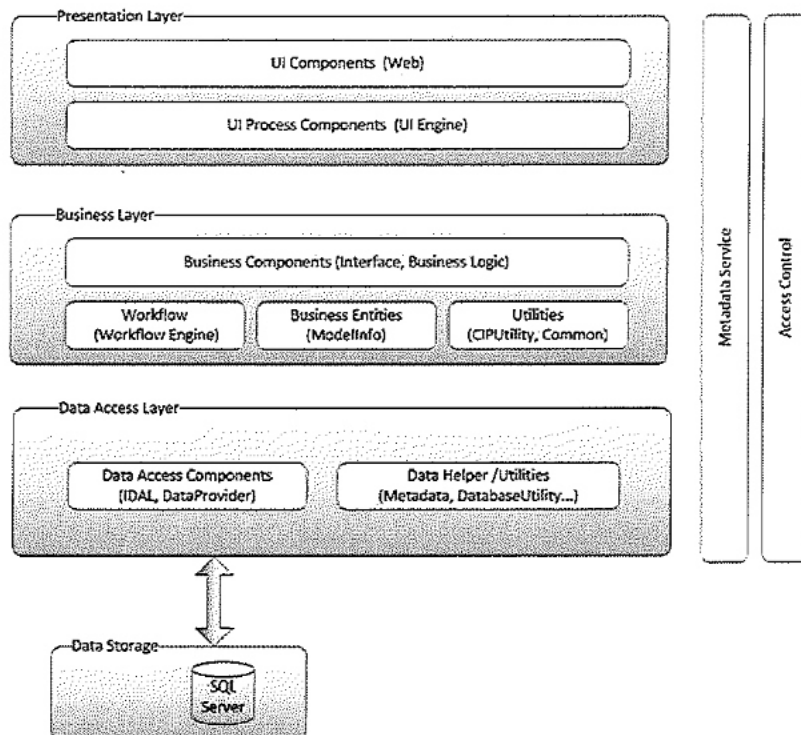


Figure 2 System Component Diagram

Hosting Structure

The system is currently hosted in a Class-A, fault tolerant, N+1 Internet Data Center (IDC) located in the United States. This data center enables us to dramatically increase our ability to provide highly available, high-performance, mission-critical solutions to our customers. In addition to multiple connections to the major Tier 1 Internet backbones, like Level 3, the IDC also maintains fiber connectivity to InterNAP. InterNAP is a leading provider of fast, reliable and centrally managed Internet connectivity services targeted at businesses seeking to maximize the performance of mission-critical Internet-based applications. InterNAP utilizes proprietary network architecture and advanced routing technologies, which enables them to route, or transfer, data to and from destinations, in a manner that minimizes the use of congested public exchanges and private peering points. This optimal routing of data traffic, over the multiplicity of networks that comprise the Internet, enables higher transmission speeds, lower instances of data packet loss, and greater quality of service.

The entire system is fully synchronized in real-time within always-on server group. In addition, daily backups were saved on offsite media to ensure ultimate safety and accessibility. In case of system failure

or disaster, our architecture allows for recovery within hours.

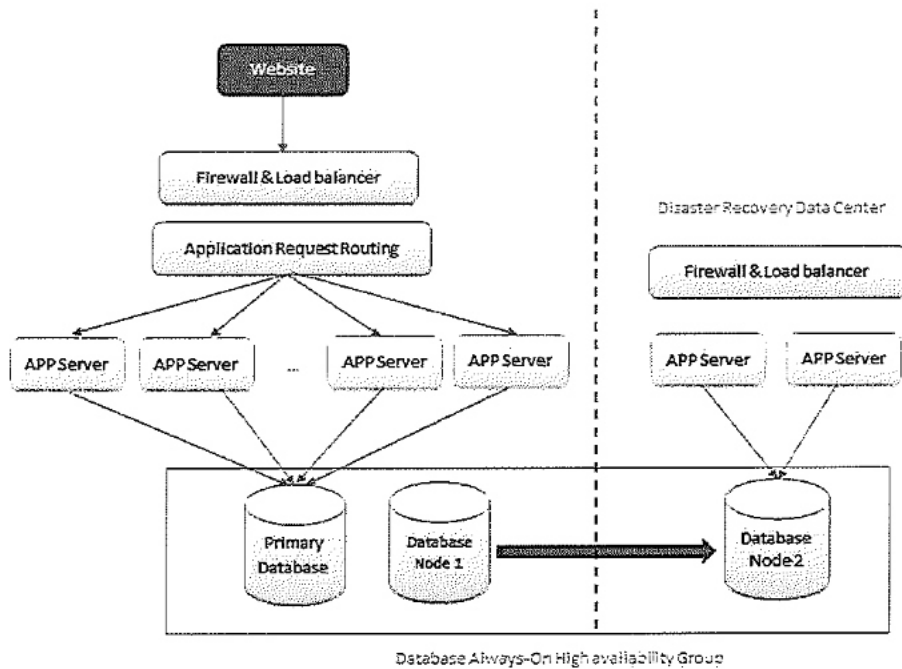


Figure 3 Database Always-on

2. Elation is a web-based SaaS product with a 99.999% system uptime, is the most effective and efficient labor compliance management solution on the market today. It is currently being used at a number of public sector agencies across all levels of government, Federal, State and Local, and provides labor compliance on projects exceeding 150 billion dollars in value. The software is available 24 hours, 7 days per week, is accessible via public internet and available to users in both English and Spanish (after contract award).
3. Ensuring high performance for our SaaS system is crucial and our high priority. The Elation system uses containerization technologies and orchestration tools to easily deploy and manage applications in a high performance, scalable and flexible manner. Besides the distributed architecture, we also use many strategies such as caching, optimized code, load balancing and database scaling, auto-scaling, etc. to ensure the system is well-prepared to handle the challenges posed by a growing user base or increased data volume. Our average request response time is as low as 300ms and web pages will load in 5 seconds or less.
4. The elements and function already in place will be available in the initial version of the system during the implementation.
5. The system is compatible with all mainstream web browsers: Google Chrome, Mozilla Firefox,



**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

Microsoft Edge, Safari on Mac, PC. IOS & Android Native Mobile Apps also exist and will be available during implementation.

6. Data Security being a major concern of Puerto Rico DOH, has consistently been given the utmost attention in the Elation system. Since the initial launch of the solution in late 2005, Elation Systems has been very cognizant of the need for data security; and established strict operational policies for dealing with confidential information related to Certified Payroll Records (CPRs). Elation utilizes TLS1.2 to provide encrypted data communication end users and the cloud service. We also implemented encryption for data stored in the cloud to protect against unauthorized access.
7. Role-Based Access Control is also used to assign permissions based on roles, ensuring that users have the least privilege necessary for their tasks. Robust isolation mechanisms is implemented to ensure logical separation of data and resources between different tenants.
8. The system uses Sectigo SSL certificate. Sectigo is the market leader in SSL / TLS certificates, DevOps, IoT, enterprise-grade PKI management, and multi-layered web security.
9. Our system is built with a robust and flexible architecture that is designed to seamlessly integrate with a variety of external systems and services through Application Programming Interfaces (APIs). The system supports integration via multiple web service APIs including SOAP, REST and WSDL and our system boasts a proven track record in successfully integrating with a diverse array of APIs, highlighting our expertise and commitment to seamless interoperability. Our experience includes Maine Department of Transportation, NYC Housing Preservation and Development, Alameda County, and the South Dakota Department of Transportation to name a few.
10. Protecting user data and ensuring compliance with data privacy regulations is always our priority. Beside safeguarding against unauthorized access to user interactions, we employed robust security practices to protect the infrastructure which includes proactive monitoring, suspicious activity analysis, automatic IP block, uploaded documents' verification and scan and regular security scan. All audit logs are kept in a separate database with limited-IP access and will be retained for three years.
11. Our system is designed to meet and facilitate seamless compatibility with a variety of operating systems, ensuring a versatile user experience. It operates seamlessly across multiple operating systems, including but not limited to Windows, macOS, Linux, iOS, and Android. No third-party licenses are needed.
12. Our system prioritizes the security of sensitive data on mobile devices and laptops by implementing

robust limitations and enforcement mechanisms. Stringent security measures to help protect against the loss, misuse, and alteration of the Data under control were incorporated into the design and implementation of the solution. When the system is accessed using web browsers, encryption technology protects information using both server authentication and data encryption to help ensure that Data is safe, secure, and available only to authenticated users. An advanced security method was also implemented based on dynamic data and encoded session identifications. When combined with hosting the Site in a secure server environment that uses an advanced firewall and other advanced technology, this method works to prevent interference or access from outside intruders. Finally, the proposed system also provides both applications based and role-based security architecture to maximize the protection. These safeguards help prevent unauthorized access, maintain data accuracy, and ensure the appropriate use of data.

RS
RS

Data Encryption — Sensitive data stored on mobile devices and laptops is encrypted using industry-standard encryption algorithms. This ensures that even if a device is compromised, the stored data remains protected and unreadable. More importantly, all the sensitive data points that were contained in the CPR had both application level and database level encryption; the maximum protection for privacy and security.

WORR
WORR

Access Controls — Strict access controls are enforced to limit access to sensitive data. Role-based access ensures that only authorized personnel can view, modify, or interact with sensitive information stored on devices.

Secure Storage Protocols — Our system adheres to secure storage protocols, utilizing secure containers to safeguard sensitive data. This extra layer of protection ensures that even if a device is lost or stolen, the data remains inaccessible to unauthorized individuals.

13. Our system features interactive dashboards where users can click on specific items, charts, or widgets to drill down into associated details allowing for a more personalized view of relevant information. Almost all our drillable screens follow a hierarchical navigation structure, enabling users to dive deeper into related information progressively. This logical flow ensures that users can explore details in a structured and organized manner. When drilling down, contextual details are presented in a clear and comprehensible manner, ensuring users can quickly grasp the significance of the information without unnecessary complexity. Most importantly, information on drillable screens is updated in real-time, ensuring that users always have access to the latest data. This real-time responsiveness enhances the system's utility for decision-making and analysis.

14. Our system is designed with mobile accessibility, allowing users to seamlessly access it on a variety



**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

of mobile devices and is compatible with all mainstream web browsers. Besides, our iOS and Android native mobile apps are constantly maintained to be compatible with the prevailing versions of the respective operating systems.

15. Our system approach is committed to upholding the highest standards of security and privacy, ensuring compliance with state, local, Federal, and international regulations governing the capture, sharing, and disposal of personal data including: Legal Compliance, Data Encryption, Access Controls and Permissions, Secure Data Sharing Protocols, Data Disposal Procedures, Audit Trails and Monitoring, Internal Data Transfers and Privacy by Design. By prioritizing legal compliance, implementing robust security measures, and adhering to privacy best practices, our system aims to provide users with the confidence that their personal data is handled in accordance with the highest standards of security and privacy legislation worldwide.
16. PII or high-Risk data is encrypted using AES-128 both at rest and in transit. In addition, JWT Tokens that are used to access data is encrypted using ES256.
17. Elation utilizes electronic digital signature methods accepted by the Department of Housing and Urban Development (HUD) and the Department of Labor (DOL). It complies with (E-Sign) Act and adhere to the necessary security and compliance standards.
18. In our system, making note at the contract level is not just a feature; it's a norm that we proudly uphold at various points. We have designed our platform to seamlessly fulfill this requirement, ensuring that administrators can consistently record notes with at least 280 characters at project, contract, subcontract, payroll etc. levels.
19. Our system is designed with a high degree of flexibility, ensuring seamless integration with various data formats and layouts. We take pride in our commitment to user convenience, allowing users to work with the data files they are most comfortable producing. Simply put, if your file contains all the required certified payroll data, our system will work effortlessly with it.
20. Our system has the flexibility to allow for third party integration as needed, our successful integration in the past has proven the experience.
21. With the meticulous collection of all relevant data points, the comprehensive data infrastructure we have in place allows for swift and accurate report generation at different levels.
22. The system is designed to offer versatile tiers of payroll validation, catering to the distinct needs of



**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

different user groups within our platform. This multi-tiered approach ensures a tailored and efficient validation process for diverse user groups.

23. The Elation system is designed to simplify and support multi-tiered and complex subcontracting through its highly efficient and cloud-based project collaboration system that combines project management and tiered subcontractors that “roll-up” to the assigned prime contractor or tiered contractor. The primary design of the system allows subcontractor tiering beginning with assignment of each project to the prime contractor or General Contractor, then each tiered subcontractor is assigned and attached to the prime contractor. Any lower tiered, i.e. 2nd , 3rd , 4th tiered subcontractor, are then attached to the prime contractor so that compliance information, reporting and tracking is available and reported at the Prime Contractor level. The system supports unlimited levels of subcontracting relationships with visualized display. It provides a mechanism to differentiate subcontracts, task orders, change orders and/or revision at each level, so wide range of business requirements can be accommodated using the same architecture. There is no limit on the number of sub-tiers or subcontracts as shown in Figure 4 Unlimited Subcontractors.

RS
RS

WORR
WORR

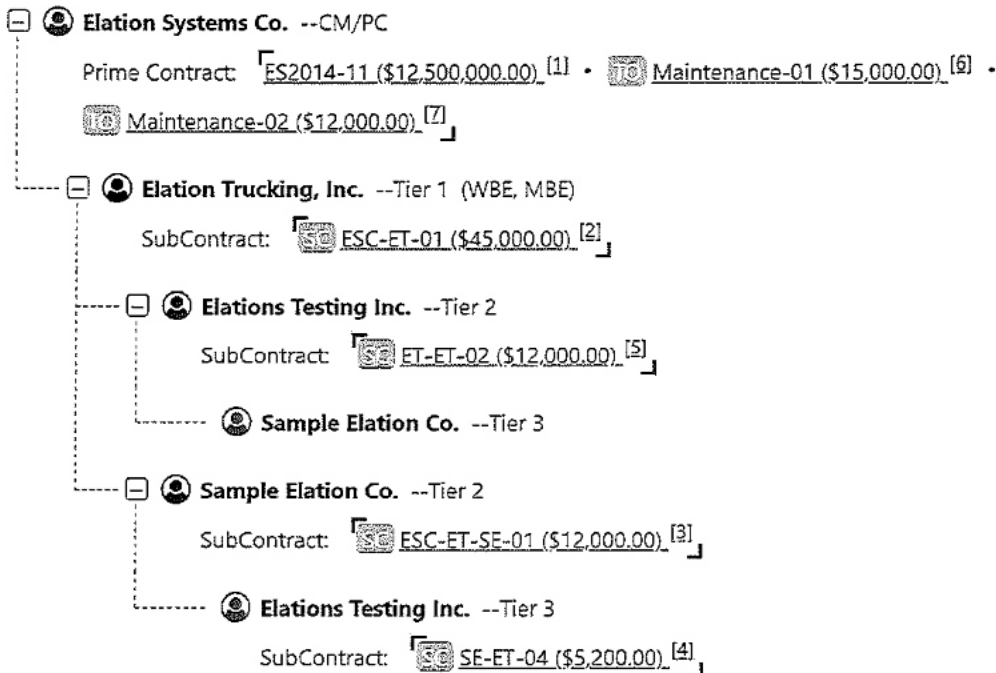


Figure 4 Unlimited Subcontractors

24. Our proposed SaaS system is engineered with a focus on adaptability and user convenience, ensuring that application changes can be seamlessly implemented. We recognize the dynamic nature



Elation Systems

January 31, 2024



**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

of business requirements and the need for a system that effortlessly accommodates changes. The provision for simple and/or automatic application changes is a fundamental aspect of our design philosophy.

The system features a user-friendly interface that allows administrators and users to easily configure and make simple application changes. Intuitive menus and settings ensure that adjustments can be made without the need for extensive technical expertise.

Changes to code and configurations are managed using version control systems self-hosted GitLab. Before deploying to the live environment, changes are deployed to a staging environment. This environment closely mirrors the production environment and is used for final testing before release.

CI/CD pipelines is used to automate the process of testing and deploying changes. This reduces the manual effort required for routine updates, ensuring that the system stays current and responsive to evolving needs. Certain simple application changes take effect in real-time, ensuring that users experience immediate updates without disruption.

RS
RS

WRR
WRR

25. Goal setting is performed at project level by the client and authorized users as designated PRDOH and subrecipients can track the utilization on dashboard along with the project progress for comparison purpose. Elation system provides various reports to track each project's utilization status.
26. Custom reports will be designed and implemented based upon PRDOH's specific request. Any request that requires significant changes may be submitted for cost review and provided to PRDOH for approval. Once the requirement for the customer report is confirmed by PRDOH, we proceed with the development, testing and deployment.
27. Elation has successfully implemented countless data transfers for different clients, it is a customized feature based on each client's situation. We can send data to client's desired FTP site or any other online storage location on a routine basis. The exported file types range from statistic report to each specific data point export.
28. Elation has Implemented an intrusion detection with both firewall and application-level monitor based on user activity analysis and prevention systems to identify and block malicious activities. In the past we have undergone several third-party security assessments and passed all. The system also allows PRDOH to conduct security assessments, tests, or audits of systems handling or supporting information.

Audit logs are systematically implemented for all systems that handle confidential information. This includes a detailed recording of user activities, system events, and transactions involving sensitive data. All attempted violations of system security are configured to generate audit logs including unauthorized access attempts, suspicious activities, or any actions that deviate from established security protocols. The audit logs provide a real-time account of potential security threats. The integrity and security of audit logs are of utmost importance. Measures are in place to secure audit logs against unauthorized access or modification such as separate database with limited-IP access and encryption.

By implementing these features, our system ensures a robust and compliant audit trail system. The transparency provided by audit logs enhances security monitoring, aids in incident response, and aligns with the recordkeeping policies set forth by PRDOH, promoting a secure and accountable environment for handling confidential information.

29. Elation has successfully implemented countless data transfers for different clients, it is a customized feature based on each client's situation. We can send data to client's desired FTP site or any other online storage location on a routine basis. The exported file types range from statistic report to each specific data point export.

RS
RS

30. Elation incorporates a robust document repository to address the essential need for organized document management. This repository serves as a centralized and secure space, facilitating the systematic storage and retrieval of various collected documents. Documents within the repository are organized through categorization and tagging mechanisms. To maintain document integrity and manage changes effectively, the document repository incorporates version control. This feature enables users to track and access different versions of documents, promoting transparency and collaboration.

WRR
WRR

9.1.2 B. System Reporting Capabilities

1. Our reports boast a user-friendly interface that allows users to set up multiple parameters with ease, covering a wide range of criteria such as contract, subrecipient, contractors, period. All reports allow conversion to excel and then CSV file, PDF is also available.
2. The dashboard also gathers and displays information by category including flagged payrolls, overdue reports, conformance request, subcontractors pending approval etc. Each category is grouped by project/contract name and contractor name. This provides quick access to issues that need attention by the compliance monitor specialist. Since the system employs a role-based access model, each party will have access to the specific information relevant to their role. This tailored approach enhances user experience and security.

3. 4, 5: From the inception of our system design, meticulous attention has been given to ensuring compliance with key regulatory standards, notably including forms critical in the context of our operations. Since the early stages of development, we have proactively taken into consideration and integrated support for essential HUD forms such as HUD 4710, HUD 5.7, HUD 2516, HUD FORM 4230A, DOL SF 1444 and similar forms. Since then, we have established a foundation built on regulatory adherence, accuracy, and user-centric design. These forms integration facilitates centralized data compilation. Subcontractor tracking, among other processes, benefits from a unified data repository, streamlining the compilation of relevant information into a single, accessible platform.
6. Live review of CPR Contractors can manually report a certified payroll report or simply upload the exported electronic files from their accounting system when applicable restitutions must be reported per regulation by amending a specific payroll or making batch restitution reporting that use one check to cover multiple payrolls. In the process, both restitution reporting methods will save all the historical changes for future audit purpose and track communication details between compliance officers and the contractors. Our batch restitution feature mimics the process in real life, it greatly saves users' efforts.

RS
RS

WRR
WRR

After CPR creation, the system facilitates real-time verification including accuracy of data, J/A ratio, underpayment issue, certificate missing etc. compliance with labor standards are performed instantly upon submission. Any discrepancies or issues can be addressed promptly, contributing to the reliability of the CPR data.

Stakeholders, including project managers, administrators, and compliance officers, have access to live reviews of the current status of CPR creation, uploads, and verifications. This visual representation allows for quick monitoring and decision-making. By offering a designated view for restitution with export capabilities to both PDF and Excel, our system enhances the accessibility, usability, and versatility of the restitution management process. Users can confidently leverage this feature for reporting, analysis, and collaboration with stakeholders.

7. Our system is designed to enhance the efficiency and compliance of Certified Payroll Report (CPR) management by providing a robust mechanism for uploading and cataloging supporting documentation. This feature ensures that users can maintain a comprehensive record, particularly for matters including apprenticeship, registration, and miscellaneous deductions.

By doing that the system allows administrators the ability to enable numerous validations along the entire process of the CPR Submission such as missing documentations by category.



**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

8. The system allows for the establishment and tracking of contract compliance relationships at all PRDOH required levels as it was designed to reflect the hierarchical structure of contracts and subcontracts. For each level in the hierarchy, the system captures and maintains detailed information about contractors, including contact details, contract specifics, and compliance requirements. This ensures a comprehensive database that supports effective contract management and oversight.
9. Since majority of the Section 3 reporting data has already been submitted by contractors in the Electronic Payroll Systems, utilizing our Section 3 reporting module will significantly reduce (90% reduction) the reporting burden on contractors and local project awarding bodies. It also easily enables project hour tracking with or without geographical grouping or by certificates. The following is the list of our Section 3 related features highlights.
 1. Dynamic Section 3 certification management;
 2. Section 3 workforce / Targeted Section 3 worker management and reporting;
 3. Automated Section 3 reporting workflow management;
 4. Real-time Section 3 workforce utilization tracking;
 5. Fully integrated with Davis-Bacon automated reporting module.

RS
RS

WRR
WRR

9.1.3 C. SaaS System Compliance Capabilities & Workflow

1. Our system is purposefully designed to assist organizations in achieving and maintaining compliance with the Davis-Bacon and Related Acts (DBRA). We understand the intricacies and requirements of DBRA, and the system is equipped with features that address key compliance areas outlined in the list. The system's comprehensive approach covers certified payroll reporting, labor standards adherence, recordkeeping, wage rate verification, J/A Ratio check, overtime pay rate verification over 40 hours, OT rate check under CWHSSA and documents uploading for "Anti-Kick Back" act and/or any other violations. It further provides alerts and notifications to keep stakeholders informed and proactive in meeting compliance obligations. With user training resources and a user-friendly interface, our system empowers organizations to confidently navigate and fulfill DBRA compliance requirements across the spectrum of relevant legislative acts and regulations."
2. In line with our commitment to providing a flexible and scalable solution, our system sets a norm that allows for unlimited contract, purchase order, change order, amendments, employee creation and associate multiple wage determinations to a project whether it is Federal or State. To streamline the process, the system also allows for batch upload.

3. Elation started to provide the site interview native mobile APP in 2015, which is essential to many entities. To accommodate the special field condition, we have added the off-line capability for the mobile App that user can operate the App to collected essential data, including real signature of both parties, then sync with the system once internet connection is established. Spanish or other language translation could be added.
4. Our system distinguishes itself by offering more than just iterative data entry; it provides a dynamic platform that showcases the differences between iterations including documents and fields. This unique feature not only enhances historical tracking but also simplifies the process of generating insightful reports.
5. Contractor and subcontractors can easily collect existing payrolls from various sources, whether they are in spreadsheet formats, PDF, or other digital formats. The system incorporates a user-friendly import interface that guides users through the process of importing the payroll data, whether they prefer manual input or auto-upload. The import process includes validation checks to identify any potential errors or inconsistencies in the imported data. Users receive feedback on the import status, allowing them to address any issues before finalizing the data transfer.

RS
RS

WORR
WORR

In the past, our system also customized feature for bulk import, allowing users to import multiple projects' payrolls simultaneously. This accelerates the data entry process, especially when dealing with a large volume of payroll records.

6. At the heart of our software is a fundamental commitment to proactively identify and address compliance issues. We recognize that compliance is a cornerstone of successful operations, and our software is meticulously designed to excel in this regard. The system has numerous validations along the entire process of the CPR submission. It can be prompted before contractors certify the payroll for any compliance issues and flag the non-compliant issues after the payroll has been submitted. It can also provide users with details on their calculation errors in real-time during their submission process.
7. The system facilitates the systematic collection of information related to contractors involved in projects. Users can input and maintain data such as the contractor's name, contact details, business type, EIN, UEI and additional relevant information. Similarly, employee information including but not limited to the ones on the requirement list are collected and tracked through employee roster creation, payroll reporting.
8. Allow for the integration of local Executive Orders and ordinances for wage rate provisions for Puerto



**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

Rico. For projects in Puerto Rico, the system is adaptable to regional nuances and specificities.

9. Over the years, our commitment to providing a solution that anticipates and adapts to regulatory changes has been unwavering. The established routing for updating wage determinations is a testament to our dedication to long-term excellence in compliance management. The routing system is designed for continuous, automated updates. As new DOL federal wage determinations are released, our system seamlessly integrates these changes into the rate structures across relevant projects, minimizing manual efforts and reducing the risk of oversight.
10. Our restitution payroll report can be submitted individually or in batch. Either the contractor or compliance officer or any other involved party can communicate with regard to such submission via leaving message and/or uploading supporting document. Validation and approvals can be performed from various groups and notification is always a configurable feature on user's discretion.
11. 12. The dashboard will gather various information and display by category including flagged payrolls, overdue reports, conformance request, subcontractors pending approval etc. Each category is grouped by Subrecipient, project/contract name and contractor name with sortable and printing features.
12. Our system takes pride in being role-based, providing a tailored and efficient experience for users based on their roles within the organization. Each party will have access to the specific information relevant to their role. We have workflows that reflect the sequential steps involved in different roles. These workflows are tailored to match the specific processes and responsibilities of each role within the organization.

9.1.4 D. System User Groups

In line with modern security standards and user convenience, our system is designed to support multiple authentication providers such as any Authenticator App and email.

For data access, the system provides abilities to configure various rights, granting user groups different permission levels based on their roles and responsibilities. It includes granular permission settings, redacted data for PII and contract amount, contract specific accessibility, role-based access control, customizable rights control etc. This feature empowers organizations to tailor data access to the unique needs of different user groups, promoting a secure and efficient data management environment. Each user group can collaborate and communicate with other groups through system message, notes, mutual data view etc. Thus, the security granularity against unauthorized access the system offers is both application-level security and role-based security.



January 31, 2024

9.1.5 E. System User Capabilities

Our system is equipped with a comprehensive set of user capabilities that have been meticulously designed to address the diverse needs of our users. These capabilities are not just theoretical concepts but are fully implemented, tested, and ready for use. The required user capabilities of PRDOH will be available in the initial version of the system stood up during the implementation.

9.1.6 F. System Testing Requirements

Our commitment ensuring the security and integrity of the system against any unauthorized access or usage, both from external third parties and within various user groups is backed by a comprehensive set of security measures and protocols designed to safeguard the confidentiality, integrity, and availability of the platform. A test environment can be provided to PRDOH.

9.1.7 G. User Acceptance Testing (UAT)

User Acceptance Testing

We propose a User Acceptance Test at two stages in the process. The first level of User Acceptance Test occurs during the Agile Execution phase. After each Sprint is complete, the UAT for that Sprint is conducted along with the PRDOH Test team. Once all the Sprints are complete an end-to-end UAT is conducted to ensure that all the sprints work together in the manner identified by PRDOH during the Fit Gap Analysis. User acceptance testing will be performed based on the following goals.

- Validate that the application meets the business requirements by testing against the business processes,
- Validate the performance of the system is not degraded under expected full user,
- Confirm that the system meets the Testing exit criteria.

UAT Execution

UAT Testers will execute the User Acceptance Test cases during the UAT cycle. Once the entire build is delivered into the UAT environment, a series of tests called the Build Verification Test (BVT) are run by the system test team to ensure that the technical deployment of the system into UAT was executed successfully. The intent of the BVT is to perform a broad sweep of the application in order to uncover any gross errors or inconsistencies before any detailed UAT testing is begun. While UAT is executed, test scripts are followed, progress of the test scripts is maintained and reported on, and defects are managed. Those that fail will go through a Defect Tracking and Resolution management process as described in the Defect Management Process. Test cases that previously failed, and potentially those that were blocked, will be re-executed.

Defect Lifecycle

The Defect Management process will create a common understanding of defect severities and tracking by using a test management tool that allows defect tracking, reporting and trending. The status of a defect reflects the progress of the defect and where it is in the lifecycle. It also reflects progress and ownership. The following list suggests states of a defect and Figure 5 Defect Lifecycle shows how a defect moves from one state to another.

- **New:** A newly created defect, not triaged.
- **Review:** Assigned to someone for review (BA for requirements clarification, Developer for fix, or Tester for confirmation of behavior).
- **Duplicate:** If it is an exact duplicate of an existing defect.
- **Develop:** If it is actively being worked on by a developer.
- **Migration:** Fix is complete, unit tests created and passed, code is checked in and is waiting to be migrated.
- **Testing:** Migration is complete and is ready for testing.
- **Closed:** Tested successfully and defect is closed.

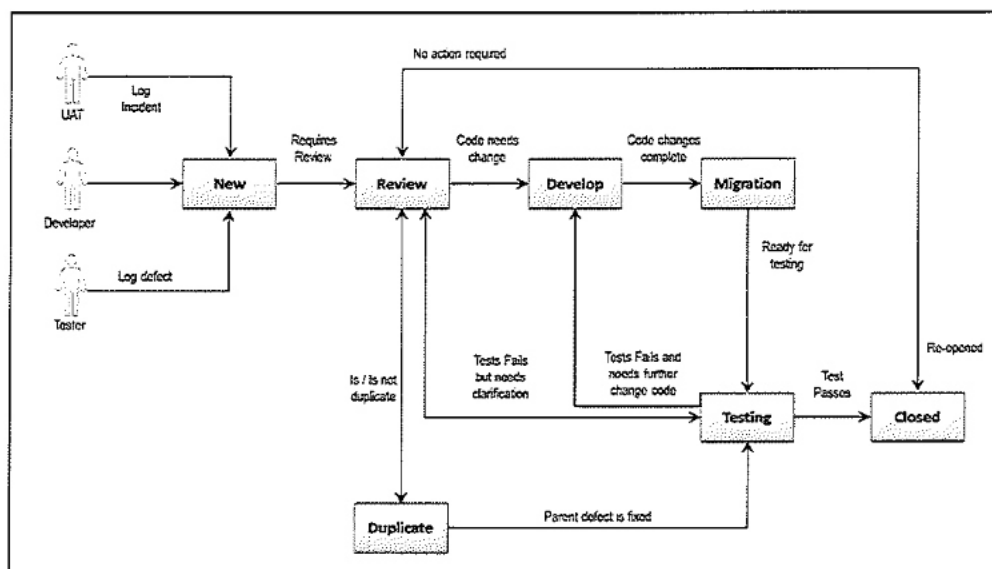


Figure 5 Defect Lifecycle

9.1.8 H. Risk Management

The system is committed to implementing a robust and continuous risk evaluation process during the operation and maintenance of the SaaS platform. Our approach to risk management is designed to be proactive, adaptive, and aligned with industry best practices.

Continuous Monitoring — The system undergoes continuous monitoring to detect and assess potential risks in real-time. Our monitoring systems track various parameters, including user activities, system performance, and security events, providing a comprehensive view of the platform's health.

Regular Risk Assessments — Regular risk assessments are conducted to identify and analyze potential risks that may arise during operation or maintenance. It is covering areas such as data security, system availability, and compliance with industry standards.

Threat Intelligence Integration — We integrate threat intelligence sources to stay informed about emerging threats and vulnerabilities. This enables us to proactively address potential risks before they manifest and ensures that our risk management program is adaptive to the evolving threat landscape.

Collaborative Risk Identification — We encourage a collaborative approach to risk identification, involving key stakeholders, system administrators, and end-users. This collective effort enhances the depth of risk identification, considering diverse perspectives and insights from those actively engaged with the SaaS platform.

Regular Security Audits — Regular security audits are conducted to assess the effectiveness of security controls and measures in place. These audits include vulnerability assessments, penetration testing, and compliance checks, contributing to the continuous improvement of our risk management program.

Risk Mitigation — After Acknowledgment and documentation of the risk, prioritization will be performed to classify vulnerabilities based on their severity, potential impact and exploitability. According to the classification, root cause analysis is conducted to determine a remediation plan. If needed, timeline for the remediation will be communicated with the assessors to keep them informed about the progress and status of the remediation efforts.

While remediation, our team will differentiate between critical vulnerabilities that require immediate attention and those that can be addressed in subsequent release cycles. Implement temporary mitigations or compensating controls, if necessary, to reduce the immediate risk while working on a permanent fix.

When completed remediation, security training and awareness will be provided for personnel involved. Then conduct a post-remediation assessment to ensure that the vulnerabilities have been successfully addressed. Continuous monitoring is always in place to detect and respond to similar issues in the future. We remain committed to staying vigilant, addressing potential risks, and continuously enhancing the security and reliability of the system throughout its lifecycle.

9.1.9 I. Data Migration

The Data Migration Approach is a separate workstream that is comprised of activities which occur in multiple phases of the project. This is described in the Figure 6 Data Migration Approach.

Elation fully supports Excel/XML/Database Import and Export for all system entities, including custom entities created as part of the implementation process. As such, historical data migration can be achieved by using Elation in-platform import capabilities.

RS
RS

WARR
WARR

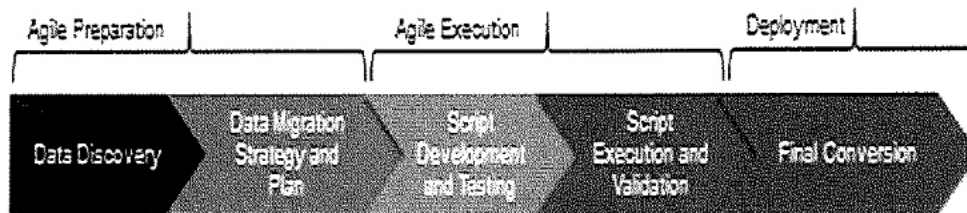


Figure 6 Data Migration Approach

9.2 Task 2: SaaS System Training and Customer Service Desk

The Elation Team incorporates as a best practice comprehensive training and user-oriented training that enables consistent and competent knowledge of how to use and master compliance and reporting. The system is built on a dynamic platform that can be delivered in both English and Spanish to enable bilingual capabilities for Davis – Bacon, Section 3 and other reporting requirements. Our experienced, bilingual and local team is comprised of experts in DBRA and trained in communicating requirements to a broad audience in a user-friendly manner. **Training and on-going support will be a key success factor in our implementation.**

Our team has the following training capacity and capability to provide pre and post go live end user training and ongoing customer support desk as part of the ongoing training to all user groups.

- **Elation Systems** – Comprehensive Davis-Bacon and overall software training and user manuals.
- **MPACT Strategic Consulting** – Training and curriculum development, including e-learning, web-

based, virtual and in-person; specific training expertise in Davis-Bacon and HUD Section 3; local and bilingual training expertise; and combined Advanced Elation software user experience.

- **TeleContacto** – local and bilingual customer service, local call center and customer support desk support with extensive experience with Puerto Rico CDBG-DR programs; Outbound and inbound outreach and communication and local translation capabilities.

9.2.1 A. Customer Service Desk

The customer service desk plan is designed to ensure prompt and effective resolution of potential system issues while maintaining a high level of responsiveness to different inquiry categories. This report outlines the proposed timelines for addressing, correcting, and fixing any system issues, along with a schedule of timeframes for responses to various inquiry categories.

1. Timelines for Addressing and Correcting System Issues:

a. Critical Issues:	Response Time: Within 1 hour of issue identification. Resolution Time: 4 hours from the time of initial response.
b. Major Issues:	Response Time: Within 4 hours of issue identification. Resolution Time: 1 business day from the time of initial response.
c. Minor Issues:	Response Time: Within 1 business day of issue identification. Resolution Time: 3 business days from the time of initial response.

2. Schedule of Timeframes for Responses to Inquiry Categories:

a. Technical Inquiries:	Response Time: Within 2 hours of inquiry submission.
b. User Account Assistance:	Response Time: Within 1 business day of inquiry submission.
c. General Information Requests:	Response Time: Within 2 business days of inquiry submission.
d. Feedback and Suggestions:	Response Time: Within 3 business days of inquiry submission.

3. Logging and Reporting:

- a. All customer service interactions, including the nature of the inquiry, response time, and resolution time, will be logged in a centralized system.
- b. Monthly reports summarizing the responsiveness to different inquiry categories will be generated and made available for PRDOH evaluation.

4. Continuous Improvement:

- a. Regular reviews of customer service desk performance will be conducted, and adjustments to response timeframes will be made based on feedback and evolving system requirements.

The Elation Team offers various types of customer support including phone, online tickets, and email support. Each has a prompt response time based on the priority and severity of the issue. With our local teaming partner.

RS
RS

9.2.2 B. Customer Service Desk Staff & Language Access

Telecontacto has four call centers in Puerto Rico with capacity for more than 700 bilingual representatives. Features of the call centers include:

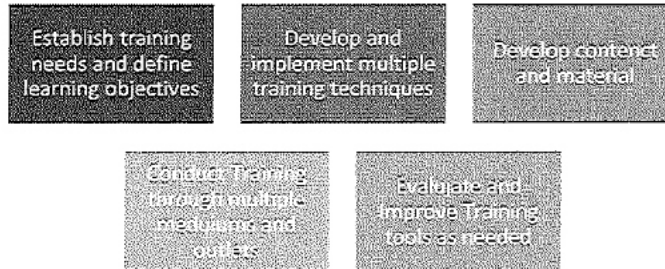
- Fully equipped, state of the art contact centers, designed for efficiency and to stimulate teamwork.
- Experienced management and supervisors.
- Multichannel Automated Contact Distribution (ACD).
- Voice, Chat, Social Media, E-mail, Video, IVR, Text-to-Speech, Speech Recognition and more.
- Web based real-time reporting.
- 24-hour remote monitoring capabilities.
- Skill based routing.
- Contact Centers work 24/7/365.

9.2.3 C. Training Plan

The Elation Team has developed a training plan that is comprehensive to enable proficient use of the

**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

Elation System and understanding of Davis Bacon requirements and prevailing wage reporting. The training plan will include both the Elation software and Davis-Bacon training in both English and Spanish. The training plan is designed to accomplish the following key activities:



The training plan consists of multiple communication and training methods including on-line, virtual, in-person / classroom or live, on-demand and specialized training, webinars and recorded where needed and required. The training audience will include several groups.

Target Training Group	Purpose	Method	Target Audience	Frequency
Train the Trainer	Provides expert 1 to 1 training to master users of the Elation Systems, DBRA and Section 3.	Primary: In-Person and Classroom Refresher: In-Person or Virtual on-line	Elation Team Project Managers and Supervisors	One week (within 1 st 90 days) then Bi-Annually (or as needed)
Internal Staff Training (i.e., Call Center, Outreach and Customer Service and Support Team)	Instructional delivery of Elation Systems and DBRA training to support Call and Contact Center staff Instructional delivery, messaging and communications to Contractors, Subcontractors and all other users Customer Service and Escalation protocols	Primary: In-Person and Classroom Refresher: In-Person or Virtual on-line (e.g. webinars or pre-recorded) Recurring: Recorded sessions for on-demand training and refreshers	Elation Team Managers and all staff users	Weekly (within 1 st 90 days) then Monthly – first 9 months then Quarterly (or as needed)
PRDOH Training	Summary level and instructional training of Elation Systems, DBRA and Section 3 training	Primary: In-Person and Classroom Refresher: In-Person or Virtual via webinar	PRDOH Staff and PRDOH designated users	2 – 3 Sessions (within 1 st 90 days) then Monthly – first 3 months then

**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

Target Training Group	Purpose	Method	Target Audience	Frequency
				Semi-Annually (or as needed)
PRDOH Subrecipients and Site Inspectors	Instructional delivery of Elation Systems, DBRA and Section 3 training Data entry and data requirements for Davis-Bacon compliance Reporting requirements for DBRA and Section 3 (if applicable)	Primary: In-Person and Classroom Refresher: In-Person or Virtual via webinar Recurring: Recorded sessions for on-demand training and refreshers	PRDOH Staff and PRDOH designated users	Twice a week for 4 weeks (within 90 day session) then Monthly for first 90 days then Monthly for all new Subrecipients (or as needed)
Contractor and Subcontractor Training	Instructional delivery of Elation Systems, DBRA and Section 3 training Data entry and data requirements for Davis-Bacon compliance Reporting requirements for DBRA and Section 3 (if applicable)	Primary: In-Person and Classroom Refresher: In-Person or Virtual via webinar Recurring: Recorded sessions for on-demand training and refreshers	PRDOH Staff and PRDOH designated users	Twice a week for 4 weeks (within 90 day session) then Monthly for first 90 days then Monthly for all new Contractors (or as needed)
Other designated users (As defined by PRDOH)	Ad-hoc training as defined by PRDOH	As defined by user group (In-person or Virtual)	TBD	On -Demand

Note that the table provides a summary of timelines and objectives of the training, per the training plan, however all training will be recorded for replay via you-tube or internal video for on-demand training via virtual or classroom (if requested). These trainings will be available to PRDOH and PRDOH subrecipients and contractors.

Elation System Training

Training materials are available within the system for download and online review at any time (24X7) including user manual and video instructions. All user manuals have the language options including English and Spanish versions. These training manuals have been successfully implemented and provided to over 5,000 contractors and subrecipients to enable successful project launch and compliance. We are confident that our current tools, both in English and Spanish, will achieve the expected level of comprehension in using the software. Refer to Figure 8 Training modules.

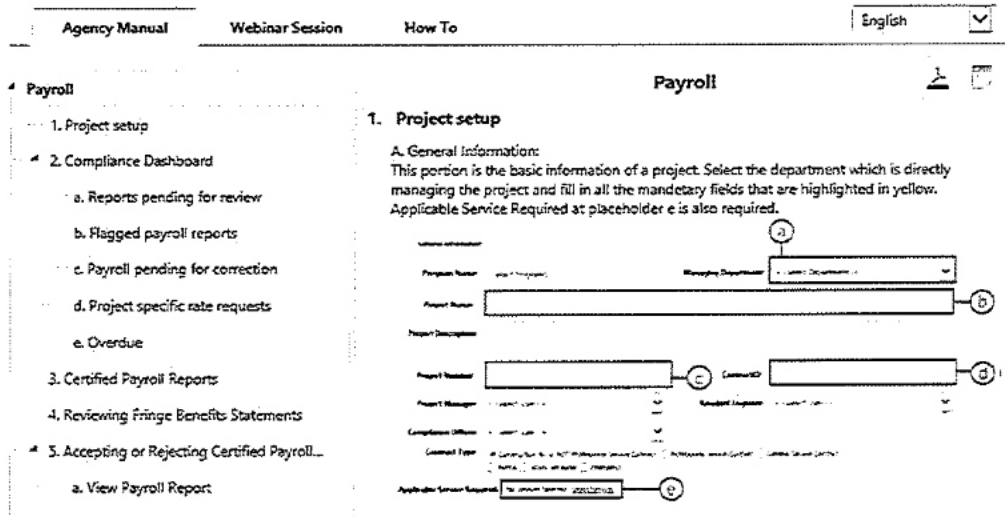


Figure 8 Training Modules

The Elation Team will provide training to PRDOH staff, internal team members and all external contractors and multi-tiered subcontractors. Elation uses a consistent approach to training that has been successful in all project launches and support. The training will be offered in both English and Spanish and provided by our bilingual staff. The training consists of two primary types; 1. Elation System training, 2. DBRA Compliance and Monitoring overview and regulations. We will also provide specific ad-hoc training on specific modules or issues a contractor may be facing, to ensure conformance and compliance. We will base training to be consistent with the training guides that are also provided by PRDOH and posted on the website. The training materials will consist of the following topics:

TOPIC - The Elation System Labor Compliance and Contractor Training Guide

- Certified payroll reporting and workflow management
- Fringe benefits statement reporting
- Electronic signing
- Prevailing wage verification
- Apprentice certification validation
- Data processing for any accounting systems
- Contractor and subcontractor messaging and chat services
- Contractors' licensing status validation and EPLS verifications



**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

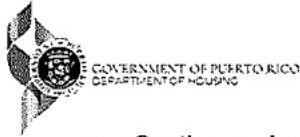
- Integrated “new hire” or job creation tracking program management
- Customized project workforce requirements management
- Comprehensive workforce statistic reporting

TOPIC – Introduction to Davis-Bacon and Prevailing Wage Compliance

- Davis-Bacon and Applicable Federal Labor Laws & Regulations
- Workforce Protection Measures
- General Wage Decision overview; proper classifications and rates
- DBRA compliance requirements and forms
- Certified Payroll
- Bona fide fringes and proper overtime calculations
- Apprenticeship Program Requirements
- Site Visits
- Underpayment Restitution
- Owner/Developer and Prime Contractor/General Contractor Responsibilities

TOPIC – Customer Service and Delivering High Quality Metrics

- Introduction to Customer Service
- Customer Service Standards and Expectations - Explanation of the company's customer service standards, expectations, and core values.
- Company and PRDOH Policies and Procedures related to Customer Service Expectations
- Effective Communication Skills
- Time Management and Efficiency
- Problem-Solving and Conflict Resolution
- Teamwork and Collaboration



**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

- Continuous Improvement
- Measuring Success

Elation also offers a comprehensive training program as part of the implementation and ongoing maintenance process. The program provides for both on-site training sessions and web-based training sessions. The following describes the training scenarios for a customer with the typical engagement process:

1. During the start-up phase of the implementation process, a standard version of Elation will be set up and be accessible by PRDOH's staff. Online or onsite orientation training sessions will be provided to PRDOH's staff to gain an overall knowledge of Elation Software.
2. As PRDOH's project team members start exploring Elation Software during the implementation process, ongoing ad-hoc training may be provided to answer specific questions to the Software.
3. As part of the business requirement and configuration analysis process, a training manual will be developed to provide instructions of how different type of users, such as project managers, budget staff, accounting staff, administrative analyst or business line managers, can use the software to conduct their business activities.
4. Toward the end of the software implementation process and before the formal software go-live date, an intensive training program will be offered onsite to train the user population. Elation Systems encourages the adoption of a Train-the-trainer (TTT) approach for Elation Systems to train a core team of administrative users from PRDOH, who in turn will train other users inside PRDOH.
5. As Elation goes into production, PRDOH may request onsite or online training on an ongoing basis to train new users or receive refresher courses, and there will be regularly scheduled web-based sessions for vendors who need help understanding how to execute their functions in the system.

We also have extensive experience in community outreach, call centers and training programs. We are recognized as subject matter experts on Davis-Bacon wage compliance monitoring and related activities. Specifically, our team provides the following services:

- Experts in federal DOL, Davis-Bacon Act Prevailing Wage labor compliance.
- Systems and process integrators that develop unique technical solutions to achieve maximum compliance effectiveness.



January 31, 2024

- A cloud-based and paperless integrated reporting and monitoring solution (Elation) for prevailing wage, Davis-Bacon and other cross-cutting regulatory requirements.
- Analyzing certified payroll data to determine compliance or noncompliance with the requirements of prevailing wage and the Davis-Bacon Act.
- Conduct both offsite (desk) and onsite interviews to ensure that contractors pay prevailing wages and refrain from taking unlawful deductions from workers' paychecks.
- Investigate "red flags" and trending errors that span across contractors to proactively troubleshoot future issues.
- Provide technical assistance directly to contractors to conform their data and methodologies to DOL and DBA best practices. and,
- Rank contractors for future bidding opportunities using an "Enhanced Review" process.

9.2.4 D. Technical Assistance

The Elation Team customer support, user training, and technical assistance will be provided consistently and similarly to PRDOH, PRDOH Subrecipients contractors and subcontractors. All users, subrecipients, contractors and subcontractors will have access to their specific projects and will be able to get support, training and technical assistance for their specific projects. Note, only the contractors and subcontractors that are assigned to their specific projects will be able to access their project information.

9.2.5 E. Customer Service Desk Hours and Language Access

See Section 9.2.2.

9.3 Task 3: Service Deliverables

See Section 9.5.

9.3.1 A. Post Contract Execution: Buildout/Customization Phase Should be Proposal Phase (note from elation)

All required plans are included in section 9.5 Proposal Submission, these plans provide a roadmap for how we intend to approach different facets of the project and help instill confidence in PRDOH.

9.3.2 B. Operational Phase

1. Monthly Report

Recognizing the pivotal role of monthly reports in assessing system performance, we had proactively



**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

invested time and resources in meticulous preparation from the earliest stages of our system. With all data points collected in advance streamlines our monthly reporting process. These pre-collected data allow for easy customization of the requested report based on PRDOH's requirement. Similar monthly report has been delivered to our clients in the past 5 years.

2. System Delivery

Typically, the Elation system is turnkey and can be 'live' within 2 weeks of Notice to Proceed as a stand-alone product. However as we incorporate the requested modifications and enhancements by PRDOH to the tool, we will be fully operational within 90 days, if not sooner.

9.4 Task 4: System Warranty

The Elation System is designed and programmed to meet all HUD CDBG and PDROH policies and requirements. This includes DBRA reporting, and data capture based on the prevailing wage schedule as well as all HUD and PRDOH reporting requirements. The Elation system accurately and consistently meets HUD requirements and policies on multiple similar and complex projects. In addition, the Elation tool has demonstrated the ability to modify any new guidance and regulations provided and implemented by HUD or other municipal clients. In the instance that HUD and/or PRDOH provides new guidance, we can modify and program the Elation tool to incorporate these changes and train our team to provide this guidance to the contractors. This is a key differentiator of Elation and our team's capacity, experience and capabilities.

Therefore, we are confident to meet and exceed all the warranty requirements outlined in this agreement. Our commitment to delivering high-quality software and services is unwavering. Furthermore, our commitment extends to providing credits for any unscheduled system downtime, as per the outlined availability credit fees. We are confident in our proactive approach, robust systems, and dedicated support to maintain system availability at the highest standards.

Our team is dedicated to ensuring that your experience with our software is not only compliant with the outlined warranty terms but exceeds your expectations. We are poised to deliver excellence and stand ready to address any challenges that may arise, demonstrating our unwavering commitment to your satisfaction and the success of our partnership.

9.5 Additional Work Approach Requirements

9.5.1 Proposed Project Plan Chart

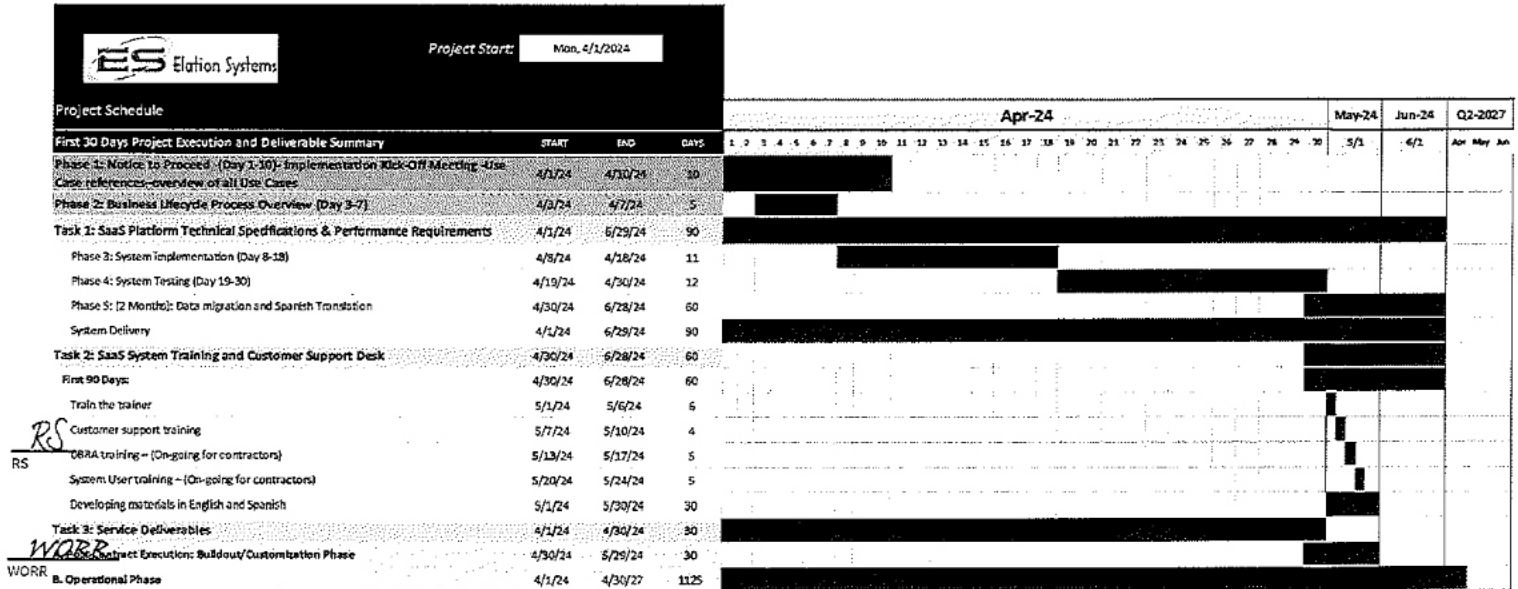
The following proposed timeline prioritizes rapid kickoff and fulfills all task items in a timely, quality-oriented manner, while also being flexible enough to accommodate any of PRDOH's internal goals. The Elation Team has designated April 1, 2024 as our sample start date because we are prepared to



January 31, 2024

**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

commence immediately upon contract execution; however we maintain the flexibility to accommodate any adjustments to the start date, ensuring a seamless and adaptable schedule aligned with project evolving requirements and dynamics. Our goal is to ensure a smooth launch, prioritizing both timeliness and responsiveness to the evolving needs of the project, thereby enhancing overall project success and client satisfaction.



9.5.2 Task 1 Proposed Punchlist

Elation will provide a detailed Punch list verifying all technical specifications prior to system implementation.

9.5.3 Training Plan Outline

The Training plan will be detailed and submitted to PRDOH within 30 days of contract execution as highlighted in section 9.2.3 above. The training schedule includes:

- Developing materials in English and Spanish – Day 30- 60
- Webinar, on demand training – 60 to 90 days
- Train the trainer – 5 Days, 30 to 60 days
- DBRA training – 3 days, 6- 90 days. On-going for contractors.
- System User training – 5 days, 60 to 90 days. On-going for contractors.



**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

- Customer support training, 3 days, 60-90 days. 90 – 120 days refinements based on real-time issues.

The Training Plan outline is as follows.

1. Train the trainer (a Puerto Rico person)
 - 1.1. Davis Bacon per the Puerto Rico Housing Authority Training on website
 - 1.2. Elation Systems
 - 1.3. Certified Payroll Review
 - 1.4. Red Flags
 - 1.5. Enforcement
 - 1.6. On Site Interviews
 - 1.7. Disputes & Remedies
 - 1.8. Restitution
2. Train the PRDOH
 - 2.1. MPACT Orientation
 - 2.2. Davis Bacon per the Puerto Rico Housing Authority Training on website
 - 2.3. Enforcement
 - 2.4. Disputes & Remedies
 - 2.5. Restitution
3. Train the call center/customer service
 - 3.1. Desk references and resources
 - 3.2. Elation Systems
 - 3.3. Davis Bacon per the Puerto Rico Housing Authority Training on website
 - 3.4. FAQ Orientation
4. Train the construction businesses
 - 4.1. MPACT Orientation
 - 4.2. Davis Bacon per the Puerto Rico Housing Authority Training on website

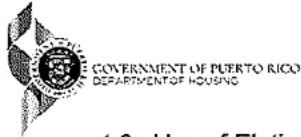
RS
RS

WORR
WORR



Elation Systems

January 31, 2024



4.3. Use of Elation labor compliance software

4.4. Additional compliance form usage

9.5.4 Training Material Roster Outline

The Material Roster will be detailed and submitted to PRDOH within 30 days of contract execution. The Roster outline is as follows.

1. MPACT Orientation
2. FAQ/Desk References and Resources
3. Access PR DOH website for existing DB training materials, including
 - 3.1. English user manual and Spanish user manual
4. Access link to Elations training manual systems for
 - 4.1. English and Spanish

RS
RS

9.5.5 Customer Service Desk Plan Outline

1. Logistics and call center schedule
2. Ticket and reporting requirements
3. Call resolution requirements
4. Escalation procedure
5. Training and materials tests by customer service reps
6. Staff schedule and HR requirements

WRR
WRR

9.5.6 Initial Training Plan Cadence and Staff

The Staffing will be detailed and submitted to PRDOH within 30 days of contract execution. The Staffing Plan for training is as follows.

1. Material Development- 2 Person
2. Training Delivery- Onsite 2 Person
3. Training Delivery- Virtual 2 Person

9.5.7 Data Migration and Transition Plan Outline

1. Objective and Scope: Get guidance on existing project data sources from PRDOH staff. Outline the scope of the migration, including databases, or data sets involved.



**DAVIS BACON & RELATED ACTS SAAS SYSTEM FOR COMPLIANCE
IMPLEMENTATION
QUALIFICATIONS AND WORK APPROACH, TECHNICAL PROPOSAL
— Exhibit A-2**

2. **Project Team:** Identify and list members of the migration team. Define roles and responsibilities to ensure accountability.
3. **Data Inventory and Analysis:** Conduct a thorough inventory of all data to be migrated. Analyze the quality, structure, and dependencies of the data to identify potential challenges. Identifying any specific limitations or system requirements.
4. **Data Mapping:** Map data elements from the source to our system. Define data transformations, conversions, and business rules.
5. **Data Cleansing and Pre-processing:** Implement data cleansing procedures to ensure data quality. Resolve inconsistencies, duplicates, and inaccuracies in the source data.
6. **Data Transformation:** Detail the processes for transforming data into the required format for our system. Include any necessary scripting, formatting, or coding.
7. **Data Loading:** Outline the procedures for loading transformed data into the target system. Specify loading schedules and any considerations for downtime or system impact.
8. **Validation and Testing:** Validate the accuracy and integrity of migrated data. Include unit testing, system testing, and user acceptance testing.
9. **Rollback Plan:** Develop a contingency plan and procedures for rolling back the migration in case of unforeseen issues. Define criteria for deciding when a rollback is necessary.
10. **Documentation:** Create detailed documentation for each phase of the migration. Include data dictionaries, transformation rules, and any troubleshooting guides.

RS
RS

WORR
WORR



SCOPE OF WORK

**Davis Bacon & Related Acts SaaS System for Compliance Implementation
Community Development Block Grant – Disaster Recovery
Community Development Block Grant - Mitigation
Puerto Rico Department of Housing
CDBG-DRMIT-RFP-2023-10**

1) Introduction

This document defines the work that the Proposer must perform for the Davis Bacon & Related Acts SaaS System for Compliance Implementation under a contract with the Puerto Rico Department of Housing (**PRDOH**) under the Community Development Block Grant – Disaster Recovery (**CDBG-DR**), Community Development Block Grant – Mitigation (**CDBG-MIT**) Programs, and any future federal allocations. A detailed description of CDBG-DR and CDBG-MIT Programs is included in the Action Plans approved by the U.S. Housing and Urban Development (**HUD**). A complete copy of the Action Plans is available at <https://cdbg-dr.pr.gov/en/action-plan/>.

RS
RS

WRR
WRR

To administer the CDBG-DR and CDBG-MIT programs portfolios in compliance with federal laws, regulations, and requirements, PRDOH adopted the following Davis Bacon and Related Act (**DBRA**) Policy in English and Spanish, the document can be found at <https://cdbg-dr.pr.gov/en/davis-bacon-website-map/>. PRDOH and its subrecipients must implement and comply with the PRDOH DBRA Policy. Most construction projects funded with CDBG-DR and CDBG-MIT funds must comply with DBRA requirements to ensure that laborers and mechanics are paid prevailing wages, including overtime, for the work performed on CDBG-DR and CDBG-MIT funded projects. Most construction projects must also comply with Contract Work Hours and Safety Standards Act, Copeland Anti-Kickback Act, Housing and Community Development Act of 1974 and Fair Labor Standards Act.

2) Davis Bacon & Related Acts SaaS System for Compliance Implementation

Anticipating the large administrative burden that compliance with the DBRA may arise, the PRDOH plans to acquire a Software as a Service (**SaaS**) platform to assist in collecting, cataloging, and overall management of the DBRA related requirements. This SaaS platform will be accessible by PRDOH, subrecipients, prime contractors, developers, entities with federal loans, and subcontractors for all construction-related projects in PRDOH's CDBG-DR and CDBG-MIT programs portfolio.

Proposers are responsible for proving their understanding and expertise for DBRA compliance system implementation. This includes comprehensive system application buildout for multiple user groups, in both English and Spanish, proving how their system will facilitate all user groups specific tasks to achieve compliance with DBRA in their proposed work approach.

The Federal Labor Standards compliance SaaS system will respond to the areas of compliance under the DBRA and Labor Standards including:

- Davis-Bacon Act (**DBA**) Of 1931, As Amended
- Copeland "Anti-Kick Back" Act of 1934
- Contract Work Hours and Safety Standards Act (**CWHSSA**), as amended
- Fair Labor Standards Act of 1938, as amended
- 29 C.F.R. §1-7 (Department of Labor)
- Housing and Community Development (**HCD**) Act Of 1974

The Selected Proposer(s) will be directly responsible for ensuring the accuracy, timeliness, and completion of all tasks assigned under this contract as identified in the RFP. The Scope of Work presented is based upon circumstances existing at the time of solicitation. The PRDOH reserves the right to modify or delete the tasks listed and, if appropriate, add additional tasks prior to and during the term of the contract.

If additional CDBG-DR and CDBG-MIT funds are allocated to Puerto Rico during the life of the contract, Proposer staff may be assigned to work on those future federal grants awarded and potentially expand those services to accommodate other similar programs yet to be defined. There is no guarantee of a minimum level of services that may be requested by the PRDOH under a contract. The PRDOH reserves the right to select more than one qualified Proposer that accomplishes all requirements for this Request for Proposals (**RFP**).

3) Davis Bacon & Related Acts SaaS System for Compliance Implementation Services and Tasks

The Selected Proposer(s) will provide a comprehensive, cloud-based solution to 1) collect, maintain, allow review and analysis of certified payroll and labor data for contractors working on PRDOH construction projects (Direct Administered & Subrecipient Administered) as defined in 29 CFR 5 in compliance with the PRDOH's DBRA policy compliance requirements and federal requirements. The SaaS system should be implemented and supported in compliance with federal and local information technology (**IT**) security standards, including those from the Puerto Rico Innovation & Technology Service (**PRITS**) and PRDOH policies.

The SaaS system should provide robust reporting and administrative capabilities (i.e. monitoring and tracking ability) to support compliance functions outlined. The system shall allow PRDOH staff the ability to monitor projects for labor compliance and workforce reporting, including the ability to enter data (24- hours per day) via the internet and organize, monitor, and pull (project data to generate reports via the internet (Real time inputting and reporting). Proposers will provide a data migration plan as per this RFP and allow all user groups access to the SaaS system without any other additional cost to user groups identified in this RFP outside this procurement. There shall be no additional cost associated with using these systems for the external users.

The PRDOH will evaluate Proposers' experience and expertise for proven solutions that address features and functions outlined below and also include any technology features that will improve overall process functionality but will not exceed the amounts shown as the Project's Estimate Budget. Proposers must identify that their software will include all necessary licenses authorizing the PRDOH and its contractors/subcontractors use of said software in both English and Spanish. As with any cloud-based application, the protection of individual information and preservation of privacy will be an important aspect of any system designed for use by the PRDOH and must align with PRDOH's Personal Identifiable Information **(PII)** Policy guide.

The projects associated with labor compliance monitoring services will include, but are not limited to, multiple small and large infrastructure and multifamily construction projects. The specific number of projects and or contracts that may require use of the SaaS system is not fully known and will vary from year to year. The projects range in size and complexity. A construction project is defined in 29 CFR §5 (h), (i) and (j) by the US Department of Labor **(DOL)**. Each project has a clear start date and end date resulting in contract close out. For more information on program structure refer to the exhibits and PRDOH program webpages of public information for total program budgets and program scopes involving construction. Proposer(s) must prove familiarity with and have proven experience with all the necessary and required forms for labor compliance reporting and monitoring for public capital improvement projects. Proposers specifically familiar with HUD Disaster Recovery and HUD Mitigation Labor Compliance requirements are desired but not required.

Proposers responding to this Request for Proposal **(RFP)** shall be prepared to provide a compliance monitoring SaaS platform in both English and Spanish in an expeditious manner to enable the PRDOH to meet critical deadlines and schedules. As the grantee, PRDOH and its subrecipients are responsible for executing various oversight responsibilities such as reviewing certified payrolls for direct administered projects and view reviews of subrecipients for subrecipient led projects. PRDOH must have access to view all files and data collected to conduct oversight and auditing compliance within the system. PRDOH and other user groups must be able to generate, view and request reports from system data collection which identify process and data deficiencies. The SaaS platform must serve to assist certain user groups in completing corrective actions through the system and generating reports, status updates as well as flagging pending or overdue items.

The Selected Proposer(s) will be authorized to start to perform work pursuant to a contract agreement and in accordance with the terms of the PRDOH Standard Services Agreement within thirty **(30)** days of award. The PRDOH Labor Compliance system shall go LIVE no later than ninety **(90)** days from date of award, if not earlier. The Agreement awarded will cover an initial **three (3) years term** with an **option extension for two (2) additional one (1) year terms** subject to the availability of funds, and to the sole discretion of the PRDOH, upon mutual written agreement.

RS
RS

WRR
WRR

The Selected Proposer(s) must have extensive experience monitoring and reporting prevailing wages, certified payrolls, on-site monitoring, investigations, payroll audits, labor laws, labor unions, apprentice program requirements, integration of forms, reports, notifications, custom reports and other requirements to ensure implementation of agency workflows and federal requirements for DBRA.

Task 1: SaaS Platform Technical Specifications & Performance Requirements

The PRDOH intends to procure development, implementation, and system training services for a comprehensive Software as a Service (SaaS) platform for tracking, documenting, auditing, and reporting on Federal Labor Standards (FLS) compliance across its portfolio of construction-based projects. This system will be used to track FLS compliance for all applicable projects subject to DBRA direct administered by PRDOH and through subrecipient administered projects. Based on the needs and responsibilities in the previous and following sections, the Selected Proposer will propose a comprehensive plan for design services for the system, system buildout in both English and Spanish, system testing, system user training sessions, live and prerecorded system customer support in both English and Spanish, and training, technical assistance and customer support materials such as presentations, manuals etc. (for PRDOH, subrecipients, developers and contractors), system implementation, project data transfer, and ongoing maintenance. The proposed project plan submitted with this proposal must include detailed tasks, and dependencies.

The following non-exhaustive list of system features and services are being requested:

A. SaaS System Technical Specifications

1. The Proposer shall provide IT hosting architecture for a DBRA SaaS system.
2. SaaS must be available to users in both English and Spanish, all year around with 99.9% or better uptime.
3. The system should be performant considering the overall end user experience with application gestures and reports taking no longer than 5-10 seconds.
4. Users must be able to add and modify basic project information including but not limited to Contract Number, Contract Name, Managing Department, Contract Description, Contract Cost, Solicitation Date, Solicitation Submission Date, Contract Award Date, Contract Start Date, Notice to Proceed Date, Contract End Date, Prime Contractor, Country, Wage Decision, etc.
5. System must be compatible with commercially available web browsers such as Google Chrome, Mozilla Firefox, Microsoft Edge, Safari, etc. on Mac, Personal Computer (PC), and Mobile platforms. The system should be able to be supported on industry-standard cloud platforms such as AWS, Google, Oracle Cloud and Azure. The proposer must list all compatible web browsers in response.
6. The system must comply and require the use of modern security protocols and encryption certificates (TLS 1.2 – 1.3) and shall make previous protocols unavailable. Attempts to use the system without encryption shall be rejected.

7. The system must be able to provision role-based security for accessing application features and data without regard to 3rd party integration methods.
8. The system requires SSL certificates using recent standards from trusted certificate authorities.
9. The system should be able to integrate with 3rd party Application Programming Interface (**API**) and integration points with desired application vendors.
10. The systems must be able to track and capture security related incidents such as invalid login attempts, excessive uploads/downloads, etc. and scanning of uploaded documents for malware.
11. System shall meet and facilitate operating system compatibility. Proposer must list any licenses for any specialized application or desktop software needed for the operation of the system, excluding Microsoft Office products in response.
12. The system must require limitations and enforcement of sensitive data storage on mobile devices and laptops.
13. System must have widespread use of drillable screens – user must be able to click an item on the dashboard or other screen and access associated details.
14. SaaS must be available and easily accessible for use on mobile devices. Proposer must identify any additional minimum specifications for mobile devices.
15. The system must comply with state, local, Federal and international security and privacy laws concerning the capture, sharing and disposal of personal data.
16. PII data, passwords, PINs and other associated data must be encrypted in storage and transmission. All devices that store PII or other High-Risk data must be statically encrypted. Any transmission of PII or other High-Risk data must be encrypted.
17. System must allow users to utilize electronic digital signature methods accepted by HUD/DOL.
18. System must enable administrators to make multiple notes at the contract level with at least 280 characters and allow for pre-scripted entries as identified by PRDOH.
19. System must include functionality for contractor(s) payroll upload. Proposer shall list all payroll systems that are integrated/compatible with the proposed system. Proposer must list all platforms that the system is not compatible with and provide workaround solutions for each.
20. System must allow for integration of third party or additional applications as needed.
21. The proposed SaaS system shall be capable of generating Certified Payroll Reports per subrecipient, contract, program, project or other parameter of data collected.
22. Proposed SaaS system shall be capable of various tiers for payroll validation for user groups.

RS
RS

WORR
WORR

23. The Proposer must describe/demonstrate the system's capability to handle complex subcontracting relationships, including tiered subcontracts, and Prime Contractor must be able to see information from all levels of subcontractors.
24. The proposed SaaS system shall include provision for simple and/or automatic application changes.
25. Proposed SaaS system shall have a clear system of goal setting, which the user will be able to view and report performance against.
26. Proposer shall provide support for the development of custom reports.
27. Proposed SaaS system shall allow for the export of all data files and system reports on a routine basis to PRDOH.
28. Proposed SaaS system shall allow for PRDOH or its designees to perform security assessments, tests, or audits of systems that handle or support information. Such assessments may be conducted by an independent third party at the discretion of PRDOH.
- (a) Audit logs shall be implemented for all systems that handle confidential information. All attempted violations of system security must generate an audit log. Audit logs must be secured against unauthorized access or modification. Audit trail history must be retained in line with PRDOH Recordkeeping policy (Refer to <https://cdbg-dr.pr.gov/en/download/record-keeping-management-and-accessibility-policy-rkma-policy/>).
29. System shall have the capability to provide files, including reports and associated data, to the grantee in order to ensure record retention and contract monitoring.
30. System shall include a document repository to maintain an organized file of various collected documents such as child support and other forms of automatic deductions that should be considered.

B. System Reporting Capabilities

1. System shall include the provision to export reports by contract, subrecipient, contractor/subcontractor, into Microsoft excel spreadsheet file (**XLS**), comma-separated value files (**CSV**) (preferred), and PDFs as needed.
2. User interface dashboard must allow for easy access to reporting features for contracts, Prime and sub-contractors, subrecipients, program areas, and individual programs (as defined in the CDBG-DR Puerto Rico Action Plan - <https://cdbg-dr.pr.gov/en/action-plan/>)
3. System shall allow for HUD 4710 and HUD 5.7 Report generation and compile supporting data for review¹.
4. System shall allow for HUD 2516² Report generation and compile supporting data for review including but not limited to subcontractor tracking.
5. System shall allow for HUD SF 1444² and DOL Wage Determination form generation/integration and compile data for review including but not limited to subcontractor tracking.

¹ https://www.hud.gov/program_offices/davis_bacon_and_labor_standards/olrform

6. System shall enable live daily review of CPR creation, upload, and verification.
 - (a) Must enable live daily review of Certified Payroll Report and provide restitution payroll report as XLS, CSV, and PDF as needed
7. System shall allow for supporting documentation for the Certified Payroll Report to be uploaded and cataloged for matters including but not limited to apprenticeship, registration, and others including miscellaneous deductions.
8. System shall have the ability to capture and track contract compliance relationships at the PRDOH-Prime Contractor-subcontractor- sub tier contractor levels and the PRDOH-subrecipient-Prime contractor-subcontractor- sub tier contractor levels.
 - (a) This should include information about the contracts, relationships, and period of performance beginning with award and Notice to Proceed Date (**NTP**).
9. System shall provide Section 3 hours tracking for Section 3 workers and targeted workers, MBE, WBE and LSA businesses.
 - (a) Shall allow for project hour total tracking and tracking by geographical region, MBE, WBE, LSA or other data point collected.

RS
RS

WRR
WRR

C. SaaS System Compliance Capabilities & Workflow

1. System must be able to assist with DBRA compliance areas:
 - (a) Davis-Bacon Act (**DBA**) of 1931, as amended
 - (b) Housing and Community Development (**HCD**) Act of 1974, as amended
 - (c) 29 C.F.R. § 1-7 (Department of Labor)
 - (d) Fair Labor Standards Act of 1938, as amended
 - (e) Contract Work Hours and Safety Standards Act (**CWHSSA**), as amended
 - (f) Copeland "Anti-Kick Back" Act of 1934, as amended
 2. System must be able to upload respective contracts, purchase orders, employee rosters and associate any given project with an unlimited number of Wage Determination Schedules.
 3. SaaS System must allow functionality for conducting field interviews using the HUD 11 form in both English and Spanish for subrecipients and PRDOH. This must include the ability to capture signatures of interviewees as part of the record. Store-and-forward of data is preferred. The system must allow integration of information collected in the field.
 4. System must allow for historical tracking of document upload and data input and allow for reports to be generated with this information as necessary.
 5. System shall enable the collection of existing contractor payrolls (including subcontractor and sub-tier contractors) and allow for import and reading of data from payrolls.
 6. System's core functions must include identifying DBRA compliance issues in Payroll Submissions. The system must have tools available to assist with issue flagging during Certified Payroll Submission validation.
-

7. System must allow for the ability to collect and track contractor, subcontractor, and sub-tier contractor information (Amount, Trade, Employer Identification Number (**EIN**), Unique Entity ID number (**UEI**) and employee information including but not limited to name, address, Social Security Number, title, ethnicity, phone number, withholding information, owner operated status, workers certificates for any apprentices, veterans certifications, etc.
8. System must allow for the integration of local Executive Orders and ordinances for wage rate provisions for Puerto Rico.
9. System must allow for automatic integration of DOL federal wage determinations.
10. The SaaS system must include functionality to receive confirmation of restitution payroll reports, upload supporting documentation, allow for validation and approvals of this from various user groups and provide reports.
11. Proposed SaaS system shall provide a summary dashboard that displays flagged items of non-compliance and allows for follow-up with contractors, sub-contractors, and other relevant users.
12. Dashboard shall allow for sorting by project number, subrecipient and/or contract number or assigned reviewers etc.
13. Functionality and levels of system engagement must align with the various User Groups Roles and Responsibilities.

D. System User Groups

1. System shall allow for different user groups with varied data permission levels as needed to ensure the protection of Personally Identifiable Information or PII. System shall allow for customized data input and oversight functions respective to roles in compliance with DBRA. The system should support multiple authentication providers.
2. The Selected Proposer(s) shall detail the level of security granularity provided against unauthorized access within user groups. Specified user groups include but are not limited to:
 - (a) PRDOH Administrators
 - (b) Grantee Team Users
 - (c) Subrecipient Teams
 - (d) Contractors
 - (e) Subcontractors
 - (f) Guests (Auditors, Monitors, government agencies, among others)
3. System shall allow for interaction (within appropriate levels of access) between multiple user groups associated with a given contract.

E. System User Capabilities

1. System must allow for the configuration of unlimited users for each of the user groups identified, each user must have a unique username and password.
2. System shall store information for updates made by users with the changes made, date/time for data modifications.

RS

WORR

3. Users must be able to change Contractor names through the User Interface and other contractor information without corruption of related historical data.
4. Users must be able to export tabular reports, queries, and screen displays to Excel, CSV, or PDF with one record per row.
5. System must allow Prime Contractor users to submit CPRs for itself and all subcontractors.
6. Administrator must be able to change the active Prime Contractor for a contract without corruption of previous data.
7. Incorporate unique contract numbers in accordance with established PRDOH contract numbering practice. Each contract shall have one Prime Contractor and allow for ten levels of Subcontractor (Prime-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub).
8. Subcontractor may be granted the same information as Prime Contractors but restricted to itself, its subcontractors, and contracts.
9. System Administrators must be able to develop and/or modify reports without programmer assistance.
10. System shall have a widespread provision of sort and filter options for viewing data on system screens.
11. System shall be able to associate Contractors with any/all PRDOH contracts said Contractor holds, including Prime and Sub-Contracts.
12. Authorized users must be able to load a set of contractors from a CSV file.

RS
RS

WRR
WRR

F. System Testing Requirements

1. Proposer shall warrant against the unauthorized access and usage of the SaaS platform by third parties or from within the various user groups.
2. Proposer shall provide of a test version of the application with a test database where changes can be tested before production deployment. The test database will be updated from Production upon departmental request.
3. Proposer must allow for test environment to go beyond 90-day window post buildout phase to allow for ongoing testing to address initial program settings and launch but also once the system is running if glitches or other corrective actions are needed to address any risks.

G. User Acceptance Testing (UAT)

1. The selected Proposer shall have a comprehensive UAT plan for the proposed SaaS system which will ensure full functionality for the proof of concept according to the specifications and implementation needs of the PRDOH. This UAT system shall include but is not limited to testing scenarios and/or test scripts including:
 - (a) The types of testing to be performed.
 - (b) The organization of the test team and associated responsibilities.
 - (c) Test case development and schedule.
 - (d) Documentation of test results.
 - (e) Tools to be utilized for UAT control and reporting.
-

H. Risk Management

1. System shall conduct steps to implement a risk assessment of system including but not limited to:
 - (a) System Characterization
 - (b) Threat Identification
 - (c) Vulnerability Identification
 - (d) Control Analysis
 - (e) Likelihood Determination
 - (f) Impact Analysis
 - (g) Risk Determination
 - (h) Control Recommendations
 - (i) Results Documentation

The risk management process should support the assessment of the system implementation against its requirements and within its modeled operational environment. Decisions regarding risks identified must be made prior to system operation.

2. Provider will provide risk mitigation process, including risk mitigation options and strategy, approach for control implementation, control categories, cost-benefit analysis, and residual risk that affect the configuration of security features.
3. Proposer shall indicate the ongoing risk evaluation process during operation or maintenance and assessment of factors that will lead to a successful risk management program for SaaS. Risk management activities are performed for periodic system reauthorization (or reaccreditation) or whenever major changes are made to an IT system in its operational, production environment (e.g., new system interfaces).

I. Data Migration

At the time of RFP release, PRDOH will require project data to be transferred to the new SaaS system from existing systems and files from PRDOH, Municipalities, and other subrecipients. Project data is defined as the documents and reports including Certified Payrolls (WH347), SF 1444 forms, HUD 11, HUD 4710, copies of contracts, employee rosters, federal wage determination files, local wage determination files and any other relevant project documents that support labor compliance implementation. PRDOH staff will provide specific guidance on existing project data sources. Proposers must provide a comprehensive transition plan to move all relevant project data from existing hard copy data and information systems currently gathering project data and should be capable of interfacing with Contractors' various payroll reporting software. The Selected Proposer(s) will be responsible for aligning data migration plan, identifying any specific limitations or system requirements for documents including formatting, versions of software required or other potential limiting factors along with viable practical solutions to mitigate. Data migration must align with PRDOH recordkeeping policy requirements including but not limited to access to data and ownership of data as well as transferring of data to PRDOH servers when required.

Data Migration tasks include but are not limited to the responsibilities below:

1. Contractor will have the ability, staff and system structure to import of any/all requested files, including all Official Project Records so that the new system will accurately report and be queried on these projects as if the information has initially been input into the new system without corruption of dates or other data, including audit trails of submission, modification, review history of payroll submissions. Official Project Records are defined as all files under a construction project, including all payroll files within a project.

Task 2: SaaS System Training and Customer Support Desk

PRDOH requires pre and post go live end user training and ongoing customer support desk as part of the ongoing training to all user groups identified in this RFP. Given the central role this system will be in the day-to-day compliance implementation and identified user groups, training and ongoing customer support are essential components. The Selected Proposer(s) must be able to provide the following services in both English and Spanish (Latin America, preferably using the Puerto Rico regional dialect) languages.

A. Customer Service Desk

The role of the customer service desk will be to gather all the customer support cases (through creation of tickets) and communications on various email accounts and channels. The customer support desk will be responsible for arranging them in one central place. The customer service agents must be bi-lingual (English and Spanish) must have the ability to manage customer tickets promptly and efficiently.

Proposer shall identify as part of customer service desk plan the timelines for addressing, correcting and fixing any potential system issues and log the schedule of timeframes for responses to different inquiry categories. This report must be available for PRDOH to evaluate responsiveness to user groups.

B. Customer Service Desk Staff & Language Access

Proposer must have staff who are knowledgeable and bi-lingual (English and Spanish) for DBRA compliance areas to assist RFP user groups seeking to register or perform day-to-day activities on the system as identified in Task 1. The Proposer must submit as part of this response a customer service desk plan to indicate how they will support daily functions and efficient operation to ensure tickets are resolved.

C. Training Plan

Proposer must provide an adequate training plan as part of the submission to indicate the suite of training materials proposed in both English and Spanish including but not limited to the live and prerecorded online training environment, detailed system-specific manuals, Power Point presentations on system features, live and recorded webinars on how to use the system, live

RS

WORR

presentations or live technical assistance, and webinars. All materials must be available in both Spanish and English.

D. Technical Assistance

Proposer must provide technical and process customer support, user training, and technical assistance for PRDOH, subrecipients, developers, contractors, subcontractors and user groups as a minimum via live chat, email, and/or telephone in both English and Spanish during normal business hours in Puerto Rico local time. (Atlantic time zone – 7:00am to 6:00pm)

E. Customer Service Desk Hours and Language Access

Proposer shall provide customer support, user training, and technical assistance for PRDOH staff via live chat, email, and/or telephone in both English and Spanish during normal business hours in Puerto Rico local time. (Atlantic time zone – 7:00am to 6:00pm)

Task 3 Service Deliverables

The key deliverables to be provided include, but are not limited to, the following:
Proposal Phase

Proposal Submission

- 1) Initial project plan indicating the timeline for initial and final buildout which includes all task items from this RFP being fulfilled as per Task 1 & 2.
- 2) Initial punch list indicating all technical specs from Task 1 will be fulfilled, met or integrated in the system.
- 3) Initial training plan as per Task 2.
- 4) Initial training material roster indicating the suite of training materials to be provided as per Task 2.
- 5) Initial customer service desk plan to indicate how the contractor will support daily functions and efficient operation to ensure tickets are resolved as per Task 2.
- 6) Initial training plan to indicate the cadence and staff of the contractor to be dedicated as per Task 2.
- 7) Initial data migration and transition plan to move all relevant project data from existing hard copy data and information systems currently gathering project data and should be capable of interfacing with Contractors' various payroll reporting software.

A. Post Contract Execution: Buildout/Customization Phase

Selected Proposer must finalize and submit to PRDOH:

- 1) A final project plan indicating the timeline for initial and final buildout which includes all task items from this RFP being fulfilled as per Task 1, 2,3. (within the first 30 days after contract execution)
 - 2) A final punchlist and checklist indicating all technical specs from Task 1 are fulfilled, met or integrated in the system (within the first 30 days after contract execution).
 - 3) A final training plan as per Task 2 (within the first 30 days after contract execution).
-

- 4) A final training material roster indicating the suite of training materials to be provided as per Task 2 (within the first 30 days after contract execution).
- 5) A final customer service desk plan to indicate how the contractor will support daily functions and efficient operation to ensure tickets are resolved as per Task 2 (within the first 30 days after contract execution).
- 6) A final training plan to indicate the cadence and staff of the contractor to be dedicated as per Task 2 (within the first 30 days after contract execution).
- 7) A final comprehensive data migration and transition plan to move all relevant project data from existing hard copy data and information systems currently gathering project data and should be capable of interfacing with Contractors' various payroll reporting software (within the first 30 days after contract execution).
- 8) A monthly report detailing actions taken during the period to ensure the proof of concept and buildout to date. This monthly report must include but is not limited to:
 - a. Customization descriptions with hours worked by Proposer personnel (if applicable)
 - b. Module/customization test descriptions and functionality reports
 - c. System implementation readiness report
 - d. System Testing Updates and corrective actions taken.
 - e. Other activity summaries for items in this RFP as defined by PRDOH staff.

The Selected Proposal(s) shall inform in writing to PRDOH prior of the compliance due date of any circumstances that may cause any delays on compliance to be discussed and finalized with PRDOH staff.

B. Operational Phase

1. Monthly Report

Selected Proposer(s) must submit an ongoing monthly report on the third Friday of each month detailing:

- i. An updated Project Plan
- ii. Uptime percentages and incident reports of any failures which impaired system operation including downtime, issue code (Critical failure, etc.), and incident solution. Uptime percentages shall determine SaaS subscription percentage discounts as applicable.
- iii. Summary and counts of trainings and technical assistance held by selected Proposer to PRDOH and/or other users and user groups
- iv. Number of Customer Service Desk tickets attended.
- v. Number of new accounts and new projects set up in the system.
- vi. Number of projects turned off in the system.
- vii. Summary of Data Migration during that month
- viii. Any Task Order/hourly rate charges for Proposer personnel shall be invoiced as part of this report. Any charges, including travel and/or lodging must be pre-approved in writing by PRDOH prior to incurring cost.

2. System Delivery

- ix. Within **ninety (90) days** of contract execution, the Selected Proposer(s) shall deliver a fully functional compliance monitoring SaaS platform, that meets the specifications of all tasks included in this RFP in both English and Spanish above, for use by all user groups identified in this Scope of Work.
- x. Within **ninety (90) days** of contract execution, the Selected Proposer(s) shall deliver a fully functioning training plan, suite of training material and tech desk support system available to all users in English and Spanish, incorporating any customization required by PRDOH.

4) System Warranty

The Selected Proposer(s) shall warrant conformity with the specifications applicable at the time of supply of the software to assure the system requirements are met. The software will perform without defects during the term of this Agreement. If the Software does not perform as warranted, the selected Proposer will use all reasonable efforts, consistent with industry standards, to cure the defect in accordance with the maintenance and support processes. PRDOH may present a warranty claim to the selected Proposer during the term of this Agreement. The selected Proposer warrants that:

- (i) the functions of the software meet the PRDOH's requirements,
- (ii) the programs as selected by the PRDOH are compatible,
- (iii) the programs work without interruption and flawlessly or
- (iv) that all software errors can be removed.

Warranty for malfunctions caused by computer viruses from seller Software is included.

As part of the warranty, the Selected Proposer shall credit the PRDOH for any unscheduled system downtime. The availability credit fees shall be assessed monthly and shall be as follows:

Availability	Credit of Fees
≥99.5%	None
<99.5% but ≥99.0%	15%
<99.0% but ≥95.0%	35%
<95.0%	100%

5) Contract Term

This contract will be for a **three (3) years term** with an **option extension for two (2) additional one (1) year terms** subject to the availability of funds, and to the sole discretion of the PRDOH, upon mutual written agreement.

6) Allowance

The Selected Proposer(s) will be directly responsible for ensuring the accuracy, timeliness, and completion of all allowance tasks assigned. PRDOH reserves the right to modify or delete the tasks listed and, if appropriate, add additional tasks prior to and during the term of the contemplated contract. Allowance funding will be utilized by Task Order. The Selected Proposer(s) will not be reimbursed for any Allowance related task unless authorized in advance by PRDOH. Any Task Order that is issued by PRDOH shall be completed no more than 10 business days after the Task Order is issued by PRDOH or as agreed by the parties. The PRDOH reserves the right to retain some of these tasks internally and to request the contractor train the PRDOH staff or support grant management team to independently perform future tasks.

Proposers will detail the development and quality assurance process to be utilized for specifications, validation, authorization, testing, training, and passing to production of changes. PRDOH may specify templates and processes once a contractor is selected. Additionally, the Selected Proposer will be responsible for following change control processes as defined by PRDOH.

Due to the current uncertainty around the instances when the additional services will be required, an allowance will be established to provide the required services with prior authorization from the PRDOH. The allocated allowance will be available for any unforeseen costs for any additional services not indicated in the Scope of Work. The following are additional services that may be required but are not limited to:

A. Additional or New System Features Buildouts

The PRDOH anticipates the possibility of additional system needs during the life of the contract. **These shall consist of additional ad hoc programming needs, additional customization, or other support during the life of the contract.**

The Selected Proposer(s) shall have on staff or acquire at its own expense, staff that can respond to any System Needs task orders as needed.

B. Additional Data Migration

In the future, data may be collected from contractors and sub-contractors that must be migrated into the new system. The Proposer shall have on staff, or shall acquire at its own expense, staff needed to execute data migration tasks as needed.

7) SAM and PRITS Registry

Proposers must be registered in the System for Award Management (SAM) at the time of the Proposal submission or initiate the registration process right after the Proposal submission. For more information about the System for Award Management (SAM) go to <https://sam.gov/content/home>. Awards will only be issued to entities which are cleared

and not ineligible for award of a contract due to suspension, debarment, or HUD imposed limited denial of participation.

In order to provide technological solutions, the provider(s) must be registered with the Puerto Rico Innovation & Technology Service (PRITS). To expedite the process, we encourage the Proposers to register with PRITS. For more information about the PRITS, go to <https://www.prits.pr.gov/proveedores-de-tecnologia-form>.

8) PRDOH Reservation of Rights

The PRDOH reserves the right, without limitations, to:

- (i) Reject any or all proposals, to waive any informality in the RFP process, or to terminate the RFP process at any time, if deemed to be in its best interests.
- (ii) Reject and not consider any proposal that does not meet the requirements of this RFP, including but not necessarily limited to incomplete proposals and/or proposals offering alternate or non-requested services.
- (iii) Cancel this solicitation and reissue the RFP or another version of it, if it deems that doing so is in the best interest of the Public Interest.
- (iv) PRDOH shall have no obligation to compensate any Selected Proposer(s) for any costs incurred in responding to this RFP.
- (v) To reduce or increase estimated or actual quantities in whatever amount necessary without prejudice or liability to, if:
 - a. Funding is not available.
 - b. Legal restrictions are placed upon the expenditure of monies for this category.
 - c. PRDOH's requirements in good faith change after the award of the contract.
- (vi) Make an award to more than one Proposer based on ratings.
- (vii) To require additional information from Selected Proposer(s) to determine the level of responsibility.
- (viii) To contact any individuals, entities, or organizations that have had a business relationship with the Selected Proposer(s), regardless of their inclusion in the reference section of the proposal submittal.
- (ix) In the event any resulting contract is prematurely terminated due to nonperformance and/or withdrawal by the Contractor, PRDOH reserves the right to:
 - a. seek monetary restitution (to include but not limited to withholding of monies owed or the execution of the payment and performance bond) from the Contractor to cover costs for interim services and/or cover the difference of a higher cost (difference between terminated Contractor's rate and new company's rate) beginning the date of Contractor's termination through the contract expiration date.

- (x) Amend the contract(s) of the Selected Proposer(s) to, among others, extend its original duration, as further explained in the RFP, or to extend the scale of its scope to include work under subsequent CDBG-DR and CDBG-MIT action plans as related to the services requested herein, or to reduce the scale of its scope to decrease work as a consequence of underperformance or inexcusable delays related to the services requested herein.
- (xi) To contract with one or more Qualified Proposers as a result of the selection of the RFP or the cancellation of this RFP.
- (xii) To negotiate any price from the awarded proposer(s) in response to a specific order under this solicitation.
- (xiii) To withdraw from the contracting process with a selected Proposer if the selected Proposer does not provide the required contract documents, including insurance requirements, within ten (10) business days of contract Award Notice.

RS
RS

The Selected Proposer(s) shall be responsible for completing the activities outlined in this Scope of Work. The Selected Proposer(s) shall assist PRDOH by providing additional resources to accomplish assignments authorized by the PRDOH.

WDRR
WDRR

The PRDOH reserves the right to, at any time during the ensuing contract period, and without penalty to the Selected Proposer(s) contracted as a result of this RFP, conduct additional competitive solicitations to obtain herein required goods/services when, in the opinion of the Contracting Officer, it is the best interests of the PRDOH to do so.

End of Scope of Work



COMPENSATION SCHEDULE
Davis Bacon & Related Acts SaaS System for Compliance Implementation
CDBG-DRMIT-RFP-2023-10
Community Development Block Grant – Disaster Recovery
Community Development Block Grant – Mitigation
Puerto Rico Department of Housing

ELATION SYSTEMS, INC.

Davis Bacon & Related Acts SaaS System for Compliance Implementation

Request for Proposals No. CDBG-DRMIT-RFP-2023-10

The following sections contain cost information that considers the annual cost distributed by the Procurement Division in compliance with the Request for Proposals (RFP) CDBG-DRMIT-RFP-2023-10 and the Price Form submitted by the awarded proposer.

The Contractor presented licensing, implementation and additional services, as so they will be compensated based on a fixed price contract for services as identified in Scope of Work.

In case of a discrepancy between the Price Form and this document rate (Compensation Schedule) the Price Form will prevail.

Total Contract Cost

The total contract cost awarded is for the amount of **\$2,560,041.00** to **Elation Systems, Inc.** for an initial period of **three (3) years**, with the option of annual extensions, all renewals been contingent upon satisfactory performance by the Contractor and the availability of funds. The Proposer will be compensated based on the compensation rates submitted for this RFP as identified in **Exhibit G Price Form** (Revised 03/22/2024).

[Remaining of page intentionally left blank]

DBRA SAAS SYSTEM FOR COMPLIANCE IMPLEMENTATION: ELATION SYSTEMS, INC. - PRICE FORM

Costs	Elation System, Inc
	Exhibit G Price Form Revised 03/22/2024
First Year Fee	
Software Licenses	\$360,000.00
Implementation	\$23,688.00
System Translation Services	\$40,000.00
Data Migration Services	\$40,000.00
Training	\$112,262.00
Maintenance and Support	\$126,457.00
Subtotal Cost of SaaS – First Year	\$702,407.00
Second- and Third-Year Fee	
Software Licenses	\$360,000.00
Maintenance and Support	\$68,817.00
Subtotal Cost of SaaS – Year Two (2) and Three (3)	\$857,634.00
Allowance	\$1,000,000.00
Total Estimated Costs	\$2,560,041.00

Davis Bacon & Related Acts SaaS Services Additional Conditions

1. The DBRA SaaS System contract will be a fixed price contract.
2. Proposer shall warrant conformity with the specifications applicable at the time of supply of the software to assure the system requirements are met. The software will perform without defects during the term of this Agreement. If the Software does not perform as warranted, the selected Proposer will use all reasonable efforts, consistent with industry standards, to cure the defect in accordance with the maintenance and support processes. PRDOH may present a warranty claim during the term of the Agreement.
3. Proposer will be directly responsible for ensuring the accuracy, timeliness, and completion of all allowance tasks assigned. PRDOH reserves the right to modify or delete the tasks listed and, if appropriate, add additional tasks prior to and during the term of the contemplated contract. Allowance funding will be utilized by Task Order. Proposers will not be reimbursed for any Allowance related task unless authorized in advance by PRDOH.
4. Proposer will detail the development and quality assurance process to be utilized for specifications, validation, authorization, testing, training, and passing to production of changes. PRDOH may specify templates and processes once a contractor is selected.

RS

WORR



ATTACHMENT D

PERFORMANCE REQUIREMENTS

ELATION SYSTEMS, INC.

The Federal Compliance and Subrecipient Management Division (**FCSM**) will require tasks in the SaaS scope to be met as per the RFP by the Service Provider, including any subcontractor(s) engaged. The Service Provider is directly responsible for ensuring accuracy, timeliness, and completion of all tasks assigned under this contract. Consequently, PRDOH reserves the right to request the removal of any staff not performing to standard. PRDOH reserves the right to define and determine what is considered a successful launch of the SaaS system and support services as outlined in the tasks below and the RFP.

RS

FCSM will require delivery of Project Management Deliverables & Standards discussed in the RFP for the duration of the contract term as defined in the RFP scope under "5) Contract Term". Performance requirements included in this document will apply to the contractor and any subcontractor, according to the contract.

WORR

The following tables will cover the timelines, deadlines, and final deliverables per each RFP Task.

SaaS RFP TASK #1A
SaaS Platform Technical Specifications & Performance Requirements SaaS System Technical Specifications. Items #1- #30.
TASK #1A TIMELINES & DEADLINES As per the RFP, the system is expected to be ready for user testing within 90 days from contract signing. The System must be able to scale to meet RFP requirements for CDBG-DR & CDBG-MIT programs with construction projects. Items #1- #30 listed in part A of the Scope of Work are expected to be available, functional, and at capacity for a scalable universe of at least 300 subrecipients and commensurate contractors to kick off the system. Permissions for system use are expected to be available for the PRDOH teams and user groups as identified in the RFP. Items #1- #30 in the Scope of Work, part A of the RFP must be complete, available, functional, and ready for testing within 90 days of contract signing as per RFP. We especially note: items 11, 21, 22, 28, 29, and 30 as key mandatory items.

TASK#1A DELIVERABLES

A functioning system that performs the items listed in Scope of Work, A. items #1-#30.
A punch list confirming that all 30 items have in effect been incorporated to the system prior to system launch for PRDOH to review and confirm.

Data generated in the system must be exported to PRDOH monthly in a file format that is accessible and compatible with PRDOH systems and security requirements for PR and HUD PII standards.

A system that incorporates all federal forms including, but not limited to HUD 4710, HUD 11, and PRDOH Oversight checklists to review contracts, certified payrolls, conduct onsite visits, and more.

Note: The monthly report in months 1-3 must reflect the completion of all listed Scope of Work items from the RFP and when necessary or appropriate provide an effective workaround for any potential system limitations within the build.

All features within Task 1 and the system platform must be made available in English and Spanish (Puerto Rico, dialect of Spanish preferably). Note the Contractor assumes responsibility for being sufficiently staffed and able to provide system features in the appropriate dialect of Spanish for Puerto Rico.

RS

WRR

SaaS RFP TASK #1B,1C,1D & 1E

SaaS Platform Technical Specifications & Performance Requirements

B. System Reporting Capabilities. Items 1-9.

C. SaaS System Compliance Capabilities & Workflow. Items 1-13.

D. System User Groups. Items 1-3.

E. System User Capabilities. Items 1-12.

TASK TASK #1B,1C,1D & 1E TIMELINES & DEADLINES

Within 90 days of contract signing, the Contractor will ensure system build-out accounts for items A-G listed in the RFP.

The System must be able to scale to meet RFP requirements for CDBG DR programs with construction as well as CDBG-MIT programs with Construction.

We especially note the User Groups who will require use of the system. We also highlight C. 7, 8, and 9.

The System must be able to scale to meet RFP requirements for CDBG-DR programs with construction as well as CDBG-MIT programs with Construction.

TASK#1B,1C,1D & 1E FINAL DELIVERABLES

The Project Plan and Monthly report must account for all buildout requirements in #1B,1C,1D & 1E.

The System must have the ability to perform functions as outlined in the RFP especially concerning user groups identified, user capabilities identified, reporting Items, data collection, recordkeeping and risk management.

Items listed within 1B, 1D and 1E are emphasized as critical items to be available to ensure the System performs to the standards required by the RFP.

The System must ensure timely (automated, or manual) data integration with the Department of Labor (**DOL**) latest wage rates and prevailing local wage rates (Puerto Rico) to ensure certified payroll review can be performed effectively.

RS
RS

WRR
WRR

SaaS RFP TASK #1F & #1G

SaaS Platform Technical Specifications & Performance Requirements

F. System Testing Requirements. Items 1-3.

G. User Acceptance Testing (UAT). Item 1(a) – (e)

TASK #1F & #1G TIMELINES & DEADLINES

On day 91, the System must allow for the UAT system to run testing scenarios and/or test scripts including but not limited to:

- (a) The types of testing to be performed.
- (b) The organization of the test team and associated responsibilities
- (c) Test case development and schedule
- (d) Documentation of test results
- (e) Tools to be utilized for UAT control and reporting

TASK #1F & #1G FINAL DELIVERABLES

A System that incorporates security requirements as stated in the RFP.

The test environment must extend beyond the 90-day window post-buildout phase to allow for ongoing testing as part of QA QC to ensure the final operating environment buildout resolves issues or system glitches previously identified.

The Contractor must provide updates and log requests for system adjustments for client team review and verification of completion standards. This tool will provide the necessary insight for PRDOH to determine system launch and future ongoing maintenance previously requested should future glitches arise.

PRDOH reserves the right to flag and identify future glitches or corrections outside of the testing environment that require additional remediation. PRDOH further reserves the right to flag items previously requested to be remedied that continue to produce glitches as previously covered expenses.

SaaS RFP TASK #1H & #1I

SaaS Platform Technical Specifications & Performance Requirements

1H Risk Management Items #1-#3
1I Data Migration

TASK #1H & #1I TIMELINES & DEADLINES

Risk assessments must be completed as per specifications in the RFP to ensure any vulnerabilities or other conditions laid out in point (a) through (i) will be addressed and identified. The contractor must also provide a risk mitigation process, approach, and strategy for control implementation, control categories, cost-benefit analysis, and residual risk.

The ongoing risk evaluation process including operation, maintenance, and assessment should be included as part of monthly reporting.

Data Migration will require the contractor's responsiveness to existing files, and ability to import, organize, and ensure full project records can be accounted for files provided by PRDOH to be included in the system.

Additionally, Data migration for data submitted initially to the system must also be shared with PRDOH as per the specifications in the Data migration section of the RFP pages 10 and 11.

TASK#1H & #1I FINAL DELIVERABLES

Reporting and updates on these are to be discussed with PRDOH staff as appropriate and updates are to be included in monthly reports as content or additional appendix as appropriate.

Data files before system implementation must be included in the system following the directives of the PRDOH staff. This will occur during the post-buildout phase to ensure that accounts and projects can be included in the SaaS system so that the new system will accurately report and be queried on these projects as if the information has initially been input into the new system without corruption of dates or other data, including audit trails of submission, modification, review history of payroll submission.

SaaS RFP TASK #2

Task 2 SaaS System Training and Customer Support Desk

Items A-E of the Scope of Work identify the work to be performed by the contractor to support training and customer service.

- A. Customer Services Desk
- B. Customer Service Desk Staff and Language Access
- C. Training Plan
- D. Technical Assistance
- E. Customer Service Desk Hours and Language Access

TASK #2 TIMELINES & DEADLINES

Development of a customer services desk, ensuring staffing for language accessibility, meeting and exceeding deliverables outlined, and submitting training material drafts during the initial 90-day buildout as identified in the RFP for PRDOH review and approval.

On Day 91, items A- E must be ready to implement in the correct format for the Client team and user groups to be able to use. It must be scalable to provide customer support to user groups and training as additional construction projects are brought online.

PRDOH especially notes the RFP states ..." pre and post-go **live end-user training** and customer support as part of the ongoing training" stated.

PRDOH also notes Customer support, user training, and technical assistance **via live chat, email and/or telephone in English and Spanish during normal business hours in Puerto Rico Local time (AST 7:00 am to 6:00 pm)** Provide technical assistance in a timely manner and documentation of ticket for technical assistance during PR business hours.

Furthermore, Item C is especially highlighted. All materials must be available in Spanish and English.

TASK#2 FINAL DELIVERABLES

Submission of a customer service desk plan to include the timelines for addressing correcting and fixing any system or account issues and log of inquiries.

Include in the customer service desk plan any changes to the ticketing system and inform PRDOH ahead of changes to ensure communication rollout and training can also be addressed in a timely way with planned releases of information.

Submission of training material including manuals and other specifications included in the RFP pages 11 and 12.

Hours of Operations will follow Puerto Rico Hours of business to ensure agency alignment with industry practices and accessibility of service.

A customer service support help desk must be available for all user groups requiring creation of a profile, use of the System, issues with use of system, and training support

RS
RS

WDRR
WDRR

available in multiple formats as required in the RFP. We reiterate what was established in Item C, which should be available in both English and Spanish.

Contractor will provide a proposed training schedule adequate to the number of users within the user groups and active construction projects, identify all the resources available to develop these and work with the client to achieve final materials and ongoing training as identified in the RFP for the user groups. The services for Task 2 shall be scalable to fit the need of active construction projects (subject to the limits identified in the proposer RFP response accepted by PRDOH) required to be uploaded to the SaaS system.

Comply with monthly reporting format prescribed by PRDOH after contract execution. Monthly reports to report # trainings and # of customer service interactions with amount of time serviced for each. Report to identify which subrecipients/contractors require, heavy, medium and light training to run effectively.

RS

WORR

SaaS RFP TASK #3

SaaS Service Deliverables

- A. Post contract execution: Buildout Customization Phase #1-#8
- B. Operational Phase
 - a. Monthly Report (i – viii)
 - b. System Delivery (ix – x)

TASK #3 TIMELINES & DEADLINES

System is expected to be ready for user testing within 90 days from contract signing.

Items A and B for reporting are expected to be within monthly report and available in the system for daily monitoring and review by the client teams.

Items 1-7 of the Proposal Submission listed in the RFP are expected to be available, functional and at capacity for a scalable universe of at least 300 subrecipients and commensurate contractors. Permissions for system use are expected to be available for the PRDOH teams and user groups as identified in RFP including but not limited to, subrecipients, contractors, PRDOH staff, grant manager staff and those described in the RFP.

System must be able to scale to meet RFP requirements for CDBG DR and CDBG-MIT programs with Construction.

TASK#3 FINAL DELIVERABLES

- A final Project Plan and Timeline (see table below)
- A final punchlist verifying RFP has been met and including identification of where or how as appropriate.
- A final training plan
- A final training material roster

A final customer service desk plan
A final training plan
A final comprehensive data migration and transition plan
Monthly reports

Final and ongoing updates for the documents requested within the service deliverables and system delivery:

Within ninety (90) days of contract execution, deliver a fully functioning SaaS Platform as per RFP and RFP specifications for the established user groups, ensuring language accessibility as per RFP for Spanish and English. Any risks that may impact contractor performance must be discussed with the PRDOH team with advanced notice in writing and provide at least two viable solution alternatives for PRDOH's review, approval and adoption.

Within ninety (90) days of contract execution, deliver a fully functioning training and tech desk support system available to all user groups, incorporating any customization required by PRDOH. Any risks that may impact contractor performance must be discussed with the PRDOH team with advanced notice in writing and provide at least two viable solution alternatives for PRDOH's review, approval, and adoption.

A functioning SaaS system that performs the items listed in Task 2.

Deliver and maintain an updated project implementation plan with all RFP requirements identified from task 1 to be met on time and within budget.

As per the RFP on Page 14 of 17, item B, 2 within ninety (90) days of contract execution, the selected proposer shall deliver a fully functioning training and tech desk support system available to all users, incorporating the customization required by PRDOH to ensure delivery of services to the RFP User Groups.

For more information on additional requirements of the training and tech desk, see Task 5 training and customer support.

Monthly reports in months 1-3 must reflect the completion of all listed RFP items and provide an effective workaround for any potential system limitations within the build-out 90-day phase.

Contract Scope Management PMO Deliverables outlined in the RFP

Project Plan must be submitted for client review within 14 days post-contract execution and finalized within the first 30 days to indicate how all RFP milestones and system buildout and servicing requirements will be implemented, met, and maintained. Copies must be provided in a format that can allow comments and recommended edits.

Page 4 "...the Selected Proposer will propose a comprehensive plan for design services for the system, system buildout in both English and Spanish, system testing, system user training sessions, live and prerecorded system

RS

WORR

customer support in both English and Spanish, and training, technical assistance and customer support materials such as presentations, manuals etc. (for PRDOH, subrecipients, developers and contractors), system implementation, project data transfer, and ongoing maintenance. The proposed project plan submitted with this proposal must include detailed tasks, and dependencies."

Page 12 "... A final project plan indicating the timeline for initial and final buildout which includes all task items from this RFP being fulfilled as per Task 1, 2,3. (within the first 30 days after contract execution)"

Project Timeline, should be ready for client review within 14 days post contract execution and finalized within the first 30 days including the 90-day go-live milestone, considers key decision-makers from PRDOH are available to participate during the onboarding process to provide timely feedback, perform testing, and provide sign-off. Additionally, configuration requests are within the outlined RFP requirements. External factors impacting the onboarding timeline may be discussed and a resulting extension to the 90-day window may be granted. Copies must be provided in a format that can allow comments and recommended edits.

Page 12 "...Initial project plan indicating the timeline for initial and final buildout which includes all task items from this RFP being fulfilled as per Task 1 & 2."

Monthly Reports during the contract performance period provided via email to the Compliance Director, Deputy Director, Davis Bacon Specialist and Grant Manager Contact on the first Friday of each month for activity in the previous month:

Delivery Format:

Via Email correspondence attachment to the personnel listed above
Subject of Email Re: SaaS Monthly Report Submission

Monthly Report Content

Milestones Completed Section: Identifying and discussing the month milestones, client requirements achieved & those pending.

(First 90 days) Completion of Module/customization test descriptions and functionality reports (subject to the assumptions in subsection (e) below)

(First 90 days) System implementation readiness report (subject to the assumptions in subsection (e) below)

Summary table for the Number of active projects in the System (by Program)

Summary table for the Number of active users in the System (by Program & Project)

Summary table for the number of payrolls received (by program & by project)

Summary table for the number of reviewed payrolls (by program, by subrecipient & PRDOH, by project)

Training Review Section: Identifying trainings performed and a summary readout on a number of subrecipients impacted and reports indicating which subrecipients required heavy, medium, and light levels of training to use the system.

Customer Service Section: Identifying the number of requests and customer service tickets attended as a result of requests received via email, mobile, internal system or other method, type of assistance needed (new account set up, new project set up, etc.), resolution provided (completed, pending, referred etc.)

Upcoming Deliverables: Identifying next month's milestones and trainings

RS

WDRR

expected to be achieved in alignment with RFP requirements in bullet format.
Risks and Mitigation Strategy: Identifying risks that may present themselves in the month ahead and proposed solutions/parties to address those risks.
This must also include results from System Testing, System Updates and corrective actions taken summary.

FCSM retains the discretion to request additional status reports (email correspondence, phone conversation, virtual conference or other formal report) deemed necessary to fulfill the established RFP timelines or ongoing servicing and operations and establish the timelines for those additional ad hoc reports based on level of urgency and need. Contractor may comment and provide feedback on timeline as well as direct any inquiries on timeline or scope to PRDOH for review and decision.

Communication Standards

Meetings

FCSM will schedule periodic meetings with contractor to discuss milestones, systematic issues, systematic decisions, training curriculum review, customer servicing issues, overall compliance with contract terms and timely completion of tasks required by Labor Standards Compliance Unit, among others.

FCSM may require the presence (or attendance in person and or virtual) of the contractor staff to meet RFP task deliverables, as well as the production of relevant documents or data or reports (custom or system produced). If in-person attendance should be required in the future, the Labor Standards Compliance Unit will provide the Contractor with sufficient notice to arrange travel plans (at least 14 calendar days beforehand) and discuss the approval of any travel costs (e.g., flight, accommodation, etc.).

Email and Other Correspondence

Communications standards for deliverables include responsiveness standards. The Contractor must respond within 12 hours to acknowledge communications or requests for information. Contractor will provide a final response no later than 48 hours after, depending on the level of urgency of the matter.

SaaS RFP TASK #4

System Warranty
Items (i) – (iv)
Crediting PRDOH for unscheduled system downtime.

TASK #4 TIMELINES & DEADLINES

Items (i) – (iv) to be met as per RFP on page 14 and table for credit of fees to be applied when unscheduled system downtime occurs.

RS

WORR

TASK#4 FINAL DELIVERABLES

Contractor warrants conformity with specifications applicable to assure the system software requirements in the RFP are met.

SaaS RFP TASK #6

Allowance

- A. Additional or new system features buildouts
- B. Additional Data Migration

TASK #6 TIMELINES & DEADLINES

As needed and as appropriate within the bounds of the RFP and contract terms and approved by PRDOH.

Any Task Order that is issued by PRDOH shall be completed no more than 10 business days after the Task Order is issued by PRDOH.

The PRDOH reserves the right to retain some of these tasks internally. PRDOH may specify templates and processes.

TASK#6 FINAL DELIVERABLES

Utilization of assurance process to validate, authorize and ensure level of use and features for the system are adequate during buildout phase.

Any additional ad hoc programming, new customization or other support not already included in the RFP can be discussed, proposed for PRDOH review or brought to the contractor for discussion and if feasible and approved, can proceed to additional pricing discussions in alignment with RFP and contract terms.

Unless otherwise stated, terms will apply from the date the task required by Program is notified to contractor. Moreover, they may be modified if deemed necessary by Program (PRDOH), with due notification to contractor. The necessity of tasks, such as sworn statements, notarial acts and petitions to Registry will be part of the Program monitoring to the contractors.

PRDOH may impose sanctions against contractor for any default to terms, conditions or requirements of the contract, provided such sanctions are reasonable and legal. Contractor shall pay to PRDOH as liquidated damages, (\$100.00) for each calendar day that any task deliverable required is late until deemed in compliance subject to a maximum of (\$1,000.00). Said sum, in view of the difficulty of accurately ascertaining the loss which PRDOH will suffer by reason of delay in the completion of the work, is fixed and agreed as the liquidated damages that PRDOH will suffer by reason of such delay. Liquidated damages received hereunder are not intended to be nor shall they be treated as either a partial or full waiver or discharge of the PRDOH's right to indemnification, or the Contractor's obligation to indemnify the PRDOH pursuant to this Contract, or to any other remedy provided for in the contract or by law. Liquidated damages may be assessed at the sole discretion of PRDOH, provided such damages are

RS

WORR

reasonable and legal. For the purpose of applying and calculating such liquidated damages, a grace period of ten (10) days shall be observed. The PRDOH may deduct and retain out of the monies which may become due hereunder, the amount of any such liquidated damages; and in case the amount which may become due hereunder shall be less than the amount of liquidated damages due to the PRDOH per the formula above, the Contractor shall be liable to pay the difference.

As to reporting requirements, the Contractor shall complete and submit all reports, in such form and according to such schedule, as required hereunder and in accordance with contract.

Engagement in proscribed conduct by contractor may result in the cancellation of the contract, penalties under federal and state laws, such as Act No. 2 of July 4, 2018 and Act No. 1 of January 3, 2012, as amended, as well as federal and state regulations. Policies, procedures, directives and executive orders may also be of application, according to contract terms.

RS
RS

END OF DOCUMENT

WORR
WORR



INSURANCE REQUIREMENTS

**Davis Bacon & Related Acts SaaS System for Compliance Implementation
Community Development Block Grant – Disaster Recovery
Community Development Block Grant - Mitigation
Puerto Rico Department of Housing
CDBG-DRMIT-RFP-2023-10**

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

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

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

2. **(X) Commercial General Liability (Special Form) and Contractors General Liability Coverage with LOC Classification that must include Underground Property damage for Excavations risk included; and including the following insurance limits and Coverages**

COVERAGE	LIMIT
I. Commercial General Liability:	
• Each Occurrence	\$2,000,000
• General Aggregate	\$2,000,000
• Products & Complete Operations	\$2,000,000
• Personal Injury & Advertising	\$2,000,000
• Damage to the premises rented to you	\$100,000 (Any one Fire)
• Medical Expense	\$20,000 (Any one person)
II. Employer's Liability Stop Gap:	
• Bodily Injury by Accident Each Employee Each Accident	\$1,000,000 \$1,000,000
• Bodily Injury by Disease Each Employee Each Accident	\$1,000,000 \$1,000,000



INSURANCE REQUIREMENTS

Davis Bacon & Related Acts SaaS System for Compliance Implementation
Community Development Block Grant – Disaster Recovery
Community Development Block Grant - Mitigation
Puerto Rico Department of Housing
CDBG-DRMIT-RFP-2023-10

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

LIMIT	
• Auto Liability -	\$1,000,000
• Physical Damages -	\$1,000,000
• Medical Payments -	\$ 10,000
The Commercial Auto cover must be applied to the following symbols:	
• Liability Coverage -1	
• Physical Damages – 2 and 8	
• Hired – Borrowed Auto – 8	
• Non-Owned Auto Liability – 9	

4. (X) Employment Practices Liability

Limit - \$2,000,000

5. (X) Cyber Liability Including Data Breach

Limit - \$2,000,000

6. Technology Errors and Omission including Data Breach

Limit - \$2,000,000

7. (X) Umbrella

Limit - \$3,000,000

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

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



INSURANCE REQUIREMENTS

**Davis Bacon & Related Acts SaaS System for Compliance Implementation
Community Development Block Grant – Disaster Recovery
Community Development Block Grant - Mitigation
Puerto Rico Department of Housing
CDBG-DRMIT-RFP-2023-10**

(X) e. 30 Days Cancellation Clause

B. TERMS AND CONDITIONS

1. All certified checks or bank drafts must be paid to the Order of the Bidding Agency.

2. All Bid Bonds must be issued by an Insurance Company authorized by the **Insurance Commissioner of Puerto Rico** and must be accompanied by the following documents:

- a) Certificate of Authority in the name of the Insurer issued by the Insurance Commissioner.
- b) Power of attorney, issued by the Insurer, in the name of its attorney-in-fact.
- c) Power of Attorney License, issued by the Commissioner of Insurance of Puerto Rico pursuant to the power of attorney issued by said Insurer.

3. If, at the time the bidding documents are opened, any of the documents referred to in paragraphs a, b and c above are missing, this shall not constitute grounds for disqualifying the contractor, but the successful bidder shall submit such documents within two (2) working days from the date and time of the auction.

4. It is implicit that, by issuing the Bid Bond, the insurer undertakes to issue a Performance and Payment Bond in accordance with the conditions of the auction.

5. In any bidding or protest, the interested party shall be obliged to write down each risk with its individual cost of premium and shall then reflect the total sum of all insurance premiums as project costs.

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

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



INSURANCE REQUIREMENTS

**Davis Bacon & Related Acts SaaS System for Compliance Implementation
Community Development Block Grant – Disaster Recovery
Community Development Block Grant - Mitigation
Puerto Rico Department of Housing
CDBG-DRMIT-RFP-2023-10**

1. Be authorized to do business within the Commonwealth of Puerto Rico and have the corresponding license issued by the Commissioner of Insurance.
2. To be enjoying a good economic situation and classified under the Category of B+ by the **AM Best Rating Guide**.
3. Submit to the ***PRDOH** a written certification as evidence of full payment of premiums by the Contractor. Mention each risk coverage premium separately.
4. Avoid sub-contractual obligations of premium financing or any other kind, which may be detrimental to the public interest.
5. Avoid any request for cancellation by the contractor prior to the expiration date of the policy, without the consent of the Contract Division of the ***PRDOH**: Discuss any refund of unearned premium.
6. Follow all Federal Bail and Acceptance Insurance Regulations, when applicable.
7. Indicate in the appropriate place of all insurance policies and/or bonds, **the full description of the project**, work or service to be rendered.
8. Not to make any amendments to insurance policies and bonds issued under the special conditions mentioned above, unless approved by the Insurance Section of the ***PRDOH**.
9. To ensure that all insurance policies or bonds are issued to comply with all of our special insurance conditions with respect to the period of coverage, type of risk coverage, as well as all limits, as specified, and also to eliminate those exclusions in accordance with our request.
10. Clarify any questions regarding insurance requirements by any means of communication with the Insurance Section of the ***PRDOH** under the Secretary for Legal Affairs.
11. The Contractor shall, throughout the performance of Work under the Contract and until the Final Acceptance of the Program, maintain current, and in effect all the required insurance, except the Builder's Risk, which shall terminate on the date of substantial completion.

RS
RS

WRR
WRR



INSURANCE REQUIREMENTS

**Davis Bacon & Related Acts SaaS System for Compliance Implementation
Community Development Block Grant – Disaster Recovery
Community Development Block Grant - Mitigation
Puerto Rico Department of Housing
CDBG-DRMIT-RFP-2023-10**

12. Insurance coverage in the minimum limit amounts set forth herein shall not be construed to release the Contractor from liability in excess of such coverage limit. Contractor must give thirty (30) calendar days written notice to PRDOH before any policy coverage is change, canceled or not renewed and shall cause the insurance carrier to do the same.

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

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

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

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

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

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

In the event of any conflict or difference in the description of coverage or amount or limits, etc., with respect to insurance requirements, the **"Special Conditions of Insurance and Bonds"** as set forth in this **Insurance Requirements** shall prevail over any other insurance specifications.



INSURANCE REQUIREMENTS

Davis Bacon & Related Acts SaaS System for Compliance Implementation
Community Development Block Grant – Disaster Recovery
Community Development Block Grant - Mitigation
Puerto Rico Department of Housing
CDBG-DRMIT-RFP-2023-10

*PRDOH reserves the right to modify any Insurance Requirements at any time, in accordance with the Program's needs.

F. CERTIFICATE OF CONTRACT DIVISION

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

DESCRIPTION OF SERVICES CDBG-DRMIT-RFP-2023-10

Davis Bacon & Related Acts SaaS System for Compliance Implementation
Community Development Block Grant – Disaster Recovery
Community Development Block Grant - Mitigation
Puerto Rico Department of Housing

November 8, 2023

Sonia Damaris Rodriguez
Insurance Specialist
CDBG-DR/MIT Program



ATTACHMENT F

HUD GENERAL PROVISIONS

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

These terms and conditions must be included in their entirety by the CONTRACTOR 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 CONTRACTOR to be aware of any changes hereto, to amend and implement such changes and to ensure subcontracts terms and conditions are modified as necessary, if any.

RS
RS

WRR
WRR

General Provisions:

1. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

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

2. STATUTORY AND REGULATORY COMPLIANCE

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

3. BREACH OF CONTRACT TERMS

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

4. REPORTING REQUIREMENTS

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

RS
RS

WRR
WRR

5. ACCESS TO RECORDS

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

6. MAINTENANCE/RETENTION OF RECORDS

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

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

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

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

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

RS
RS

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.

WORR
WORR

9. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

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

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

The CONTRACTOR shall comply with the provisions of Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall on the grounds of race, color, national origin, religion or sex be excluded from participation in, be denied

the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Section 109 further provides that discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.

11. SECTION 504 OF THE REHABILITATION ACT OF 1973

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

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

12. AGE DISCRIMINATION ACT OF 1975

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

13. DEBARMENT, SUSPENSION, AND INELIGIBILITY

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

14. CONFLICTS OF INTEREST

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

RS

WORR

15. SUBCONTRACTING

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

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

RS
RS

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

WORR
WORR

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

16. ASSIGNABILITY

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

17. INDEMNIFICATION

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

18. COPELAND "ANTI-KICKBACK" ACT

(Applicable to all construction or repair contracts)

Salaries of personnel performing work under this Contract shall be paid unconditionally and not less often than once a month without payroll deduction or rebate on any account except only such payroll deductions as are mandatory by law or permitted by

the applicable regulations issued by the Secretary of Labor pursuant to the Copeland "Anti-Kickback Act" of June 13, 1934 (48 Stat. 948; 62 Stat. 740; 63 Stat. 108; Title 18 U.S.C. § 874; and Title 40 U.S.C. § 276c). The CONTRACTOR shall comply with all applicable "Anti-Kickback" regulations and shall insert appropriate provisions in all subcontracts covering work under this Agreement to ensure compliance by subcontractors with such regulations, and shall be responsible for the submission of affidavits required of subcontractors thereunder except as the Secretary of Labor may specifically provide for variations of or exemptions from the requirements thereof.

19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

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

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

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

WORR
WORR

20. DAVIS-BACON ACT

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

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

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

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

21. TERMINATION FOR CAUSE

(Applicable to contracts exceeding \$10,000)

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

RS
RS

WRR
WRR

22. TERMINATION FOR CONVENIENCE

(Applicable to contracts exceeding \$10,000)

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

23. SECTION 503 OF THE REHABILITATION ACT OF 1973

(Applicable to contracts exceeding \$10,000)

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

Equal Opportunity for Workers with Disabilities:

- 1) The CONTRACTOR will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The CONTRACTOR agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with disabilities without discrimination based on their physical or mental disability in all employment practices, including the following:

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

RS
RS

WORR
WORR

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

of 1973, as amended, and is committed to take affirmative action to employ and advance in employment individuals with physical or mental disabilities.

- 6) The CONTRACTOR will include the provisions of this clause in every subcontract or purchase order in excess of \$10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to Section 503 of the act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the Deputy Assistant Secretary for Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

24. EQUAL EMPLOYMENT OPPORTUNITY

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

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

RS
RS

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

WRR
WRR

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

- 4) The CONTRACTOR will send to each labor union or representative of workers with which he or she has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers representative of the CONTRACTOR's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 5) The CONTRACTOR will comply with all provisions of Exec. Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
- 6) The CONTRACTOR will furnish all information and reports required by Exec. Order No. 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- 7) In the event of the CONTRACTOR's non-compliance with the non-discrimination clause of this Agreement or with any of such rules, regulations or orders, this Agreement may be cancelled, terminated or suspended in whole or in part and the CONTRACTOR may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 and such other sanctions as may be imposed and remedies invoked as provided in Exec. Order No. 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.
- 8) CONTRACTOR shall incorporate the provisions of 1 through 7 above in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor so that such provisions shall be binding on such subcontractor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance, provided, however, that in the event the CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the CONTRACTOR may request the United States to enter into such litigation to protect the interests of the United States.

RS
RS

WORR
WORR

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

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

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

RS
RS

WORR
WORR

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

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

CLEAN AIR ACT

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

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

WATER POLLUTION CONTROL ACT

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

RS
RS

WORR
WORR

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

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

- 1) A stipulation by the CONTRACTOR or subcontractors, that any facility to be utilized in the performance of any nonexempt contract or subcontract, is not listed on the Excluded Party Listing System pursuant to 40 C.F.R. Part 32 or on the List of Violating Facilities issued by the Environmental Protection Agency (**EPA**) pursuant to 24 C.F.R. Part 58, as amended.
- 2) Agreement by the CONTRACTOR to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 U.S.C. § 7414) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 U.S.C. § 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified

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

- 3) A stipulation that as a condition for the award of the Agreement, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized, or to be utilized for the Agreement, is under consideration to be listed on the Excluded Party Listing System or the EPA List of Violating Facilities.
- 4) Agreement by the CONTRACTOR that he or she will include, or cause to be included, the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the CONTRACTOR will take such action as the government may direct as a means of enforcing such provisions.

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

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

RS
RS

WRR
WRR

- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the CONTRACTOR, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- 2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the CONTRACTOR shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities", in accordance with its instructions.
- 3) The CONTRACTOR shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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

28. BONDING REQUIREMENTS

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

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

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

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

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

RS

WORR

- 2) The parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. Part 75 which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.
- 3) The CONTRACTOR agrees to send to each labor organization or representative of workers with which the CONTRACTOR has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the CONTRACTOR's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- 4) The CONTRACTOR agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 75. The CONTRACTOR will not subcontract with any subcontractor where the CONTRACTOR has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 75.
- 5) The CONTRACTOR will certify that any vacant employment positions, including training positions, that are filled: (1) after the CONTRACTOR is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 75 require employment opportunities to be directed, were not filled to circumvent the CONTRACTOR's obligations under 24 C.F.R. Part 75.
- 6) Noncompliance with HUD's regulations in 24 C.F.R. Part 75 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- 7) With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (46 U.S.C. § 5307) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible: (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian

RS
RS

WRR
WRR

organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

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

30. FAIR HOUSING ACT

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

RS
RS

31. ENERGY POLICY AND CONSERVATION ACT

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

WRR
WRR

32. HATCH ACT

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

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

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

33. HEALTH AND SAFETY STANDARDS

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

34. PERSONNEL

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

RS
RS

WORR
WORR

35. WITHHOLDING OF WAGES

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

36. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES

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

37. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS

No person employed on the services covered by this Agreement shall be discharged or in any way discriminated against because he or she has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any

proceeding under or relating to the labor standards applicable hereunder to his or her employer.

38. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS

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

RS
RS

WORR
WORR

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

39. INTEREST OF CERTAIN FEDERAL OFFICERS

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

40. INTEREST OF CONTRACTOR

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

41. POLITICAL ACTIVITY

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

42. RELIGIOUS ACTIVITY

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

43. FLOOD DISASTER PROTECTION ACT OF 1973

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

44. LEAD BASED PAINT

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

45. VALUE ENGINEERING

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

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

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

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

RS

WORR

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. Contractors are responsible for ensuring URA compliance throughout the design, proposal, and implementation of any project that includes real property acquisition or displacement of residential or business occupants.

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

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

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

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

48. FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA)

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

RS
RS

WORR
WORR

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.

RS
RS

50. CHANGE ORDERS TO CONTRACTS

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

WORR
WORR

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 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

RS
RS

WRR
WRR



ATTACHMENT G

CONTRACTOR CERTIFICATION REQUIREMENT

ELATION SYSTEM, INC.

I. Contractor (or Subrecipient) Certification Requirement:

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

MPACT Strategic Consulting Limited Liability Company
Term: 3 Years
Role: Training, Customer Support
Amount: \$368,282

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

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

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

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

RS
RS

WRR
WRR

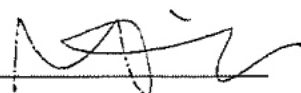
investigation), its representatives or sub-contractors, has required, directly or indirectly, from third persons to take any action with the purpose of influencing any public official or employee in connection with the procurement, negotiation, or execution of the contract, in contravention of applicable law.

6. In compliance with Executive Order No. 2021-029 and CC013-2021, the Contractor certifies as of the date hereof, that it is in a contractual relationship with the following entities of the Government of Puerto Rico: _____.⁴ The Puerto Rick Department of Housing _____.⁴ The Contractor also certifies that said entities are all the entities of the Government of Puerto Rico with which they maintain a contractual relationship. In addition, the Contractor recognizes and accepts that omitting any information regarding any current contractual relationship with any governmental entity could result in the termination of this agreement if so, required by PRDOH.
7. Any incorrect, incomplete, or false statement made by the contractor's (or subrecipient's) representative as part of this certification shall cause the nullity of the proposed contract and the contractor (or subrecipient) must reimburse immediately to the Commonwealth any amounts, payments or benefits received from the Commonwealth under the proposed contract.

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

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

By: Rick Shi
Position: president

Signature: 
Date: 5/17/24

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



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

ATTACHMENT H NON-CONFLICT OF INTEREST CERTIFICATION


RELATION SYSTEMS, INC.

The CONTRACTOR certifies that:

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

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

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



Signature

5/17/2024

Date

Rick Shi

Printed Name

President

Position