

COMMUNITY DEVELOPMENT BLOCK GRANT –MITIGATION (CDBG-MIT)

**AGREEMENT FOR
PV SYSTEMS, WATER STORAGE SYSTEM DESIGN, ACQUISITION, AND INSTALLATION
SERVICES
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND
GREEN ENERGY & FUELS, INC.**



This **AGREEMENT FOR PV SYSTEMS, WATER STORAGE SYSTEM DESIGN, ACQUISITION, AND INSTALLATION SERVICES** (**Agreement** or **Contract**) is entered into in San Juan, Puerto Rico, this 12 of May, 2025, by and between the **PUERTO RICO DEPARTMENT OF HOUSING (PRDOH)**, a public agency created under Act No. 97 of June 10, 1972, as amended, 3 LPRA § 441, *et seq.*, known as the “Organic Act of Department of Housing” with principal offices at 606 Barbosa Avenue, San Juan, Puerto Rico, herein represented by Ciary Y. Pérez Peña, of legal age, single, and resident of Las Piedras, Puerto Rico, in her capacity as Secretary; and **GREEN ENERGY & FUELS, INC. (CONTRACTOR)**, with principal offices in 4484 Street KM. 0.3 Int La Paz Street, Bo. Terranova, Quebradillas, Puerto Rico, herein represented by Gilberto A. Dávila Toledo, in his capacity as President, of legal age, married, and resident of Quebradillas, Puerto Rico, duly authorized by Corporate Resolution, dated November 12, 2024, by the Contractor; collectively the “Parties”.

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 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.

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.

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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, PRDOH is seeking to contract highly qualified and experienced firms to provide design, acquisition, and installation services for Photovoltaic Systems (**PVS**), Battery Storage Systems (**BSS**), and Water Storage Systems (**WSS**). The selected Contractor will serve as a single-source responsibility entity, fully accountable for assessing, designing, procuring, and installing the systems at participating properties. This engagement will support PRDOH in ensuring full compliance with all applicable requirements, rules, and regulations under the CDBG-MIT Program, the U.S. Department of Housing and Urban Development (**HUD**), and other relevant federal and local mandates. The selected firm will also contribute to advancing the objectives outlined in the PRDOH Action Plan, as amended, and assist in the proper coordination and oversight of all CDBG-MIT related activities.

WHEREAS, on August 2, 2024, the PRDOH issued a Request for Proposal "CDBG-MIT-RFP-2024-01" with CDBG-MIT funds. This request was placed through the "Registro Unico de Subastas del Gobierno" (**RUS**, for its Spanish acronym) and the CDBG-MIT Program website. Through this procurement process, PRDOH received ten (10) proposals. An Evaluation Committee evaluated the proposals appointed pursuant to Administrative Order No. 24-49 dated September 16, 2024. The Evaluation committee performed an evaluation of the Proposals based on the criteria stated in the RFP.

WHEREAS, on September 20, 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 **Green Energy & Fuels, 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 contract. Under this Agreement, the CONTRACTOR shall submit monthly invoices to the PRDOH based on the **Attachment C** (Compensation Schedule) and as the services are rendered. Any and all changes

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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 **twenty (24) months**, ending on MAY , 12 , 2027.
- B. Contract Extensions:** PRDOH may, at its sole discretion, extend the Agreement’s term for an additional term 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 **NINE MILLION SIX HUNDRED EIGHTY-TWO THOUSAND TWO HUNDRED FIFTY DOLLARS (\$9,682,250.00)**; mitm1lcewdohcilm 6090-06-000, and mitm1lcewdohciun 4190-13-000.
- 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.

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- H.** While providing the services under this Agreement, the CONTRACTOR must adhere to applicable requirements of the CDBG-MIT grant. If the CONTRACTOR performs ineligible activities under the CDBG-MIT grant or program, the CONTRACTOR cannot include them in the invoice for payment to the CONTRACTOR.
- I.** CONTRACTOR shall be liable to the PRDOH for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Agreement. CONTRACTOR shall reimburse such disallowed costs from funds other than those CONTRACTOR received under this Agreement.
- J.** The CONTRACTOR acknowledges and agrees to repay any CDBG-MIT funds used for ineligible costs. As per, CDBG-MIT Recapture of Funds Policy, as found in the CDBG-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 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.

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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, 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 **PV Systems, Water Storage System Design, Acquisition, and Installation 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 **PV Systems, Water Storage System Design, Acquisition, and Installation Services** Services. These materials will encompass anything that may and/or has circumstantial, indirect or direct connection with the Agreement.

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.

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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

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- 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-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-MIT assistance; Records documenting compliance with the fair housing and equal opportunity requirements of the CDBG-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-MIT Personal Identifiable Information Policy, as found in the CDBG-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

- (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

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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-MIT Program by virtue of any breach of the Agreement by the CONTRACTOR. The PRDOH may withhold any payments to the CONTRACTOR, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the PRDOH by the CONTRACTOR. PRDOH shall make payment, in accordance with the terms of this Agreement, of any amounts due to CONTRACTOR for allowable services rendered prior to the termination notice.

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

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- 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, considering 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 non-compliant, breach, inaccuracy of any representation, warranties, covenants, or the certifications provided herein, whether the noncompliance, breach or inaccuracy takes place before or after the execution of this Agreement, the PRDOH shall have the right to the immediate termination of this Agreement notwithstanding, any provisions to the contrary herein. This Section will apply, but is not limited, 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 or expiration of this Agreement, and for one hundred and eighty (180) calendar days, with the option of extending for two (2) additional terms of 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-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 fifty dollars (\$150.00)** for each calendar day that any task deliverable required is

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late until deemed in compliance subject to a maximum of **one thousand five hundred dollars (\$1,500.00)** 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

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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 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-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.

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

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by the CONTRACTOR or against personal injuries or property damage resulting from any act of negligence or 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

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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.

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,

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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:

To: PRDOH

Ciary Y. Pérez Peña
Secretary
Puerto Rico Department of Housing
606 Barbosa Ave.
Juan C. Cordero Dávila Bldg.
San Juan, PR 00918

To: CONTRACTOR

Gilberto A. Dávila Toledo
Green Energy & Fuels, Inc.
President
4484 Street KM. 0.3 INT
La Paz Street Bo. Terranova
Quebradillas, PR 00678

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-MIT Legal Division and provide a copy of all subcontracts related to this Agreement and CDBG-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

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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.

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

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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

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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.

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- 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”.

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.

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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.

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 (*Secretario de la Gobernación*) of the Governor shall have the power to terminate this Agreement at any time.

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

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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 has no contractual relationship with the Government of Puerto Rico. 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 THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO (FOMB) POLICY: REVIEW OF CONTRACTS, AS MODIFIED ON
APRIL 30, 2021, REGARDING PROFESSIONAL SERVICES**

The FOMB Policy requires that all agreements that contemplate recurring professional services that may be performed by appropriately trained government staff include a provision of compliance with the adequate transfer of skills and technical knowledge to the pertinent public sector personnel. This requirement shall not apply to contracts that contemplate non-recurring professional services or specialized professional services that may not be performed by existing staff at the applicable governmental entity, including as a result of independence requirements.

Accordingly, given that the agreements under CDBG-MIT are non-recurring professional services or specialized professional services, the PRDOH certifies that the transfer of skills and technical knowledge required by the Certified Fiscal Plan is inapplicable given the non-recurring or specialized nature of the contracted services.

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As mentioned before, HUD allocated funds for disaster recovery assistance to the Government of Puerto Rico under the CDBG-MIT 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. In addition, with these allocations of funding under the Grant Agreement, the PRDOH will conduct a comprehensive recovery to benefit the residents of Puerto Rico.

**XXIX. COMPLIANCE WITH THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO (FOMB) POLICY, REVIEW OF CONTRACTS**

As part of the PRDOH contract process, and pursuant to Section 204(b)(2) of the "Puerto Rico Oversight, Management, and Economic Stability Act," 48 U.S.C. §2101, *et seq.*, also known as "PROMESA", the Financial Oversight and Management Board for Puerto Rico (FOMB) require approval of certain contracts and amendments to assure that they "promote market competition" and "are not inconsistent with the approved fiscal plan." For the approval process, the FOMB requests, among other information, the Contractor Certification Requirement for its evaluation.

In compliance with the above, the CONTRACTOR represents and warrants that the information included in the Contractor Certification Requirement is complete, accurate and correct, and that any misrepresentation, inaccuracy or falseness in such Certification will render the contract null and void and the CONTRACTOR will have the obligation to reimburse immediately to the Commonwealth any amounts, payments or benefits received from the Commonwealth under the proposed Amendment and original Agreement.

XXX. 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-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).

XXXI.CDBG-MIT POLICIES AND PROCEDURES

In addition to what is established in this Agreement, the CONTRACTOR shall comply with all CDBG-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-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-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.

XXXII. 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. 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).

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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.

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

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

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- 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.

XXXIV.EQUAL OPPORTUNITY

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- 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.

XXXV.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>.

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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

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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.

XXXVI. 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.

XXXVII.SUSPENSION AND DEBARMENT

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

XXXVIII. 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.

XXXIX. 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.

XL. 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.

XLI. 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.

XLII. 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.

XLIII. 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

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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.

XLIV. 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.

XLV. 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.

XLVI. 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.

XLVII. 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).

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XLVIII. 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.

XLIX. 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.

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

A. Consolidation or Merger

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

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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 directors, officials or agents. Upon dissolution, becoming effective, and

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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.

LI. 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.

LII. FEDERAL FUNDING

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

LIII. 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.

LIV. 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.

LV. 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.

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LVI. 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.

LVII.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-MIT and state funding, recapture of CDBG-MIT and/or state funds, overpayment of CDBG-MIT and/or state funds; ownership and intellectual property, copyright; records retention methods and time requirements; inspection, monitoring and audit; confidentiality; public records; indemnification and liability; infringement of intellectual property rights; independent contractor relationship; compliance with laws; notices; choice of law and venue; severability; dispute resolution; consolidations, 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.

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

PUERTO RICO DEPARTMENT OF HOUSING

GREEN ENERGY & FUELS, INC.

Ciary Y. Pérez Peña

Ciary Y. Pérez Peña (May 12, 2025 16:33 EDT)

Ciary Y. Pérez Peña
Secretary

Gilberto A Davila Toledo

Gilberto A Davila Toledo (Apr 30, 2025 13:38 EDT)

Gilbert A. Dávila Toledo
President

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GREEN ENERGY & FUELS



www.gefpr.com



Background

Green Energy and Fuels, Inc. (GEFI) has become the leader Engineering, Procurement and Construction for commercial and industrial PV Systems in Puerto Rico. We have successfully managed over \$40M in the past 15 years. The teams of Professional Engineers, Certified Electricians of GEFI are dedicated to the consulting, design and installation of alternative forms of renewable energy. We are committed help our customers with the energy costs reduction.

Our extensive list of clients varies from international businesses such a Marvel International, B Fernandez & Hermanos, Rooms to Go, Grupo Gloria to federal and local government dependencies such as University of Puerto Rico, Puerto Rico Department of Housing and Veterans Affairs Administration, just to name a few. We have installed over 16MW and on development of 2MW. Our goal is to provide the client with our extensive knowledge as a consultant, developer and contractor; making sure that the client understands each project decision and a direct participation in every stage. With a customer retention rate of 95% of our multiple site clients, shows the company's strong beliefs in the values and high standards, and reputation in successfully completing a turn-key project in the renewable energy sector.



3-A Press, Corp.



Photovoltaic Solar System..... in a Glance!

Our Business Expertise

Stored energy in the sun is used to create electricity using photovoltaic solar panels (PV panels). A PV panel converts solar energy (sunlight, including ultra violet radiation) directly into electricity (solar electricity). A solar cell is a device that converts the energy of sunlight directly into electricity by the photovoltaic effect. Here is a simple explanation on how a solar cell works:

1. Photons in sunlight hit the solar panel and are absorbed by semiconducting materials, such as silicon.
2. Electrons (negatively charged) are knocked loose from their atoms, allowing them to flow through the material to produce electricity. Due to the special composition of solar cells, the electrons are only allowed to move in a single direction. The complementary positive charges that are also created (like bubbles) are called holes and flow in the direction opposite of the electrons in a silicon solar panel.
3. An array of solar cells converts solar energy into a usable amount of direct current (DC) electricity.

With the DC current, an inverter will convert that into AC Current that can be used with major household appliances and common electric motors.



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About Green Energy & Fuels, Inc.

Our Mission

Deliver high quality alternative forms of energy systems to Puerto Rico. Satisfy the increase demand with these energy systems. Education and training in the use of renewable energy systems. These high value products will be of great benefit to our customers and beneficial to our environment.

Our Vision

Be and maintain the leadership in developing, consulting, design and installation of renewable energy systems in Puerto Rico.

Our Values

- Committed with Puerto Rico to be sustainable by local production of renewable energy.
- Educate, collaborate, support and communicate with our community and customers.
- Committed with the health and safety of our people, as well as the protection of the environment.

Our Professional Team

- Electrical Professional Engineer – 2
- Mechanical Professional Engineer – 1
- Structural Professional Engineer – 2
- Certified Electrician – 4
- Electrician Apprentices – 8
- Project Managers - 4
- General Labor - 54





Project Development

GEF Inc is a turn-key project provider, working with our customers with all the stages of a project: development, design, construction, financial help/grants, system installation and maintenance. We will carry each project from cradle to grave, keeping our commitment on delivering the best value and quality. More than 11MW successfully installed!

Project Grants and Financing

Financial help and grants are available for PV Solar installations; from local cash-back grants to US Federal Government incentives. Green Energy & Fuels, Inc. has an extensive experience in helping our clients to secure funds from combined sources to maximize the clients Return on Investment. Our experience has enabled us to submit and successfully obtain up to 60% to all of our clients in grants. Moreover, we have helped clients obtain financial funding from either banks, private investors or Power Purchase Agreement providers. We thrive to help our clients obtain the maximum benefits from their PV System. We offer this service as part of the Value Added Services we offer to our clients.

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PV Conceptual Layout



Operations and Maintenance Program

Green Energy & Fuels, Inc. will continue to provide support to PV Systems installed. We have developed a comprehensive repair and service plan to our clients based on our extensive experience in troubleshooting. We can prepare a package that may include:

- Comprehensive repair and service plan with a 2 working day response time (Repairs "Labor" will be billed).
- Monthly report on energy production and PV System production yield comparison
- Yearly PV System cleaning to maximize energy production
- Yearly PV System Commissioning and Infra-Red for connections verification

Environmental, Health and Safety Program

Work safety is a top priority in Green Energy & Fuels, Inc. We have developed a program and guides for our employees and sub-contractors to identify workplace hazards along with procedures to minimize accidents and harmful situations. Such programs includes, but are not limited to, continuous personnel general task oriented training, accident response and report, accident prevention, emergency preparedness and corrective actions.



Adler College



Insurance and bonding capacity

Since we are responsible with our clients, Green Energy & Fuels, Inc. has a bonding capacity of \$10,000,000 and insurance coverage as stated below:

Risk	Policy Number	Insurance Company	Coverages and Limits
Commercial Package	1600238004601	Mapfre Praico Insurance Company	Commercial Property: Various Commercial General Liability: \$2,000,000 Installation Floater: \$500,000
Commercial Auto	1226218012955	Mapfre Praico Insurance Company	Covered Auto Liability: \$1,000,000 CSL Vehicles Insured: 9 Covered Autos: Scheduled Autos
Umbrella / Excess Liability	1000538860-02	Liberty Mutual Insurance	Limit: \$10,000,000 Retention: \$10,000
Pollution Liability	TIMPR-280566123	Liberty Mutual Insurance	Limit: \$1,000,000 Deductible: \$15,000
Employers Practices Liability	23-00010305	Berkley Insurance Company	Limit: \$1,000,000 Deductible: \$25,000
Professional Liability	EO-8241	CHUBB Insurance	Limit: \$1,000,000 Deductible: \$15,000





Certifications

- Certified PV Installer Professional Engineer - Colegio de Ingeniero y Agrimensores de Puerto Rico (CIAPR)
- Certified Project Manager
- PV Installation Professional - North American Board of Certified Energy Practitioners (NABCEP)
- Leadership in Energy Efficient Design (LEED) - United States Green Building Council (USGBC)

Awards and Recognitions

- Outstanding Construction Project of the year - 2014; Colegio de Ingeniero y Agrimensores de Puerto Rico (CIAPR)
- Platinum level - Leadership in Energy Efficient Design (LEED) - United States Green Building Council (USGBC)

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SOLAR SYSTEMS - PUERTO RICO

Projects will be based on Roof, canopy or ground type installation, and it will be customized to fit the needs of your facility and/or land. Every Project has its challenges but with the broad knowledge and the years of experience, our Engineers and Team will always develop a high quality and efficient system.

We would be glad to take you on a tour of our projects and installations; so you can see the real time savings and the quality of our installations.

Every offer is a turnkey project, from designs, energy simulations, PREPA approvals, permits, structural and electrical studies, installation, insurance and Interconnections. We are confident that our costs and quality, will overcome your expectations.

On a PPA Agreement, contracts will be worked directly with the solar investors, and GEF will act as the main EPC Company, to assure you the highest quality installation in the market.

We truly appreciate the opportunity and we hope to have the pleasure of doing business with you.

You can contact us for any further questions or information needed.

Sincerely,

Eng. Gilberto Davila
787-548-7061
gilberto.davila@gefpr.com





Número de Caso:
2023-CER-015288





DEPARTMENT OF

HOUSING

GOVERNMENT OF PUERTO RICO



ATTACHMENT B

SCOPE OF WORK

Request for Proposals

**PV Systems, Water Storage System Design, Acquisition, and Installation Services
Community Development Block Grant – Mitigation Program
Puerto Rico Department of Housing
CDBG-MIT-RFP-2024-01**

1. Introduction

The Puerto Rico Department of Housing (**PRDOH**) is issuing this Request for Proposals (**RFP**) to procure **PV Systems, Water Storage System Design, Acquisition, and Installation services** for the Community Development Block Grant – Mitigation (**CDBG-MIT**) grants under the current and subsequent Action Plan. Proposers must understand the CDBG-MIT program initiatives, goals, and regulations.

This document defines the work and requirements the Selected Proposer(s) must perform to support PRDOH in the design and build of the Community Energy and Water Resilience Installations – Community Installations Subprogram (**CEWRI-CI**) under the CDBG-MIT grants.

1.1. CEWRI CI Program

This Program assists eligible households in pre-selected, targeted communities with a need for alternative, renewable energy installations and water storage systems to mitigate the effects of Energy and Water lifeline failures or disruptions. The CEWRI-CI Program provides homeowners with energy and water efficiency improvements to promote resilience during emergencies by installing a Photovoltaic System (**PVS**) with battery backup and a Water Storage System (**WSS**).

A more detailed description of the CDBG-MIT CEWRI-CI Subprogram is included in the CDBG-MIT Action Plan approved by HUD, available on the CDBG-MIT Program Website (<https://cdbg-dr.pr.gov/en/action-plan-mit/>) and its approved Guidelines available on the Program Website (<https://cdbg-dr.pr.gov/en/cewri-ci/>).

The PRDOH anticipates awarding the Contract for an initial term of **two (2) years**. The PRDOH may, at its sole discretion, extend the contract term for **one (1) year** extensions upon mutual written agreement of the parties. If additional CDBG-DR and CDBG-MIT funds are allocated to Puerto Rico during the Contract's life, the Contractor for the PV Systems, Water Storage System Design, Acquisition, and Installation may be assigned to work on those future federal grants awarded. There is no guarantee of a minimum level of services that the PRDOH may request under the Contract.

2. PRDOH's Reservation of Rights

The PRDOH reserves the right, without limitations, to:

- (i) Reject any or all proposals, waive any informality in the RFP process, or 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 goods.
- (iii) Cancel this solicitation and reissue the RFP or another version of it, if it deems that doing so is in the Public Interest.
- (iv) PRDOH shall have no obligation to compensate any proposer 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 all suppliers to determine the level of responsibility.
- (viii) To contact any individuals, entities, and/or organizations that have had a business relationship with the proposer, regardless of their inclusion in the reference section of the proposal's 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) To 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, the cancellation of this RFP and/or Program needs.
- (xii) To negotiate any price from the awarded Proposer(s) in response to a specific order under this solicitation.
- (xiii) To modify the quantity of the listed items and/or services during the term of the Contract in compliance with policies and procedures.

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- (xiv) To withdraw from the contracting process with the selected Proposer(s), if the selected Proposer does not provide the required contract documents, including insurance requirements, within **ten (10) business days** of contract Award Notice.

3. Overview

The PRDOH is issuing this Request for Proposal to procure highly qualified and skilled Designers and Contractors to provide the PV Systems, Water Storage System Design, Acquisition, and Installation services and serve the Program as a Contractor, single source responsibility entity. The Selected Proposer(s) is expected to assess and propose solutions for the implementation and installation of the PVS, BSS, and/or WSS for each Participating Property. The proposed solutions shall consider factors such as budget limitations, cost estimates, current site conditions, necessary property improvements to achieve project goals, preliminary environmental review, risk mitigation project achievements, and other factors that may impact the project's implementation.

The installation of PV Systems, BSS, and WSS is specifically for the households residing in single-family structures as their primary residence in targeted communities, which will be eligible to receive an award of up to 100% of the systems' cost or forty thousand dollars (\$40,000), whichever is lower.

The Selected Proposer(s) will be an integral part of the Program and will be required to work in harmony with other stakeholders, such as PRDOH, Grant Management, Program Managers (PM), and other staff and contractors retained by the PRDOH for the program's implementation. The Selected Proposer(s) will be directly responsible for ensuring the accuracy, timeliness, quality, and completion of all tasks assigned under the Contract and providing applicants with the highest customer service standards.

The resulting Contract (s) will be awarded to the "Qualified Proposers" whose Proposals, conforming to the RFP, are most advantageous to the PRDOH. The Scope of Work presented is based upon circumstances existing at the time of its release. 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. Upon Contract execution, the Contractor may be required to work outside of normal business hours to accommodate the Program(s) goals, production, and operational needs (i.e., weekends or evenings).

The PRDOH will outsource Program Management (**PM**) services for the implementation and the everyday administration of the program, projects, and case management. The PM will be responsible for the Contractor's contract management and administration, control, regulatory and statutory compliance oversight. The Program Managers will also be responsible for developing Environmental Review Records (**ERR**) and inspecting all construction works for the Program(s), among others.

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4. Staff Requirements

The Selected Proposer(s) shall have or will secure, at its own expense, all personnel required to perform the services under the Contract. PRDOH expects the Selected Proposer(s) to provide competent and fully qualified staff authorized or permitted under federal, state, and local law to perform the Scope of Work under the Contract. The PRDOH reserves the right to request the removal of any staff not performing to standard.

The Selected Proposer(s) must always ensure the professional, architectural, engineering, and management work services are performed by licensed professionals with the proper qualifications, skills, and experience necessary to perform such services, according to applicable federal and local rules (state and municipal) and regulations. All design documents shall be certified by a professional engineer or architect licensed to practice in Puerto Rico (as required by Law 173 of August 12, 1998). Also, the Selected Proposer(s) must comply with Regulation No. 7796", and "Regulation No. 8080" as amended.

5. Requirements

5.1. General Requirements

- The Selected Proposer(s) is expected to efficiently operate as a PV Systems, Water Storage System Design, Acquisition, and Installation team for correctness, completeness, compliance, and systematic project completions in a time-accelerated environment.
- All written means of communication (electronic or otherwise), emails, requests for information, questions, responses, design descriptions, text in drawings, reports, and others must be in English.
- The Selected Proposer(s) will conduct pre-installation assessments, technical evaluations, coordination, progress, and production meetings in coordination with Program(s) representatives. The frequency of these meetings will depend on the phase and volume of assigned Task Orders or upon Program operational needs. These meetings may be carried out in Spanish or English, depending on the participants.
- The price of equipment and installation shall include all expenses, including but not limited to site assessments, technical evaluation, load analysis, design drawings, technical specifications, permitting (if required), delivery, installation, commissioning, overhead, profit, fringe benefits, incidentals, and any other administrative fees.
- Obtaining all necessary federal, state, or municipal permits, certificates, or endorsements to close the rehabilitation work.
- Selective demolition, labor costs, materials, supplies, tools, equipment, and any other expenses ancillary or required to complete the work shall be included in the PV Systems, Water Storage System Design, Acquisition, and Installation cost proposal under the Cost Form.
- Labor costs, materials, supplies, tools, equipment, and any other expenses ancillary or required for the repairs of the property shall be included in the PV

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Systems, Water Storage System Design, Acquisition, and Installation cost proposal under the Price Form.

- Specialty construction elements associated with historic properties, including coordination with the Puerto Rico Institute of Culture and the State Historic Preservation Office (**SHPO**), are included under this Scope of Work.
- The PRDOH, or Program, will not incur any incidental damages to property or additional cost and will not be responsible for reimbursement or expense related to per-diem, tolls, parts, or labor for equipment under warranty service.

5.2. Specific Requirements

- The Selected Proposer(s) may be required to perform work ranging from electrical repair, plumbing repair, structural repair, or construction of unit light frame structure or similar structures to support PV modules and water storage system. The activities for each project will be based on the Program via an approved Task Order. This may include, but is not limited to, the following:
 - Evaluating the Program survey documents before and in preparation for the pre-installation assessment site visit and report.
 - Confirming, validating, or requesting to re-evaluate the Initial Project Intent.
 - Preparing a work plan and schedule for each project according to the Program approved scope of work and Task Order.
 - Providing architectural and engineering technical evaluation, reports, and consultation services, including pre-installation assessment, commissioning process, and final inspection site visits.
 - Providing architectural and engineering construction documents, submittals, and supplementary drawings for the system(s) roof-mounted, ground-mounted, or unit-light frame installation, including any associated electrical, plumbing, or structural repair works to complete the system installation.
 - Preserving properties of historic significance.
 - It may include, on a case-by-case basis, selective demolition for the system(s) installation at the exterior elements of the property.
 - Removing and disposing of demolition materials or existing debris.
 - Site clearance includes removal of stored material that may be a barrier to completing the system(s)' installation.
 - Electrical repairs to complete the PVS and BSS installation and utility interconnection.
 - Plumbing general repairs to complete the WSS installation to the existing utility connection from the residential structure to water distribution system.

5.3. Systems Requirements

- The Selected Proposer(s) to provide services regarding Photovoltaic Systems (**PV Systems**) must have a minimum of five (5) years of experience within the renewable energy sector.

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- The Selected Proposer(s) to provide services regarding Water Storage System (**WSS**) must have a minimum of two (2) years of experience installing WSS.
- All technical support or any warranty servicing from the manufacturers must be generated and managed by the Selected Proposer once contracted by the PRDOH.
- The Selected Proposer(s) must not provide equipment close to the end of life or may become unsupported by the manufacturer during the required warranty period. If any equipment becomes unsupported by the manufacturer, the Proposer will be obligated to replace the equipment with an equivalent that meets the applicable warranty period, with similar or better specifications than the original, without incurring any additional financial obligation from PRDOH.
- All prices submitted by the Selected Proposer(s) must include all expenses, including incidentals, taxes, delivery fees, construction fees, installation fees, profits, overhead, and other applicable administrative fees. The PRDOH will not cover any additional costs. Only the unit price submitted for the equipment and installation services will be considered.
- The PRDOH will not be responsible for reimbursement or expense related to per-diem, tolls, parts, or labor for equipment under warranty service.

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5.4. Code Compliance

- Design, construction, installation, and equipment shall comply with applicable building, mechanical, fire, seismic, structural, and electrical codes included in the Joint Regulation for the Evaluation and Grant of Permits Related to Developments, Land Use, and Business Operations (**Joint Regulation**), as amended. Proposers must abide by the "Joint Regulation," as amended, "Regulation No. 7796", "Regulation No. 8080," the Puerto Rico Civil Code in "Article 250" and "Article 252," and any other State regulation that regulates the installations within this Program or the equivalent regulation in place at the time of installation.
- The Selected Proposer(s) must install solar system equipment in compliance with Puerto Rico Residential Code 2018 (**PRRC**), National Electric Code (**NEC**), Puerto Rico Electrical Power Authority (**PREPA**), and Permit Management Office (**OGPe**, for its Spanish acronym) Regulations or the equivalent code in place at the time of installation.

5.5. General Responsibilities

The Selected Proposer(s) is responsible for delivering quality services in compliance with the project requirements. Also, it is the responsibility of the Selected Proposer(s) to:

- Hold the correct permits and licenses necessary to conduct business in Puerto Rico and the city where the project is taking place, and the Proposer must have qualified and licensed personnel as required by the Puerto Rico government to perform PV Systems and/or WSS installations.
- The Designer for the PV Systems must be a licensed engineer in compliance with Puerto Rico's Act Number 173 of August 12, 1988, with the Renewable Solar Energy Installer (Photovoltaic) Certificate from the Public Energy Policy Program (**PEPP**) under the Department of Economic Development and Commerce (**DDEC**, for its Spanish acronym). Must have at least five (5) years of experience performing PV system design. Such a designer will also be part of the Pre-Installation Assessment team.
- PV Systems installers must be a professional with the Renewable Solar Energy Installer (Photovoltaic) Certificate from the Public Energy Policy Program (**PEPP**) under the Department of Economic Development and Commerce (**DDEC**, for its Spanish acronym).
- The Designer for the WSS must be a licensed architect or licensed engineer in compliance with Puerto Rico's Act Number 173 of August 12, 1988. Must have at least two (2) years of experience performing WSS design. Such a designer will also be part of the Pre-Installation Assessment team.
- Uphold a professional demeanor while on a job site.
- Coordinate with PRDOH-selected Program Managers (**PMs**) the tasks related to this Scope of Work.
- Coordinate with the selected PM to Conduct a Pre-Installation Assessment. This action will provide the Designer with the necessary data to perform the design and/or to determine what remediation will be needed for the installation.
- Perform a Pre-Installation Assessment site visit.
- Conduct a pre-award site visit. Assist the PMs during the applicant award process. The Proposer will be responsible for clarifying to the owner any design-related clarification that might be needed.
- Perform work after the corresponding reviews, approvals, and or notices to proceed are issued by the selected PRDOH Program Manager.
- Perform work as specified in accordance with all project requirements and all applicable laws and codes.
- Dispose of all materials in a safe manner in accordance with all local and federal regulations.
- Perform commissioning tests and correct any findings. Corrections will be paid by the Proposer, and PRDOH will not reimburse them.
- Participate in closeout inspections and address findings.

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- Work with PMs to ensure the project is completed within the project timeline and budget while minimizing disturbance.

6. Project Types Description

The targeted communities for this initiative are situated within the Municipality of Orocovis in the barrios of Cacaos, Collores, Damian Abajo, Bauta Abajo, and Bermejales.

The Program surveyed the households' existing conditions, needs, and construction types, including the diverse topographic conditions of each. As a result, Program recommendations were defined and classified based on different house and site condition types.

- **PV System Types¹**
 - **Type A - Roof-Mounted:** Standard rooftop-mounted photovoltaic system (PV). Based on the pre-installation assessment, this system type shall be prioritized when possible.
 - **Type B - Ground-Mounted²:** Ballasted ground-mounted photovoltaic system (PV). PV ballast system shall avoid ground disturbance and not exceed a height of three (3) feet. This system type shall only be considered for feasible roof mounting cases. Commercially available systems are expected when available.
 - **Type C - Pole-Mounted³:** Pole-mounted photovoltaic system (PV). The minimum clearance for pole-mounted systems shall be four (4) feet. This system type shall only be considered for cases where roof mounting is not feasible. Commercially available systems are expected when available.
- **Battery Backup System (BSS)**
 - All PV system types will include one of the following BSS capacities:
 - 9 kWh/day Battery Storage
 - 12 kWh/day Battery Storage
- **Water Storage System (WSS)**
 - WSS installations are expected to occur mostly on rooftops where the structure allows it. When rooftop installation is not feasible, the WSS will be installed at an existing pad or on a new prefabricated pad.
 - WSS capacities will be of three-hundred (300), four-hundred (400), or five-hundred (500) gallons.

¹ Cost considerations for each installation type to include but are not limited to support structure for non-roof installation types in addition to the PV Systems, foundation work if needed, permit fees. The selected proposer must adhere to all applicable permitting, codes, and standards to ensure the safety, durability, and functionality of the PV system and its supporting structure.

² Type B, PV system type is considered for those houses where the Roof has no space or structural support for PV with BSS and/or WSS installation.

³ This PV system installation type is considered when the roof has no space or structural support for PV with BSS and WSS installation, and additionally the property also lacks space to build a structural frame for PV installation.

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7. Photovoltaic System (PV System)

7.1. Pre-Installation Assessment

The Selected Proposer(s) must be responsible for the Pre-Installation Assessment of each project site where the installation will be performed. A certified installer, a licensed professional engineer, and/or a licensed architect in Puerto Rico with the expertise of five (5) years or more in the Photovoltaic system industry and at least two (2) years of experience performing WSS design shall conduct the assessment. Assessment includes but is not limited to the following activities:

- Evaluate the roof capacity and property surroundings to support the PV system and WSS. A complete evaluation shall provide information on the property, shading study, and other required studies to allow the system to function correctly at the installation site. The Scope of Work generated shall detail the installation plan for the dwelling unit to support its installation and full functionality.
- Assess the home's interior and exterior elements and determine their conditions to facilitate the installation of conduits and electrical equipment. Home interior and exterior elements may include (but are not limited to):
 - Structural, electrical, plumbing, and HVAC systems installed in the roof;
 - Main Distribution Panelboard
 - Branch circuits
 - Exterior Shade Element
 - Lightning protection
 - Ground installation or existing condition
 - Electrical service entry, including overhead wires, electric meter, and service entry conductor.
 - Other relevant components
- After examining the home elements and determining their condition, other considerations may include (but are not limited to) home site elements:
 - Site Restrictions
 - Site Accessibility
 - Yards and courts
- Structural verification: Verify the roof's load capacity to support the equipment load for those roof system(s)' installation, home's exterior elements for attached unit-light frame, stand-alone light frame, or ballasted ground-mounted system, and determine their conditions. Home external elements may include (but are not limited to):
 - Roof weatherproofing and covering, including asphalt shingles, wood shingles or shakes, metal roofing, cement shingles, built-up roofing, single-ply membranes, and roll roofing, among others;
 - Skylights;
 - Gutters and downspouts,

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- Parapets and gables.
- Existing concrete pad(s)
- Site conditions

The structural verification shall be conducted by a licensed engineer with a structural engineering degree or studies.

- Equipment Location
 - Determine the best locations for the PV System and all components per designer and manufacturer's specifications.
 - In the Pre-Installation Assessment report and Scope of Work, the Selected Proposer(s) must clearly define the location of the PV System and all components in accordance with applicable codes.

7.2. PV System and Supporting Structure Design

- The Selected Proposer(s) must design a photovoltaic system with battery backup and water storage for single-family homes based on the pre-installation assessment conducted. The design would vary based on defined project types and specific case needs. The Selected Proposer(s) shall adhere to the following guidelines as a minimum:
 - A licensed professional structural engineer must certify that the area for the selected installation option complies with the structural requirements and capacity for the installation of the PV System and WSS and that the proposed system meets the code requirement and the requirement of this RFP.
 - System layout must meet local fire department, code, and ordinance requirements for roof access.
 - The PV System installation must not interfere with water drainage systems, expansion joints, air intakes, electrical and mechanical equipment, or antennas.
 - The supporting structure needs to be corrosion-resistant and meet applicable local building code requirements concerning rain, wind, and earthquake factors.
 - All penetrations and structural connections associated with supports and conduit shall be kept to a minimum and waterproofed.
 - Existing areas that are impacted must be finished to match existing conditions.
 - The roof penetration and roof connections shall be warranted for weather tightness from the installer, including parts and labor (see Section 10 in this document for warranty details).

7.3. Award Visit

For additional information, refer to Section 9, Other Tasks, applicable for PV System and Water Storage System services.

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7.4. Permits

The Selected Proposer(s) must obtain all required permits and licenses for the project. Also, the Selected Proposer(s) must be responsible for any certification and/or notification to the applicable state agencies regarding the services to be provided to each project, including interconnection certifications and fees in accordance with Act 17 of April 11 of 2019 ("Ley de Política Pública Energética de Puerto Rico"). All fees associated with the permits, notifications, and licenses are the responsibility of the Selected Proposer(s).

Any additional documentation required, or corrections of deficiencies identified by Puerto Rico Utility Electric Provider (PREPA), the Transmission and Distribution (T&D) Operator (LUMA), or any other permitting agencies after the certification and notification required by the Program must be addressed and brought to a conclusion by the Selected Proposer(s) at no additional cost to PRDOH.

7.5. PV System Installation Service

- The Selected Proposer(s) must be responsible for acquiring all permits and endorsements for system installation, system operation, and system interconnection in accordance with Act 17 -2019 ("Ley de Política Pública Energética de Puerto Rico").
- For the Installation of the PV System, the Selected Proposer(s) must design, supply, install, and commission the PV System. Installation costs shall be standardized to accommodate installation across various types of single-family homes within the same project type. Inverters and batteries shall be installed in a shaded location and shall not be exposed to direct sunlight.
- Install materials following the manufacturer's requirements.
- Provide all labor, materials, tools, equipment, and services required to complete the project as specified.
- Responsible for the cost of all items required for a complete operating system.
- The Selected Proposer(s) must be obligated to maintain a torque log of the installations, following designers' specifications.
- No material should be installed if:
 - Materials are not compatible with existing conditions.
 - Installation of materials violates equipment warranty.
 - Installation is not to code or industry standard.
 - Such are not in compliance with the conditions established by the program, federal or state regulations, or this RFP.
- The PV System installations shall follow the best installation practices described by the National Renewable Energy Laboratory (**NREL**) in the following documents or any other industry-related document:

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- Solar Photovoltaic in Severe Weather: Cost Consideration for Storm Hardening PV Systems for Resilience
- Solar Photovoltaic Systems in Hurricanes and Other Severe Weather

7.6. Pre-Inspection Package

- Perform Commissioning and Inspection following the current industry standards. The Commissioning should verify that the project is performing as per project design.
- A qualified professional shall perform the Commissioning of the entire PV system and WSS. This data shall be used to confirm the proper performance of the system(s). Performance tests shall be conducted at the final commissioning/acceptance testing.
- After completion of the Commissioning, the Selected Proposer(s) will be responsible for submitting a Pre-Inspection Package with the following reports to be submitted to the PM before Inspection:
 - Commissioning Report
 - Design Drawings
 - Design Specifications
 - Submittals Certifications
 - Credentials of the Design Team
 - Warranties

7.7. Inspection

For additional information, refer to Section 9, Other Tasks, applicable for PV System and Water Storage System services.

7.8. Additional Services

In addition to the traditional Design, Permitting, Installation, and Commissioning services included in this Scope of Work, some projects may require additional services due to unforeseen conditions for the Contractor to deliver a complete and thorough design. PRDOH considers these Additional Services. For such services, the Contract will include an Allowance.

Whenever Additional Services are required, the Contractor shall develop an Additional Service Work Plan, including a justification of the need for the service, the scope of work, the credentials of the staff to perform the services, a schedule, the costs, and a list of deliverables to be prepared. The Additional Service Work Plan shall be submitted by the Contractor to the PRDOH through a Request for Approval (**RFA**) for approval prior to the Contractor performing the services. PRDOH will evaluate each Additional Service for need and cost reasonableness and, if determined to be of need and in the best interest of the project, will approve the performance of the services by the Contractor. No Additional Service shall be performed by the Contractor without the written approval of PRDOH.

If the cost of any Additional Services is more than \$10,000 (the micro-purchase procurement threshold), then the Contractor shall submit to PRDOH at least three

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(3) economic proposals for the Additional Services. These three (3) economic proposals must be from different Subcontractors for the performance of the Additional Services. One of the economic proposals may consider the performance of the Additional Services with the Contractor's staff if the Contractor has the internal capacity to perform them.

All Additional Services shall be prepared in compliance with applicable federal, state, and local codes, regulations, and laws, and whenever applicable, shall be prepared and certified by competent professionals with the proper authorizations to perform the work.

Additional Services could include, but not be limited to:

- Work related to electric meter connection, main breaker, and/or base,
- Corrective work to the existing electrical grounding system,
- Any other task or repair related to PV system interconnection services beyond standard electrical repairs.

7.9. Technical Specifications for PV Systems

- All PVS and BSS equipment must be duly certified in accordance with Section IV of Regulation No. 7796. Equipment that requires certification prior to installation includes photovoltaic modules, inverters, charge controllers, batteries, and other equipment for a renewable energy generation system in Puerto Rico.
- Batteries used for BSS shall have lithium-ion chemistry. PRDOH may consider additional battery technologies that are commercially available on a case-by-case basis.
- The Selected Proposer(s) shall perform all professional services necessary to provide applicants with a complete design of the proposed project. The system shall be designed and engineered to maximize the solar energy resource, considering the residents' electrical demand and load patterns, proposed installation site, and available solar resources. After concurrence of a final design by PRDOH's Program Manager, Selected Proposer(s) shall provide all necessary materials, equipment, and labor to complete the PV System installation and interconnection with the electrical grid in accordance with Act 17 of April 11 of 2019 ("Ley de Política Pública Energética de Puerto Rico").
- The Selected Proposer(s) must also provide and install a manual transfer switch at a minimum to allow the system operation in a stand-alone mode.
- The Selected Proposer(s) must provide and install a lighting arrestor as part of each system installation.
- The Selected Proposer(s) must provide the applicant with written instructions and procedures for shutdown and warranty start-up activities for all system components.

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- Photovoltaic (**PV**) Modules
 - PV modules shall be commercial off-the-shelf product and must be OGPe Certified.
 - PV modules shall have a 25-year limited warranty to generate no less than 80 percent of rated output under Standard Test Conditions (**STC**). PV modules that do not satisfy this warranty condition shall be replaced.
 - Modules shall be through-bolted to the underlying racking; top-down clamps shall not be used under any circumstances unless the Designer specifies the contrary.
 - The PV system shall be physically attached to the building roof and tilted 5 to 10 degrees to the south.

- Inverter(s)
 - Inverters shall be a commercial off-the-shelf product.
 - The inverter shall have, at a minimum, the following features:
 - OGPe Certification
 - UL/ETL⁴ listed
 - Peak efficiency of 96 percent or higher
 - The inverter shall have operational performance indicators, built-in data acquisition, and remote monitoring.
 - Warning labels shall be posted in compliance with local and federal regulations.
 - Operating instructions shall be posted on or near the system and on file with facilities operation and maintenance documents.
 - Provide detailed instructions on how to turn off the equipment.
 - The inverter shall be 120/240 V split phase.
 - The inverter must provide a Pure Sine Wave.

- Electrical Wiring
 - Areas where wiring passes through ceilings, walls, or other areas of the residence shall be adequately restored, booted, sealed, and returned to their original condition.

- Structural Components
 - All structural components shall be non-corrosive (preferably marine stainless steel or aluminum). All hardware shall be marine stainless steel or aluminum. All components shall be designed to obtain a minimum of twenty (20) year design life.
 - All connections shall be bolted and torqued to the specified value. Under no circumstances shall clamping systems or self-tapping sheet metal screws be used to hold:
 - Module frame to underlying structural frame member

⁴ Acronyms stand for the following respectively: Underwriters Laboratory/Electrical Testing Laboratories

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- Backup Storage System
 - The required battery chemistry is Lithium-Ion.
 - The minimum required battery bank voltage is 48 V.

8. Water Storage System (WSS)

8.1. Pre-Installation Assessment

The Selected Proposer(s) shall be responsible for the Pre-Installation Assessment for the project's site where a service will be performed. The structural evaluation will be performed by a licensed professional with structural engineering degree or studies. Such task includes but is not limited to the following activities:

- Evaluate the property's roof capacity to support the WSS system by completing a roof capacity checklist for home installations. The Selected Proposer(s) will generate a scope of work based on the findings from the roof capacity checklist. A complete evaluation should provide information on roof load capacity and all required analyses to allow the system to function correctly at the installation site. The Scope of Work generated shall detail the installation plan on the roof of the dwelling unit to support its installation and full functionality.
- Assess if the proposed equipment can be located on the rooftop without interfering with the other equipment mounted and/or to be mounted on it.
- Assess the home's interior and exterior elements and determine their conditions to facilitate the WSS components installation. This assessment should be included within the PV System assessment whenever possible. Home interior and exterior elements may include (but are not limited to):
 - Structural, electrical, plumbing, Heating, Ventilation, and Air Conditioning (**HVAC**) systems are installed on the roof.
 - Main panelboard
 - Any electrical conduit that might interfere with the WSS components installation.
- After examining the home's roof elements and determining their condition, home site elements shall be examined, which include (but are not limited to):
 - Site restrictions
 - Site accessibility
 - Yards and courts
- Verify the roof's load capacity to support the equipment load of home's exterior elements and determine their conditions. Home external elements may include (but are not limited to):
 - Roof weatherproofing and covering, including asphalt shingles, wood shingles or shakes, metal roofing, cement shingles, built-up roofing, single-ply membranes, and roll roofing, among others.
 - Skylights

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- Gutters and downspouts
- Parapets and gables
- Lightning protection
- Electrical service entry including overhead wires, electric meter, service entry conductor.

8.2. Design Service

The Selected Proposer(s) must design the Water Storage System for single-family homes following the requirements stated in Section 8.8 of this Scope of Work (Technical Specifications for the Water Storage System).

8.3. Award Visit

For additional information, refer to Section 9, Other Tasks applicable for PV System and Water Storage System services.

8.4. Water Storage System Installation Services

- The Selected Proposer(s) must be responsible for acquiring all equipment and its installation.
- The Selected Proposer(s) must be responsible for all permits and endorsements for system installation (as required).
- Installation of Water Storage System- The selected Proposer(s) must install the Water Storage System. Installation costs must be standardized to accommodate installation across various types of single-family homes.
- Install materials following the manufacturer's requirements. The Selected Proposer(s) must coordinate with PV system installers to ensure the water pump is connected to a PV stand-alone electrical system circuit (as required).
- The water pump shall not shade or otherwise obstruct the photovoltaic modules.
- Provide all labor, materials, tools, equipment, and services required to complete the project as specified, including electrical work associated with the WSS operation.
- Responsible for the cost of all items required for a complete operating system.
- No materials shall be installed if:
 - Materials are not compatible with existing conditions.
 - Installation of materials violates equipment warranty.
 - Installation is not to code or industry standard.
 - Materials are not in compliance with the conditions established by the program, federal or state regulation, or this RFP.

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8.5. Pre-Inspection Package

- Perform Commissioning and Inspection following the current industry standards. The Commissioning should verify that the project is performing as per project design.
- The Designer shall perform the Commissioning of the entire PV system and Water Storage System. This data shall be used to confirm the proper performance of the system(s). Performance tests shall be conducted at the final commissioning/acceptance testing.
- After completion of the Commissioning, the Selected Proposer(s) will be responsible for submitting a Pre-Inspection Package with the following reports to the PM before Inspection:
 - Commissioning Report
 - Design Drawings
 - Design Specifications
 - Submittal Certifications
 - Credentials of the Design Team
 - As-Built Drawings, as applicable
 - Warranties

8.6. Inspection

For additional information, refer to Section 9, Other Tasks applicable for PV System and Water Storage System services.

8.7. Additional Services

In addition to the traditional Design, Permitting, Installation, and Commissioning services included in this Scope of Work, some projects may require additional services, due to unforeseen conditions for the Contractor to deliver a complete and thorough design. These are considered Additional Services by PRDOH. For such services, the Contract will include an Allowance.

Whenever Additional Services are required, the Contractor shall develop an Additional Service Work Plan, including a justification of need for the service, the scope of work, the credentials of the staff to perform the services, a schedule, the costs, and a list of deliverables to be prepared. The Additional Service Work Plan shall be submitted by the Contractor to the PRDOH through a Request for Approval (RFA) for approval prior to the Contractor performing the services. PRDOH will evaluate each Additional Service for need and cost reasonableness and, if determined to be of need and in the best interest of the project, will approve the performance of the services by the Contractor. No Additional Service shall be performed by the Contractor without the written approval of PRDOH.

If the cost of any Additional Services is more than \$10,000 (the micro-purchase procurement threshold) then the Contractor shall submit to PRDOH at least three (3) economic proposals for the Additional Services. These three (3) economic proposals must be from different Subcontractors for the performance of the Additional Services. One of the economic proposals may consider the

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performance of the Additional Services with the Contractor's staff, if the Contractor has the internal capacity to perform them.

All Additional Services shall be prepared in compliance with applicable federal, state, and local codes, regulations, and laws, and whenever applicable, shall be prepared and certified by competent professionals with the proper authorizations to perform the work.

Additional Services include but are not limited to unforeseen conditions that might impact the installation of WSS.

8.8. Technical Specifications for Water Storage System

The Selected Proposer(s) must obtain all necessary equipment, materials, design, and testing services to install the WSS. The system must:

- Provide domestic water to the home from the water storage tank using an electric water pump, controls, and a diaphragm-type pressurized tank to provide a backup water supply to the domestic water line. The tank should be sized to meet the home's water needs by providing adequate pressure without damaging water fixtures. The WSS shall supply each household with potable water supply during a water service interruption scenario.
- If the roof structure allows, the water storage tank shall store a maximum capacity of 500 Gallons per household, complete with all its necessary accessories and instrumentation for full functionality of water storage and distribution within the home during a water service interruption scenario. The Designer should define the capacity of the tank according to the household needs. The water storage tank shall be connected to the main water line that serves the property or home with a water level control valve and backflow preventer designed to prevent backflow from the water storage tank to the main water line. The water storage tank shall have instrumentation to monitor and control pressure and water levels.
- The water storage tank shall be located on the rooftop of the home. If the house's structural integrity does not support the load of any applicable water tank size options, then the feasibility of ground existing pad or prefabricated pad installation should be evaluated.
- If the house loses power, the electric pump should be able to work off-grid from the main electrical utility supported by the PV and battery system granted to the applicant from the CEWRI program, when applicable.
- The water storage tank shall be constructed of ultraviolet (UV) and corrosion-resistant material, approved for potable water, and have the Food and Drug Administration (FDA) and the National Safety Foundation (NSF) approval.

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- Other related material for complete installation should include but is not limited to:
 - Pump: ½ horsepower with a pressurized tank with pump cover. Must be mechanically attached.
 - A diaphragm-type pressurized tank should be sized to provide adequate pressure to meet the water demands of the home.
 - Piping: Only copper piping is authorized. Sediment filter: Should be able to filtrate 10 microns particles. Using chlorinated polyvinyl chloride (**CPVC**) or Cross-linked Polyethylene (**PEX**) will be approved under extraordinary circumstances and requires PRDOH's prior approval on a case-by-case basis.
 - Sensor level: Recommended use whenever possible.
 - Install a Buoy
 - Backflow prevention system to prevent cross-connection between household water system and water main.
 - The water storage tank must be watertight and intended for potable water use.

- All water storage tanks must be specifically manufactured for potable water use in accordance with FDA food-grade specifications, NSF standards, or other nationally recognized standards for potable water. Documentation from the manufacturer stating that tanks are approved for potable water must be available for inspection. Water Storage tanks must be installed according to the manufacturer's specific instructions.

- All water storage tanks must be vented to allow the free flow of air into and out of the tank as the water level inside the cistern changes. The vent opening must be turned down and screened with a 24-mesh screen cloth to prevent the entry of insects, birds, and other animals.

- Connect to the water utility main to provide a continuous water flow through the water storage tank.

- Before filling and using, the water storage tank and pressure tank must first be cleaned and disinfected.

- Disinfection of the water storage tank and pressure tank after installation is mandatory, and the Selected Proposer(s) must follow the manufacturer's recommendation for potable water systems.

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9. Other Tasks

Other Program-required tasks include:

9.1. Pre-installation Assessment Visit, Report, and Cases Scope of Work

- Perform a Pre-Installation Assessment visit to each dwelling unit and develop the Pre-Installation Assessment report for each case. Submit the report to the PMs for approval.
- Develop case Scope of Work for each project. Submit the Scope of Work to the PMs for approval.

9.2. Award Visit

The Selected Proposer(s) will perform the following tasks during the award visit, including but not limited to:

- To complete the Project Grant Agreement, perform award visits with the PMs to each Applicant's property.
- Perform orientation to Applicants of the offered measures, which may be installed in the unit.
- Ensure that the Applicant is informed on the process and the works to be performed, including images of the equipment to be installed, location, piping route and installation methods, light unit framing units (if applicable), and the conditions of the award prior to any work being performed.
- Assist the PMs during the Applicant award process. The Selected Proposer(s) will be responsible for addressing any design-related clarification or questions from Applicants.

9.3. Inspection

The Selected Proposer(s) will visit the project site along with the PRDOH Program Manager and inspect works for overall quality standards. Upon completion of the installation, the PM's Inspector will inspect the physical installation and all paperwork submitted in the Pre-Inspection Package by the Selected Proposer(s). Once on-site, the PM's Inspector shall ensure that all contractually agreed upon work was completed and confirm:

- That the equipment installation is in accordance with the design and installation drawings and specifications.
- The model of the equipment installed is in accordance with the designer's specifications.
- Quality workmanship of installation has been performed.
- A brief review of findings compared to the site's initial description, scope of work, any change order(s), and final invoice.
- All warranties are included and active.

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During the post-install site inspection, the Inspector will record any corrections to the installation that need to be made by the Selected Proposer(s). If, during the post-installation Inspection, the Program finds discrepancies between the work performed and the Scope of Work, installation standards, and/or equipment specifications, the Selected Proposer(s) will be responsible, at the Selected Proposer's expense, for bringing the installation into conformance before the Selected Proposer(s) is paid in full. Installation corrections, as noted during final acceptance or the post-installation inspection, shall be performed within ten (10) calendar days. If the Selected Proposer(s) cannot undertake corrective actions within ten (10) calendar days, the Selected Proposer(s) must deliver reasons for the delay to the PM in writing. The PM shall determine the validity and allow for a delay no longer than twenty (20) calendar days after validity is determined. Any discrepancies or disagreements between the PM and the Selected Proposer(s) shall be escalated to the adjudicating official within PRDOH.

9.4. Orientation and Training to Applicants

- The Selected Proposer shall provide orientation and training for the Applicants regarding the operation and maintenance of the installed systems and equipment.
- The Selected Proposer(s) must deliver all applicable Operation and Maintenance Manuals of the installed systems to each Applicant receiving a system and any other required documents.

9.5. Health and Safety

The Selected Proposer(s) shall observe and comply with all applicable laws, ordinances, codes, and regulations of governmental agencies, including federal, state, municipal, and local governing bodies having jurisdiction over any or all of the Scope of Work, including all provisions of the Occupational Safety and Health Act of 1979, as amended, and all other applicable federal, state, municipal and local safety regulations. All services performed by the Selected Proposer(s) must be in accordance with these laws, ordinances, codes, and regulations. The Selected Proposer(s) shall release, defend, indemnify, and hold harmless the PRDOH, its officers, agents, volunteers, and employees from all damages, liability, fines, penalties, and consequences from any non-compliance or violation of any laws, ordinances, codes, or regulations. Additionally, the following requirements must be met:

- The Selected Proposer(s) must develop and submit to the PMs a safety plan for approval.
- Provide a statement of how the Selected Proposer(s) will be prepared to work within the project timeline and on time, ensure conformance with quality control standards, and respond to quality control issues during and after completing the project.
- Develop, monitor, and implement health and safety policies to ensure that projects follow health and safety laws and regulations to reduce or prevent hazards, dangers, and accidents.

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- All roof access points shall be securely locked at the end of each day.
- Suppose a release of hazardous materials or hazardous waste that cannot be controlled occurs connected with this Contract's performance. In that case, the Selected Proposer shall immediately notify the appropriate public safety service (police, fire rescue, or emergency medical services), PRDOH Program Director, and project designees. The Selected Proposer(s) must not store hazardous materials or waste without proper permits.

9.6. Damage and Disposal

The Selected Proposer(s) must proceed with work in a manner that does not damage existing materials/infrastructure unless otherwise directed by the Organization:

- The Selected Proposer(s) must document pre-existing damage to the materials/infrastructure and report any such damage to the PMs.
- The Selected Proposer must repair damage to buildings and equipment caused by this project's work at its expense.
- The Selected Proposer(s) must remove all materials, equipment, and debris immediately upon project completion or at the end of each workday (unless the dwelling unit owner agrees to provide storage space).
- The Selected Proposer(s) must keep access to all areas of the dwelling unit clear.
- The Selected Proposer(s) must not use on-premises refuse containers for disposal of any material whatsoever without prior approval of CEWRI PMs.
- The Selected Proposer(s) must protect people and property from damage and debris at all times during the construction process.

9.7. Hazardous Material Clean-Up

All surfaces and articles contaminated by hazardous materials during this work shall be cleaned per all applicable laws, codes, and ordinances and transported safely to the appropriate destruction/servicing facilities. The Selected Proposer(s) must comply with the regulations to manage hazardous waste as specified in the Puerto Rico codes and regulations.

9.8. Reporting

The Selected Proposer(s) will be responsible for the creation and submission of the following reports to the CEWRI Program Manager:

- Pre-Installation Assessment Report
- Systems Installation Report
- Project Commissioning Report
- Pre-Inspection Package documentation in support of the requested Inspection to ensure that current works performed merit the Final Inspection. If the documentation submitted to the Program Manager does not merit a Final Inspection, the Program Manager shall deny the Final Inspection request to the

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PRDOH PV System and Water Storage System Contractor and state the reasons why the Inspection was denied.

10. Warranty

The Selected Proposer(s) must warrant all its products for the following period:

- **Ten (10) years** guarantee for the Solar Photovoltaic System Panels.
- **Twenty-five (25) years** of Linear Performance Guarantee for the Solar PV modules.
- **Ten (10) years** guarantee on Battery Bank and inverter.
- **Five (5) years** for the WSS.

Warranties shall include:

- Parts, labor, faulty material, manufacturing defects, defective items, emergency works of the systems, and installation costs related to the failure of equipment under warranty (when due to equipment failure during the warranty period during the ten (10) years of operation for PV system and five (5) years of operation for the WSS).
- Repair or replacement of all system components for both systems, including but not limited to faulty material manufacturing defects, during the warranty period.
- All unscheduled or emergency warranty works must be completed within (7) seven (7) days of notification to the Selected Proposer(s) from the homeowner at no additional cost to PRDOH or the homeowner during the warranty period. If the 7-day period is not enough due to equipment shortage, the Selected Proposer(s) must provide a written explanation and a copy of the equipment's delivery documents.
- Full warranty documents for all installations shall be submitted to the Applicants and duplicated to the CEWRI PMs firm.

After full payment for the installation, no further costs will be paid by PRDOH

11. Deliverables

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

- The Selected Proposer(s) must submit monthly reports to CEWRI Program Manager and PRDOH. Monthly reports shall be due the fifth (5th) day of each month and shall include:
 - Copies of all notifications from CEWRI PMs
 - Inspection orders placed within the previous calendar month and inspection reports, as applicable.
 - Notices to begin the design phase within the previous calendar month.
 - Notices of accepted/rejected designs within the previous calendar month.
 - Locations of all pending and completed tasks within the last calendar month.

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- Explanation of pending and completed design tasks within the previous calendar month.
 - Explanation of pending and completed installation tasks within the previous calendar month.
 - Copies of all payment requests sent to PM within the last month.
 - Payment receipt notifications with the date payment was received.
- The Selected Proposer(s) must develop and submit to the PMs the following but not limited to:
- Pre-Installation Assessment Visit and Report for each project
 - Case Scope of work for each project.
 - System Designs for Each Project
 - Systems Installation Report
 - Commissioning Report
 - All technical documentation, including the Component's data sheets and listing.
 - Warranties
 - Installation and operation manuals
 - As-built version of system drawings, cable lists, routing, wirings, and grounding system.
 - Any other documentation required or requested by PRDOH.

The Selected Proposer(s) must provide the equipment and installations in accordance with Section 12, Delivery Schedule.

12. Delivery Schedule

- Coordinate with Applicant and CEWRI-CI Program Manager for pre-installation assessment visits, installation, and closeout inspections.
- Upon notice from the PM firm, the Selected Proposer(s) shall perform the pre-installation assessment and report within the timeframe indicated in the performance requirements.
- Upon notice from the PM firm, the Selected Proposer(s) must perform the project's design within the timeframe indicated in the performance requirements.
- Upon notice from the PM firm, the Selected Proposer(s) must install the system(s), perform the commissioning of the project and submission of the Pre-Inspection Package within the timeframe indicated in the performance requirements. If the afforded timeframe is not enough due to equipment shortage, the Installer/Contractor must provide a written explanation and a copy of the equipment's delivery documents.
- Upon completion of installation, the Selected Proposer(s) must submit the official payment request to PM with all applicable documentation, including warranty. Warranty documentation shall be submitted in duplicate (one for PM/PRDOH and one for the homeowner/applicant). The Selected Proposer(s) delivers warranty information to the homeowner/applicant.

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13. Terms and Conditions

The following terms and conditions are designed to state expectations relating to the project and the Selected Proposer(s)' work performed. Should the Selected Proposer(s) deviate from these standards and guidelines, all costs and liability associated with the observed deviation will be the Selected Proposer(s)' sole responsibility.

13.1. Designer Responsibilities

The Designer is responsible for the design of PV system types that require structural support beyond standard roof-mounted racking systems, for which construction permits could be needed. Each design must be in compliance with all federal and State codes and regulations including Act 173-1988, as amended.

13.2. Interpretation of Scope of Work

The Selected Proposer(s) is responsible for reading and fully understanding the Scope of Work. The PV Systems, Water Storage System Design, Acquisition, and Installation approach allows for continual collaboration; however, any proposed changes to the original proposal must be approved in writing by PRDOH and PM through the change order process before proceeding.

PRDOH reserves the right to modify the policies established in the Program Guidelines without the need to amend this Scope of Work. The Selected Proposer(s) is responsible for complying with Program Guidelines, as amended. If the approved amended version of the guidelines varies from the Scope of Work herein, and the modifications do not represent a contract cost change, the amended version fully supersedes the Scope of Work and should be used as the basis for the work to be performed.

13.3. Existing Conditions

The Selected Proposer(s) is responsible for verifying the installation site's existing conditions as reported in this Request for Proposal before construction begins.

13.4. Installation Schedule

The Selected Proposer(s) will complete the installation within the timeline described in the performance requirements. Once the installation has begun, the selected Proposer) must secure the work area for the full work period until the installation is complete.

- The Selected Proposer(s) shall have all required materials in stock prior to beginning installation.
- The Selected Proposer(s) shall give the PMs an estimate of the installation's completion date and shall inform the PMs if the installation appears to be taking longer than the original estimate.
- Corrections, as identified during final acceptance or as a result of the quality control process, shall be performed within the timeframe indicated in the performance requirements unless the problem presents a health and safety threat, in which case the correction shall

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be made immediately. Exceptions to this rule shall be granted in circumstances beyond the control of the Selected Proposer(s) (e.g., unforeseen existing conditions, material backorders, etc.). The Selected Proposer(s) shall notify PRDOH (verbally and in writing) if the correction will or may violate this provision.

13.5. **Communication**

The Selected Proposer(s) shall respond to information requests within two (2) business days. The request will determine the response form. The response may be in the following forms but not be limited to E-mail, hardcopy, or fax.

13.6. **Change Orders and Scope of Work Modification**

The Contract may be increased or decreased after the proposal is accepted. Under no circumstances shall the Selected Proposer(s) deviate from the work defined in the Scope of Work without advance written approval from PRDOH.

13.7. **Final Acceptance**

A project will not be considered complete until all project steps are completed, including quality control inspection, training, and all project deliverables.

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END SCOPE OF WORK



COMPENSATION SCHEDULE
Request for Proposal
No. CDBG-MIT-RFP-2024-01
PV Systems, Water Storage System Design, Acquisition, and Installation Services
Community Development Block Grant – Mitigation

The following section contains cost information that considers the quantity of resources, maximum hours, and rate per hour provided by the Proposers for **PV Systems, Water Storage System Design, Acquisition, and Installation Services** through their Price Proposal (Exhibit G) in compliance with the Request for Proposals No. CDBG-MIT-RFP-2024-01.

- Green Energy & Fuels, Inc.** for the total amount of **\$9,682,250.00** for an initial performance period of two (2) years with the option of up to **one (1) year extension** upon mutual written agreement of the parties, subject to the availability of funds. All renewals are contingent upon satisfactory performance by the Contractor and the availability of funds. The Proposer will be compensated based on the rates established in Exhibit G, Cost Form for RFP-2024-01.

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Table 1: Green Energy & Fuels, Inc. Compensation Schedule

Equipment Description ⁽¹⁾⁽²⁾⁽³⁾	Price per Unit	Qty. ⁽⁹⁾	Total
Type A – Rooftop PV System and related Services ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾			
3 kW DC PV System	\$12,500.00	296	\$3,700,000.00
4 kW DC PV System	\$14,500.00	7	\$101,500.00
[A] Sub-Total Type A			\$3,801,500.00
Type B – Ground-Mounted PV System and related Services ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾			
Type B Supporting Structure + 3 kW DC PV System	\$14,300.00	43	\$614,900.00
[B] Sub-Total Type B			\$614,900.00
Type C – Pole-Mounted PV System and related Services ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾			
Type C Supporting Structure + 3 kW DC PV System	\$25,500.00	22	\$561,000.00
[C] Sub-Total Type C			\$561,000.00
Battery Storage and related Services ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾			
9 kWh/day Battery Storage	\$5,000.00	360	\$1,800,000.00
12 kWh/day Battery Storage	\$7,900.00	7	\$55,300.00
[D] Sub-Total Battery Storage System			\$1,855,300.00
Water Storage System and related Services ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾			
300 Gallons	\$2,800.00	328	\$918,400.00



400 Gallons	\$2,800.00	22	\$61,600.00
500 Gallons	\$3,750.00	3	\$11,250.00
[E] Sub-Total Water Storage System			\$991,250
Prefabricated Concrete Pad ⁽⁴⁾⁽⁶⁾⁽⁸⁾			
Prefabricated Concrete Pad	\$1,425.00	76	\$108,300.00
[F] Sub-Total Prefabricated Concrete Pad			\$108,300.00
Total (PV System + Battery Storage System + Water Storage System + Pad): [A]+[B]+[C] +[D]+[E]+[F]			\$
Allowance ⁽⁹⁾⁽¹⁰⁾			\$1,750,000.00

- Notes**
- (1) All equipment to be submitted with the Proposal must comply with the requirements included in the Scope of Work.
- (2) Proposer shall submit technical/specification documentation for all equipment offered as part of the proposal.
- (3) All equipment offered as part of the proposal is subject to the Warranty conditions set forth in the Scope of Work.
- (4) Proposals that do not contain pricing for every item requested will be considered unresponsive by the PRDOH.
- (5) Pricing must include all services associated with the PV System, Battery Storage, and WSS included in the Scope of Work.
- (6) Pricing must include all expenses, including incidental, taxes, handling, and delivery costs, as well as any other administrative cost associated with the goods and services. The PRDOH will not consider any additional costs. Only the unit prices submitted will be taken into consideration. The PRDOH will not be responsible for reimbursement of expenses related to per-diem, tolls, parts, or labor for equipment under warranty.
- (7) Proposers shall provide the pricing for water storage systems, including a 1/2 horsepower (hp) water pump with a pressurized tank, piping/connections, and accessories as specified in the Scope of Work.
- (8) Quantities for PV system capacities and types, battery storage, water storage systems, and prefabricated concrete pads represent the estimated quantities per system in the cost form. This should not be interpreted as the minimum amount or as a cap on the allowed quantities per system.
- (9) Estimated PV System, Battery Storage, and Water Storage Systems and Related Services represent the estimated Sub-Totals per system in the Cost Form. The aggregate total cost amount to be invoiced for the systems should not exceed the amount established as the Total Proposal Cost (PV System + Water Storage System + Allowance); therefore, there could be instances when the estimated quantities indicated in Cost Form vary, according to Program needs, as long as the Selected Proposer does not invoice an amount greater than the one established as the Total Proposal Cost.
- (10) Unforeseen conditions, as described in the Scope of Work, may require Selected Proposers to perform one or more of the following subtasks, which will be reimbursed from the Allowance at the unit costs specified below:
- Work related to electric meter connection, main breaker, and/or base,
 - Corrective work to the existing electrical grounding system,
 - Any other task or repair related to PV system interconnection services beyond standard electrical repairs.

Cost Type	Total Amount
PV Systems	\$4,977,400.00
Battery Storage Systems	\$1,855,300.00
Water Storage Systems	\$991,250
Prefabricated Concrete Pad	\$108,300.00
Allowance	\$1,750,000.00

TOTAL PROPOSAL COST \$9,682,250.00



Notes on TOTAL PROPOSAL COST:

1. The TOTAL PROPOSAL COST represents the potential total cost for the equipment and services requested for all the PV Systems, Water Storage Systems Design, Acquisition, and Installation Services. Allowance costs will be awarded on a case-by-case basis with prior approval from PRDOH.
2. The PRDOH aims to contract, at its discretion and in the best interest of the overall programs' implementation, one or more Proposer(s).
3. Based on the number of Proposers finally awarded through this RFP, contracts may be signed to manage quantities of systems and/or allowances lower than those considered in this Cost Form.
4. PRDOH will reserve the discretion to amend contracts of awarded Proposer(s) to include additional amounts of systems and/or allowances based on performance metrics.
5. The Allowance may be divided among all Selected Proposer(s) in the instance PRDOH determines it is in the best interest of the implementation and administration of the Program. Access to Allowance funds requires prior authorization from the PRDOH or its representative, as explained in the Scope of Work.

In case of a discrepancy between the Price Form and this Compensation Schedule rate per hour and/or maximum hours per month, the Price Form will prevail.

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END OF COMPENSATION SCHEDULE

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MINIMUM PERFORMANCE REQUIREMENTS

Request for Proposals

PV Systems, Water Storage System Design, Acquisition, and Installation Services

Community Installations Subprogram

Community Energy and Water Resilience Installations Program

Community Development Block Grant – Mitigation

Puerto Rico Department of Housing

CDBG-MIT-RFP-2024-01

INTRODUCTION

This document represents performance metrics and requirements for the PV Systems, Water Storage System Design, Acquisition, and Installation Services. The Proposer shall adhere to the requirements of this document. The Proposer shall develop work plans, schedules, reports and/or any other document as may be requested by PRDOH or its representative in connection with the metrics and requirements set forth herein. The Proposer shall submit any of such documents for review and approval as requested by PRDOH within the specified time frame provided for such request. The Proposer is responsible for providing and performing all the services stated in the Scope of Work.

Liquidated Damages are only triggered for the services as identified in this document. Target Timeframes presented in this document do not trigger Liquidated Damages under the contract. Target Timeframes will be used in the evaluation of the Proposer's performance against the performance of other contractors of similar services and PRDOH's expectations for the tasks. The Proposer's performance will be taken into consideration by PRDOH at the time of application assignments or re-assignments.

The requirements and metrics included in these Performance Requirements may be modified at the discretion of PRDOH and shall become binding between the parties without requiring an amendment to the contract.

SCOPE OF WORK

The Proposer is responsible for compliance with all aspects of the Scope of Work included as Attachment 1 of the Request for Proposals.

PRACTICE OF LICENSED PROFESSIONS

Proposer and its subcontractors, agents, and employees, shall comply with all applicable federal and local laws and regulations, including but not limited to those that relate to the practice of licensed professions and those that could affect the Proposer's ability to carry out the Scope of Work under the Contract. Proposer certifies that it possesses all necessary permits, endorsements, and approvals necessary to perform the Work, which are to be valid and updated for the duration of the Contract. Proposer and each of its employees, agents, subcontractors, and subconsultants must have all licenses, permits, authorizations, consents, and approvals necessary for the performance of the Scope of Work under the contract, and such licenses, permit, authorizations, consents, and approvals are to be up to date and in full force and effect from the date of Contract execution and for the duration of the Contract. Proposer must always ensure that professional, architectural, or engineering work is performed by qualified professionals with the

proper education, know-how, training, knowledge, expertise, experience, and license to perform such works, according to applicable federal and local rules and regulations.

PRE-INSTALLATION ASSESSMENT

Photovoltaic System (section 7.1. in SOW) & Water Storage (section 8.1. in SOW)

- General Description.** The Proposer shall be responsible for the Pre-Installation Assessment of each project site where the installation of the PV systems and the WSS will be performed. The Proposer is also responsible for the deliverables related to the Pre-Assessment services contained in the Scope of Work related to CEWRI-CI.
- Pre-installation Assessment completion.** The Pre-Installation Assessment shall be considered complete once the Pre-Installation Assessment Site Visit is performed and the report is submitted within the timeframe established below.

- Target Timeframes**

Subtasks	Definition of Completion	Target Timeframe
Pre-Installation Assessment Site Visit	Upon notice from the PM firm, the Selected Proposer shall perform the pre-installation assessment of the targeted Applicants	within three (3) calendar days upon notice from the PM
Submit Pre-Installation Assessment Report	Report of the Pre-Installation Assessment must be submitted to the Grant Management System of Record.	within fourteen (14) calendar days after completing the Pre-Installation Assessment Visit

SYSTEM DESIGN

Photovoltaic System (section 7.2. in SOW) & Water Storage (section 8.2. in SOW)

- General Description.** The Proposer must develop a design package of photovoltaic system with battery backup and water storage for single-family homes. The design would vary based on defined project types as defined by the Scope of Work.
- Design Completion.** The Design phase shall be considered complete when PRDOH's Grant Management System approves the submission of a Design Package by the Proposer and approved by the Program Manager.

- Target Timeframes.**

Subtasks	Definition of Completion	Target Timeframe
Submit Design Package	Develop and submit the design package as specified in the Scope of Work	within ten (10) calendar days after environmental review by PRDOH Certifying Officer

AWARD VISIT

Photovoltaic System (section 7.3. in SOW) & Water Storage (section 8.3. in SOW)

- General Description.** The Proposer will be responsible for assisting and coordinating with the Program Manager during the performance of award determinations following the

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Program(s)' policies and procedures. Once the Proposer finalizes the Design phase and the PM submits the Award Notification Notice to the applicant, an Award visit must be conducted to execute the Grant Agreement among all parties including the Proposer.

- **Award Visit Completion.** The award visit shall be considered complete when the Project Grant Award is executed among all parties, including the Proposer, or if the Applicant receives an Ineligibility Determination Notice Letter. The award visits must be performed prior completion of a Project Grant Agreement.
- **Liquidated Damages.** The task will be subject to Liquidated Damages if a Proposer delays the execution of the Award for more than **ten (10) calendar days** from the coordinated Award Visit date.

SYSTEM INSTALLATION

Photovoltaic System (section 7.5. in SOW) & Water Storage (section 8.4. in SOW)

- **General Description.** Once the PM Submits a Notice to Proceed, the Proposer will begin the Installation of the PV + BSS Systems and/or WSS. Each installation type as described in the Scope of Work will have its own timeframe. Unforeseen conditions must have been notified prior to installation and must have been planned accordingly.
- **Installation Start Date.** Time is critical to PRDOH in the Installation Task. The Program Manager will send the Notice to Proceed after an Award is executed. The Proposer must proceed to coordinate and set the installation commencement date with the PM and the Applicant within **five (5) calendar days** after the Notice to Proceed has been received by the Proposer.
- **System Installation Completion.** The system installations shall be considered complete when the Proposer completes and submits the Pre-Inspection Package for review through the Grant Management System.
- **Liquidated Damages.** The task will be subject to Liquidated Damages if the Installation is not completed on or before **forty-five (45) calendar days** from the established Installation Start Date agreed upon with the Notice to Proceed.

INSPECTION

Photovoltaic System (section 7.7. in SOW) & Water Storage (section 8.6. in SOW)

- **General Description.** During the post-install site inspection, the Inspector (PM) will record any corrections to the installation that needs to be made by the Proposer. Any discrepancies or disagreements between the PM and the selected Proposer shall be escalated to the adjudicating official within PRDOH.
- **Inspection Completion.** This task shall be considered complete when the final Inspection is approved by the PM and PRDOH.

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▪ **Target Timeframes.**

Subtasks	Definition of Completion	Target Timeframe
Corrective Actions	The Proposer must complete corrections to work as noted during final acceptance or the post-installation inspection. If the Proposer cannot undertake corrective actions within the target timeframe, they must deliver reasons for the delay to the Program in writing. The Program shall determine the validity of the additional time requested.	Within ten (10) calendar days after post-installation inspection.

OTHER DELIVERABLES

Subtasks	Definition of Completion	Target Timeframe
Response to PRDOH and PM Information Requests and Inquiries	The Proposer must respond to information requests and inquiries from PRDOH/PM.	Within three (3) calendar days from initial contact.
Monthly Reports	The Proposer must submit monthly reports to CEWRI Program Manager and PRDOH. Monthly reports	Due the fifth (5th) day of each month

LIQUIDATED DAMAGES & PENALTIES

The Contractor shall pay PRDOH, as liquidated damages, **\$150.00** for each calendar day that a deliverable required is late until deemed in compliance, subject to a maximum of **\$1,500.00** per deliverable. Said sums, in view of the difficulty of accurately ascertaining the loss which PRDOH will suffer by reason of delay in the completion of works requested, are hereby fixed and agreed as the liquidated damages that PRDOH will suffer by reason of such delay. Liquidated damages received 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, or to any other remedy provided for as a provision of the contract or 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) days shall be observed, and the schedule may be extended by any additional time or delays outside the control of the Contractor caused by act of omission of PRDOH, HUD, or any of their representatives. PRDOH may deduct and retain out of the monies which may become due to the Contractor, the amount of any such liquidated damages; and in case the amount which may become due is less than the amount of liquidated damages due to PRDOH, the Contractor shall be liable to pay the difference.

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SPECIAL INSURANCE AND BONDING SPECIFICATIONS

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

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

The successful proposer shall furnish the ***PRDOH** a certificate from the State Insurance Fund Corporation (*Spanish Acronym, CFSE*) covered by the Worker's Compensation Act No. 45 of the Government of Puerto Rico. The successful proposer shall also be responsible for compliance with said "Worker's Compensation Act" by all his subcontractors and agents.

2. **(X) Contractor's Liability Insurance (Special Form) including the following insurance limits and coverages**

The policy shall contain the following endorsements: "XCU" (explosion, collapse, underground damage) for those classifications excluded under the policy and contractual liability. If Contractor is performing asbestos- related work the policy shall contain a pollution liability endorsement.

COVERAGE	LIMIT
I. Commercial General Liability:	
• Each Occurrence Limit	\$3,000,000
• General Aggregate Limit	\$2,000,000
• Products & Complete Operations Aggregate Limit	\$1,000,000
• Personal Injury & Advertising Limit	\$1,000,000
• Fire Damage Limit	\$100,000 (Any one Fire)
• Medical Expense Limit	\$5,000 (Any one person)
II. Employer's Liability Stop Gap:	
• Bodily Injury by Accident: Each Employee Each Accident	 \$1,000,000 \$1,000,000

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SPECIAL INSURANCE AND BONDING SPECIFICATIONS

COVERAGE	LIMIT
<ul style="list-style-type: none">Bodily Injury by Disease:	
Each Employee	\$1,000,000
Each Accident	\$1,000,000

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

LIMIT
<ul style="list-style-type: none">Auto Liability - \$2,000,000Physical Damages - \$1,000,000Medical Payments - \$ 5,000
The Commercial Auto cover must be applied to the following symbols:
<ul style="list-style-type: none">Liability Coverage -1Physical Damages – 2 and 8Hired – Borrowed Auto – 8Non-Owned Auto Liability – 9

4. (X) Professional Liability &/or Errors & Omissions Policy coverage for Design/Build Projects, Program Managers and any other licensed professional related to the project.

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

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

(X) A.2 Limits:

(X) Each occurrence \$2,000,000

(X) Aggregate \$2,000,000

(X) Deductible \$ 10,000

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

5. (X) Contractor's Pollution Liability

Limit - \$5,000,000 per occurrence and in the aggregate per policy period.

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SPECIAL INSURANCE AND BONDING SPECIFICATIONS

6. (X) Commercial Umbrella Insurance

Limit - \$10,000,000

7. (X) Builder's Risk – 100% of completed value

(x) a. Shall be an "All Risk" (Special Perils) covered form, including "DIC" and earthquake.

(x) b. 100% total finished cash value for all finished construction equipment and/or installation equipment.

(x) c. Waiver of Subrogation is to apply.

(x) d. The "PRDOH", HUD and the Government of Puerto Rico shall be added as Additional Insured on Builder's Risk.

8. (X) Payment and Performance Bond, Wage Payment Bond, and Labor Materials Payment Bond:

(X) a. The successful proposer must provide a Payment & Performance Bond for the total cost of the project under contract.

(X) b. The surety must be issued by a surety appearing in the latest US Department of Treasury's Listing of Approved Sureties (Circular Letter 570) and authorized to do business in Puerto Rico.

(X) c. You must provide an endorsement on the Performance and Payment Bond to guarantee the payment of wages at the Department of Labor of the Government of Puerto Rico as an Obligated Guarantor under Laws of Puerto Rico.

(X) d. Certificate of Authority, Power of Attorney and Power of Attorney License issued by the Commissioner of Insurance.

(X) e. Performance and payment bonds will be required for 100% of the contract price to cover the construction work and the standard one (1) year warranty/maintenance period after the date when the final payment becomes due for warranty works.

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SPECIAL INSURANCE AND BONDING SPECIFICATIONS

(X) f. If the Surety on any Bond furnished by Contractor is declared bankrupt or becomes insolvent or its right to do business is terminated or it ceases to meet the requirements of the Puerto Rico's Insurance Commissioner, Contractor shall within twenty (20) days thereafter substitute said Bond and Surety with acceptable substitutes.

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

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

10. The insurance carrier or carriers, which will present said certificates of insurance must have at least a B+ Rating according to the Best Rating Guide.

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

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

1. Be authorized to do business within the Commonwealth of Puerto Rico and have the corresponding license issued by the Commissioner of Insurance of Puerto Rico.
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.



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SPECIAL INSURANCE AND BONDING SPECIFICATIONS

4. **INSURANCE CERTIFICATES:** The insurance company, or its representative, shall submit an insurance certificate evidencing the coverage as required under contract and indicating the Additional Insured status as required therein. ***PRDOH** will not pay the successful proposer for any services if satisfactory proof of insurance is not provided prior to the execution of contract.
5. Any failure of the ***PRDOH** to demand or receive proof of insurance coverage shall not constitute a waiver of Proposer's obligation to obtain the required insurance. The receipt of any certificate does not constitute an agreement by the ***PRDOH** that the insurance requirements in the contract have been fully met or that the insurance policies on the certificate follow all contract requirements.
6. Non-fulfillment of the insurance conditions may constitute a violation of the contract and the ***PRDOH** retains the right to stop services until proper evidence of insurance is provided, or the contract may be terminated.
7. Avoid sub-contractual obligations of premium financing or any other kind, which may be detrimental to the public interest.
8. 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.
9. Follow all Federal Bid and Acceptance Insurance Regulations, as applicable.
10. Indicate in the appropriate place of all insurance policies and/or bonds, the full description of the project, work or service to be rendered.
11. Not to make any **endorsement** to insurance policies and bonds issued under the special conditions mentioned above, unless approved by the Insurance Section of the ***PRDOH**.
12. 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,

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SPECIAL INSURANCE AND BONDING SPECIFICATIONS

- 13. Clarify any questions regarding insurance requirements by any means of communication with the Insurance Specialist of the ***PRDOH** under the Contract Division of the CDBG-DR/MIT Program.
- 14. The Contractor shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverages.
- 15. 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.

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

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

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

In case of any **change order** and/or amendment resulting in alteration of the original project completion date or total original cost, the prime contractor shall take the necessary steps to request the insurer to include such changes in all related insurance policies and/or bond and to submit evidence by appropriate endorsements with effective dates. Cancellations without consent are not accepted. The ***PRDOH** reserves the right to stop any work or service under contract until the breach of these requirements has been remedied, so that any delay in the performance of the contract based on any breach of the insurance coverage requirements shall be deemed the sole responsibility of the Main Contractor.



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SPECIAL INSURANCE AND BONDING SPECIFICATIONS

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

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

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

E. CERTIFICATE OF CONTRACT DIVISION

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

DESCRIPTION OF THE SERVICES:

Request for Proposals
PV Systems, Water Storage System Design, Acquisition, and Installation Services
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Puerto Rico Department of Housing
CDBG-MIT-RFP-2024-01

August 1st, 2024
Date

Sonia Damaris Rodriguez
Sonia Damaris Rodriguez
Insurance Specialist
CDBG-DR & MIT Programs



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.hud.gov/sites/dfiles/OCHCO/documents/4010.pdf> and must include Form HUD-4010 clauses as an appendix, or by reference, to all covered contracts. Also, contractors and subcontractors are required to insert them in any lower-tier subcontracts.

The terms and conditions outlined in this document (HUD General Provisions) must be included in their entirety by the 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.

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

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administration of funds and/or set forth certain cost principles, including if certain expenses are allowed.

3. BREACH OF CONTRACT TERMS

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

4. REPORTING REQUIREMENTS

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

5. ACCESS TO RECORDS

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

6. MAINTENANCE/RETENTION OF RECORDS

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

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

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

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- (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 comply with PRDOH established quarterly reporting regarding contract and subcontract activity. This will enable PRDOH to complete federal reporting on all efforts to HUD as per the previously used HUD Form 2516 (Contract and Subcontract Activity) and data requested on this form.

8. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

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

9. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

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

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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

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PRDOH, including but not limited to the use of an independent subcontractor(s) to perform the portion of work that gives rise to the actual or potential conflict.

15. SUBCONTRACTING

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

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

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

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

16. ASSIGNABILITY

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

17. INDEMNIFICATION

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

18. COPELAND "ANTI-KICKBACK" ACT

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

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

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

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

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19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

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

- (1) **Overtime requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- (2) **Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in [paragraph \(b\)\(1\)](#) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages and interest from the date of the underpayment. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchpersons and guards, employed in violation of the clause set forth in [paragraph \(b\)\(1\)](#) of this section, in the sum of \$32 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1).
- (3) **Withholding for unpaid wages and liquidated damages —**
- (i) **Withholding process.** The [write in the name of the Federal agency or the recipient of Federal assistance] may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for any unpaid wages; monetary relief, including interest; and liquidated damages required by the clauses set forth in this [paragraph \(b\)](#) on this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract subject to the Contract Work Hours and Safety Standards Act that is held by the same prime contractor (as defined in [§ 5.2](#)). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to the Contract Work Hours and Safety Standards

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Act and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld.

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

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

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

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20. DAVIS-BACON ACT

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

(1) **Minimum wages —**

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

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each classification in which work is performed. The wage determination (including any additional classifications and wage rates conformed under [paragraph \(a\)\(1\)\(iii\)](#) of this section) and the Davis-Bacon poster (WH-1321) must be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii) **Frequently recurring classifications.**

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

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

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

(iii) **Conformance.**

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

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

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

(C) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree

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

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

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

- (iv) **Fringe benefits not expressed as an hourly rate.** Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor may either pay the benefit as stated in the wage determination or may pay another bona fide fringe benefit or an hourly cash equivalent thereof.
- (v) **Unfunded plans.** If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, *Provided*, That the Secretary of Labor has found, upon the written request of the contractor, in accordance with the criteria set forth in [§ 5.28](#), that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

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- (vi) **Interest.** In the event of a failure to pay all or part of the wages required by the contract, the contractor will be required to pay interest on any underpayment of wages.

(2) **Withholding —**

- (i) **Withholding requirements.** The [write in name of Federal agency or the recipient of Federal assistance] may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for the full amount of wages and monetary relief, including interest, required by the clauses set forth in [paragraph \(a\)](#) of this section for violations of this contract, or to satisfy any such liabilities required by any other Federal contract, or federally assisted contract subject to Davis-Bacon labor standards, that is held by the same prime contractor (as defined in [§ 5.2](#)). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to Davis-Bacon labor standards requirements and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld. In the event of a contractor's failure to pay any laborer or mechanic, including any apprentice or helper working on the site of the work (or otherwise working in construction or development of the project under a development statute) all or part of the wages required by the contract, or upon the contractor's failure to submit the required records as discussed in [paragraph \(a\)\(3\)\(iv\)](#) of this section, the [Agency] may on its own initiative and after written notice to the contractor, sponsor, applicant, owner, or other entity, as the case may be, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.
- (ii) **Priority to withheld funds.** The Department has priority to funds withheld or to be withheld in accordance with [paragraph \(a\)\(2\)\(i\)](#) or [\(b\)\(3\)\(i\)](#) of this section, or both, over claims to those funds by:
- (A) A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;
 - (B) A contracting agency for its procurement costs;
 - (C) A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;
 - (D) A contractor's assignee(s);
 - (E) A contractor's successor(s); or
 - (F) A claim asserted under the Prompt Payment Act, [31 U.S.C. 3901-3907](#).

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

(i) **Basic record requirements —**

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

(B) **Information required.** Such records must contain the name; Social Security number; last known address, telephone number, and email address of each such worker; each worker's correct classification(s) of work actually performed; hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in [40 U.S.C. 3141\(2\)\(B\)](#) of the Davis-Bacon Act); daily and weekly number of hours actually worked in total and on each covered contract; deductions made; and actual wages paid.

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

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

(ii) **Certified payroll requirements —**

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

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system, as long as the electronic system requires a legally valid electronic signature; the system allows the contractor, the contracting agency, and the Department of Labor to access the certified payrolls upon request for at least 3 years after the work on the prime contract has been completed; and the contracting agency or prime contractor permits other methods of submission in situations where the contractor is unable or limited in its ability to use or access the electronic system.

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

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

- (1) That the certified payroll for the payroll period contains the information required to be provided under [paragraph \(a\)\(3\)\(ii\)](#) of this section, the appropriate information and basic records are being maintained under [paragraph \(a\)\(3\)\(i\)](#) of this section, and such information and records are correct and complete;
- (2) That each laborer or mechanic (including each helper and apprentice) working on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in [29 CFR part 3](#); and
- (3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification(s) of work actually performed, as specified in the applicable wage determination incorporated into the contract.

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(D) **Use of Optional Form WH-347.** The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 will satisfy the requirement for submission of the "Statement of Compliance" required by [paragraph \(a\)\(3\)\(ii\)\(C\)](#) of this section.

(E) **Signature.** The signature by the contractor, subcontractor, or the contractor's or subcontractor's agent must be an original handwritten signature or a legally valid electronic signature.

(F) **Falsification.** The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under [18 U.S.C. 1001](#) and [31 U.S.C. 3729](#).

(G) **Length of certified payroll retention.** The contractor or subcontractor must preserve all certified payrolls during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

- (iii) **Contracts, subcontracts, and related documents.** The contractor or subcontractor must maintain this contract or subcontract and related documents including, without limitation, bids, proposals, amendments, modifications, and extensions. The contractor or subcontractor must preserve these contracts, subcontracts, and related documents during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

- (iv) **Required disclosures and access —**

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

(B) **Sanctions for non-compliance with records and worker access requirements.** If the contractor or subcontractor fails to submit the required records or to make them available, or refuses to permit worker interviews during working hours on the job, the Federal agency may, after written notice to the contractor, sponsor, applicant, owner, or other entity, as the case may be, that maintains such records or that employs such workers, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available, or to permit worker interviews during working hours on the job, may be grounds for debarment action pursuant to [§ 5.12](#). In addition, any contractor or other

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person that fails to submit the required records or make those records available to WHD within the time WHD requests that the records be produced will be precluded from introducing as evidence in an administrative proceeding under [29 CFR part 6](#) any of the required records that were not provided or made available to WHD. WHD will take into consideration a reasonable request from the contractor or person for an extension of the time for submission of records. WHD will determine the reasonableness of the request and may consider, among other things, the location of the records and the volume of production.

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

(4) Apprentices and equal employment opportunity —

(i) Apprentices —

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

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

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

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

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

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

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

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

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

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

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

(10) **Certification of eligibility.**

- (i) By entering into this contract, the contractor certifies that neither it nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of [40 U.S.C. 3144\(b\)](#) or [§ 5.12\(a\)](#).
- (ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of [40 U.S.C. 3144\(b\)](#) or [§ 5.12\(a\)](#).
- (iii) The penalty for making false statements is prescribed in the U.S. Code, Title 18 Crimes and Criminal Procedure, [18 U.S.C. 1001](#).

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

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

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21. TERMINATION FOR CAUSE

(Applicable to contracts exceeding \$10,000)

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

22. TERMINATION FOR CONVENIENCE

(Applicable to contracts exceeding \$10,000)

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

23. SECTION 503 OF THE REHABILITATION ACT OF 1973

(Applicable to contracts exceeding \$10,000)

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

Equal Opportunity for Workers with Disabilities:

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

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

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- 2) The CONTRACTOR agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.

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- 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).

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

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

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

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

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

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

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

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

CLEAN AIR ACT

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

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

WATER POLLUTION CONTROL ACT

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

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

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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:

- 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.

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

28. BONDING REQUIREMENTS

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

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

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

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

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

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

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

- 8) 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.

30. FAIR HOUSING ACT

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

31. ENERGY POLICY AND CONSERVATION ACT

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

32. HATCH ACT

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

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

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

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

33. HEALTH AND SAFETY STANDARDS

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

34. PERSONNEL

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

35. WITHHOLDING OF WAGES

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.

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37. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS

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

38. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS

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

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

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.

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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

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Plan (URA & ADP Guide) which provides guidance and requirements regarding URA compliance and minimizing displacement that are applicable to all CDBG-DR programs. The primary purpose of these laws and regulations is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.

When CDBG-DR funds are planned, intended, or used for any activity or phase of a project and the phases are interdependent, URA applies to that activity or project. This includes any property acquisition, even if CDBG-DR funds are not used to fund the purchase, if the contract to acquire property is executed with the intention of seeking CDBG-DR funds to complete the project or an interdependent phase of the project. 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

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

49. PROCUREMENT}

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

50. CHANGE ORDERS TO CONTRACTS

Change orders are issued when the initial agreed-upon pricing or work to be completed requires modification. First, the 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.

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

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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.

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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

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APPENDIX C
CONTRACTOR CERTIFICATION
FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO
CONTRACTS REVIEW POLICY
GREEN ENERGY & FUELS, INC.

The following is hereby certified to the Oversight Board regarding the request for authorization to execute an Agreement for **PV Systems, Water Storage System Design, Acquisition, and Installation Services** by and between the **Puerto Rico Department of Housing (PRDOH)** and **GREEN ENERGY & FUELS, INC.**:

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

a. Name of individual or firm, including names of principals and principal stakeholders.

No sub-contractors are expected for the execution of this agreement.

b. Principal terms and conditions of the contractual relation and role of the subcontractor

c. Amount of proposed contract payable to each subcontractor

2. Neither the contractor nor any of its owners², partners, directors, officials, or employees, has agreed to share or give a percentage of the contractor's compensation under the contract to, or otherwise compensate, any third party, whether directly or indirectly, in connection with the procurement, negotiation, execution or performance of the contract, except as follows:

a. Name of individual or firm, including names of principals or owners of the latter

No compensation or profit sharing is expected for the execution of this agreement.

b. Principal terms and conditions of the compensation sharing arrangement

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

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.

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person in connection with the contract (such as the execution of a subcontract with 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, nor any of its owners, partners, directors, officials or employees or, to the best of its knowledge (after due investigation), its representatives or sub-contractors, has required, directly or indirectly, from third persons to take any action with the purpose of influencing any public official or employee in connection with the procurement, negotiation or execution of the contract, in contravention of applicable law.

6. Any incorrect, incomplete or false statement made by the contractor's representative as part of this certification shall cause the nullity of the proposed contract, and the contractor 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 on this 7th day of January of 2025.


Signature

01/07/2025
Date

Gilberto A. Davila Toledo
Printed Name

CEO - President
Position

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DEPARTMENT OF

HOUSING

GOVERNMENT OF PUERTO RICO



ATTACHMENT H

NON-CONFLICT OF INTEREST CERTIFICATION

GREEN ENERGY & FUELS, 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.

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

Signature

Date

Printed Name

Position

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Gerberto A. Divuls Toledo

CEO - President

Position