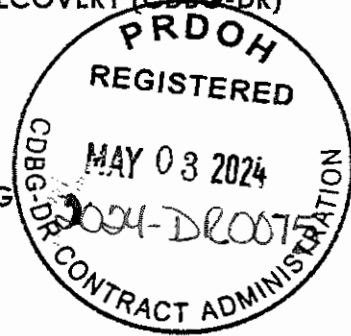




COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)

AGREEMENT FOR
GRANT MANAGEMENT SERVICES
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND
HORNE LLP



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This **AGREEMENT FOR GRANT MANAGEMENT SERVICES** (**Agreement** or **Contract**) is entered into in San Juan, Puerto Rico, this 2nd of May, 2024, by and between the **PUERTO RICO DEPARTMENT OF HOUSING (PRDOH)**, a public agency created under Act No. 97 of June 10, 1972, as amended, 3 LPRA § 441, et seq., known as the "Organic Act of Department of Housing" with principal offices at 606 Barbosa Avenue, San Juan, Puerto Rico, herein represented by William O. Rodríguez Rodríguez, attorney, of legal age, single, and resident of Guaynabo, Puerto Rico, in his capacity as Secretary; and **HORNE LLP (CONTRACTOR)**, with principal offices in 269 Ponce de León Avenue, Hato Rey, San Juan, Puerto Rico, 00917-1918, herein represented by Samir El Hage-Arocho, in his capacity as Partner, of legal age, married, professional and resident of Guaynabo, Puerto Rico, duly authorized by Corporate Resolution issued on April 3rd, 2024.

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

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

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

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

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

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

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

WHEREAS, on January 11, 2020, the Governor of Puerto Rico requested an expedited major disaster declaration from the President of the United States of America as a result of the continuous seismic activity on the Island. The President declared an emergency under the Stafford Act on January 7, 2020, which initially authorized assistance for emergency protective measures. On January 16, 2020, the President signed the major disaster declaration DR-4773-PR authorizing the Federal Emergency Management Agency (**FEMA**) to provide aid for Individual Assistance (**IA**) and Public Assistance (**PA**) in the designated areas, and Hazard Mitigation throughout Puerto Rico. Additionally, the major disaster declaration authorized Small Business Administration (**SBA**) Disaster Loans. Responsibility for PA administration was delegated to the Central Office of Recovery, Reconstruction, and Resiliency (**COR3**).

WHEREAS, on January 2021, HUD published the Federal Register Notice Vol. 86, No. 3 (January 6, 2021), 86 FR 569, which allocated a total of \$85,291,000 in CDBG-DR funds to multiple grantees appropriated by the Additional Supplemental Appropriations for Disaster Relief Act. The Commonwealth of Puerto Rico was allocated a total of \$36,424,000. As per the Federal Register 86 FR 569, the Municipalities of Guánica, Yauco, Guayanilla, and Ponce were the HUD-identified Most Impacted and Distressed (**MID**) areas, and these were required to be given funding priority in the recovery from the disasters caused by the 2019-2020 seismic sequence.

WHEREAS, on February 2022, HUD published the Federal Register Notice Vol. 87, No. 23 (February 3, 2022) known as Consolidated Notice, 87 FR 6364, which allocated a total of \$184,626,000 in CDBG-DR funds to Puerto Rico for major disaster declarations DR-4773-PR (2019-2020 Earthquakes Sequence) and other disasters. As per 87 FR 6364, the Municipalities of Guánica, Ponce, Yauco, Guayanilla, Peñuelas, and Lajas, were the HUD-identified MID areas, and these were required to be given funding priority in the recovery from the disasters caused by the 2019-2020 seismic sequence and other disasters.

WHEREAS, Public Law 115-123 requires HUD to allocate \$2 billion of CDBG-DR funds for the U.S. Virgin Islands and Puerto Rico to provide enhanced or improved electrical power systems in response to Hurricane María. First and Second Amendments to Grant Agreement between HUD and the Government of Puerto Rico prohibited the use of CDBG-DR funds for activities to enhance or improve electric power systems until after HUD published the Federal Register notice governing the use of these \$2 billion.

WHEREAS, on June 22, 2021, HUD published Federal Register Vol. 86, No. 117 (June 22, 2021), 86 FR 32681, which governs the use of the \$2 billion CDBG-DR allocation for enhanced or improved electrical power systems in Puerto Rico and the U.S. Virgin Islands. Of those \$2 billion, \$1,932,347,000 was allocated to Puerto Rico to enhance the Puerto Rico electrical power system.

WHEREAS, based on this assessment, HUD notified Puerto Rico via 86 FR 32681 that for this allocation, all areas of the Island are considered most impacted and distressed.

WHEREAS, the PRDOH is the grantee for the CDBG-DR and CDBG-MIT funds; as such, it serves as the entity responsible for administering the funds in compliance with applicable regulations and timeframes.

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WHEREAS, the PRDOH is interested in contracting a Grant Management Services firm to assist PRDOH with pre-awards, awards, post-awards, and closeout of grants; completing federal funding reports; support and assist in connection with federal financial assistance applications with a focus on emergency management, disaster recovery, and federal funds management plans; among other required tasks. Also, the firm will support and assist with applicable CDBG-DR requirements, regulations, and adequate coordination and implementation of staff augmentation strategies. The firm will also support and assist PRDOH with all activities related to Puerto Rico's disaster recovery efforts in accordance with Federal Government requirements in connection with the allocations granted to the Commonwealth of Puerto Rico under the CDBG-DR Programs, as mentioned herein. The firm shall also support and assist PRDOH in the establishment of quality assurance and quality control procedures. The Grant Manager must support and assist PRDOH in the administration and activity delivery of Planning, Housing, Economy, Infrastructure, Multi-Sector, and any other eligible projects or programs approved for CDBG-DR funding. In addition to the programmatic areas, the contractor must support and assist PRDOH with the operational divisions, and/or administrative divisions, not limited to, Financial Management, Communications, Information Technology, Procurement, Legal, Policy & Compliance, Auditing, Monitoring, Federal Compliance & Labor Standards, among others. This firm will support PRDOH's objectives of ensuring compliance with all CDBG-DR, HUD, and applicable federal and local requirements, rules, and regulations, as well as in PRDOH's objectives of the Action Plan, as amended, and adequately coordinating and monitoring all CDBG-DR related activities.

WHEREAS, on December 15, 2023, the PRDOH issued the Request for Quotations CDBG-DR-RFQ-2023-01 for "Grant Management Services" with CDBG-DR funds. This request was placed through U.S. General Services Administration (GSA), the "Registro Unico de Subastas del Gobierno" (**RUS**, for its Spanish acronym) and the CDBG-DR Program website. Through this procurement process, PRDOH received two (2) proposals. The proposals were evaluated by an Evaluation Committee appointed pursuant to Administrative Order No. 24-08 dated February 8, 2024. The Evaluation committee performed an evaluation of the Proposals based on the criteria stated in the RFQ.

WHEREAS, on February 9, 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 HORNE LLP to secure its services and accepts the CONTRACTOR's Proposal and reasonable costs, and the CONTRACTOR by its acceptance of the terms and conditions of this Agreement is ready, willing, and able to provide the requested services contemplated under this Agreement.

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



I. TYPE OF CONTRACT

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

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Attachments Incorporated¹: The following attachments are incorporated into this Agreement by reference and are hereby made part of this Agreement:


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

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 **sixty (60) months**, ending on May, 2nd, 20²⁹.
- B. The term of the Agreement is subject to the durability of the programs. Therefore, if the need to extend any programs arises, PRDOH may extend the duration of the contract in addition to the first overall duration, with its extension, until the termination of the last allocated funds or program. All renewals are contingent upon satisfactory performance by the CONTRACTOR at any time during the performance of the Agreement.

PRDOH may, at its sole discretion, extend the Agreement's term for additional terms of **twelve (12) months**, or expressed in days, **three hundred and 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 Grant Agreements between PRDOH and HUD unless the term of the Grant Agreements is extended by HUD, in which case the Agreement nor extension shall not exceed said extended period.

III. SCOPE OF WORK

The CONTRACTOR will provide the services described in **Attachment B** (Scope of Work) 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.



¹ Federal Register, Vol. 83, No. 28, dated February 9, 2018 states: "[t]he grantee (or procuring entity) must incorporate performance requirements and liquidated damages into each procured contract. Contracts that describe work performed by general management consulting services need not adhere to this requirement[...]"

- B.** The PRDOH will pay the CONTRACTOR, for allowable services performed during the term of this Agreement, a maximum amount not to exceed **SEVENTY-NINE MILLION THREE HUNDRED FIFTY-SIX THOUSAND EIGHT HUNDRED TWENTY-FOUR DOLLARS AND TWENTY-EIGHT CENTS (\$79,356,824.28)**; Account Number esp-admdoh-na 4190-10-000 / esp-admdoh-na 4190-13-000 / esp-admdoh-na 4190-22-000 / esp-ier2doh-lmi 4190-10-000 / esp-ier2doh-lmi 4190-13-000 / esp-ier2doh-lmi 4190-22-000 / esp-ier2doh-un 4190-10-000 / esp-ier2doh-un 4190-13-000 / esp-ier2doh-un 4190-22-000 / r01p03api-pba-na 4190-10-000 / r01p03api-pba-na 4190-13-000 / r01p03api-pba-na 4190-22-000 / r01p06mrp-doh-na 4190-10-000 / r01p06mrp-doh-na 4190-13-000 / r01p06mrp-doh-na 4190-22-000 / r01p06pmp-doh-na 4190-10-000 / r01p06vpr-doh-na 4190-10-000 / r01p06vpr-doh-na 4190-13-000 / r01p06vpr-doh-na 4190-22-000 / r02a01adm-doh-na 4190-10-000 / r02a01adm-doh-na 4190-13-000 / r02a01adm-doh-na 4190-22-000 / r02e15sbf-edc-lm 4190-10-000 / r02e15sbf-edc-lm 4190-13-000 / r02e15sbf-edc-lm 4190-22-000 / r02e15sbf-edc-un 4190-10-000 / r02e15sbf-edc-un 4190-13-000 / r02e15sbf-edc-un 4190-22-000 / r02e16bia-edc-lm 4190-10-000 / r02e16bia-edc-lm 4190-13-000 / r02e16bia-edc-lm 4190-22-000 / r02e16bia-edc-un 4190-10-000 / r02e16bia-edc-un 4190-13-000 / r02e16bia-edc-un 4190-22-000 / r02e17wtp-edc-lm 4190-10-000 / r02e17wtp-edc-lm 4190-13-000 / r02e17wtp-edc-lm 4190-22-000 / r02e17wtp-edc-un 4190-10-000 / r02e17wtp-edc-un 4190-13-000 / r02e17wtp-edc-un 4190-22-000 / r02e23rur-doa-lm 4190-10-000 / r02e23rur-doa-lm 4190-13-000 / r02e23rur-doa-lm 4190-22-000 / r02e23rur-doa-un 4190-10-000 / r02e23rur-doa-un 4190-13-000 / r02e23rur-doa-un 4190-22-000 / r02e24edi-ppp-lm 4190-10-000 / r02e24edi-ppp-lm 4190-13-000 / r02e24edi-ppp-lm 4190-22-000 / r02e24edi-ppp-un 4190-10-000 / r02e24edi-ppp-un 4190-13-000 / r02e24edi-ppp-un 4190-22-000 / r02eqa01admdohna 4190-10-000 / r02eqa01admdohna 4190-22-000 / r02h07rrr-doh-lm 4190-10-000 / r02h07rrr-doh-lm 4190-13-000 / r02h07rrr-doh-lm 4190-22-000 / r02h08tcp-doh-lm 4190-10-000 / r02h08tcp-doh-lm 4190-13-000 / r02h08tcp-doh-lm 4190-22-000 / r02h11sih-doh-lm 4190-10-000 / r02h11sih-doh-lm 4190-13-000 / r02h11sih-doh-lm 4190-22-000 / r02h12hcp-doh-lm 4190-10-000 / r02h12hcp-doh-lm 4190-13-000 / r02h12hcp-doh-lm 4190-22-000 / r02h13lih-afv-lm 4190-10-000 / r02h13lih-afv-lm 4190-13-000 / r02h13lih-afv-lm 4190-22-000 / r02h14her-doh-lm 4190-10-000 / r02h14her-doh-lm 4190-13-000 / r02h14her-doh-lm 4190-22-000 / r02h22ha-doh-lm 4190-10-000 / r02h22ha-doh-lm 4190-13-000 / r02h22ha-doh-lm 4190-22-000 / r02h22ha-doh-un 4190-10-000 / r02h22ha-doh-un 4190-13-000 / r02h22ha-doh-un 4190-22-000 / r02m27cr-doh-lm 4190-10-000 / r02m27cr-doh-lm 4190-13-000 / r02m27cr-doh-lm 4190-22-000 / r02p02crp-fpr-na 4190-10-000 / r02p02crp-fpr-na 4190-13-000 / r02p02crp-fpr-na 4190-22-000.
- C.** Such payment shall be compensation for all allowable services required, performed, and accepted under this Agreement included in **Attachment B** (Scope of Work) and **Attachment C** (Compensation Schedule).
- D.** Work performed by the proposer shall be executed according to the proposed and accepted staffing plan and compensation schedule. If any changes occur, CONTRACTOR will notify PRDOH in writing for approval.
- E.** The Agency reserves the right to review, evaluate, and approve or reject any Propositions proposed by the Contractor. Such review shall be conducted within a reasonable timeframe, taking into account the complexity and urgency of the Proposition.

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- F. Any additional funds to complete the services requested by 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.
- G. The CONTRACTOR shall submit an invoice to PRDOH on a monthly basis. Said invoice must be submitted including all required invoice supporting documents, including but not limited to monthly reports, timesheets, invoice and photo evidence, expense plan and/or work projections. If PRDOH determines that the submitted invoice and supporting documents are acceptable, then the invoice will be approved for payment.
- H. 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.
- I. 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 the Agreement's expiration or termination.
- J. While providing the services under this Agreement, the CONTRACTOR must adhere to the applicable requirements of the CDBG-DR grant. If the CONTRACTOR performs ineligible activities under the CDBG-DR grant or program, the CONTRACTOR cannot include them in the invoice for payment to the CONTRACTOR.
- K. 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 if costs are disallowed due to CONTRACTOR negligence. CONTRACTOR shall reimburse such disallowed costs from funds other than those CONTRACTOR received under this Agreement, up to the amount paid to the CONTRACTOR for the service that was deemed an ineligible cost. This should not be interpreted as compensation for negligent acts.
- L. The CONTRACTOR acknowledges and agrees to repay any CDBG-DR funds used for ineligible costs, in accordance with Section IV (K) above. As per, the CDBG-DR Recapture of Funds Policy, as found in the CDBG-DR Website (<https://recuperacion.pr.gov/welcome/index.html>), which are herein included and made an integral part of this Agreement, as they may be updated from time to time, and any local or federal regulation, as applicable.
- M. For the CONTRACTOR to receive payment for any work performed hereunder, the following certification must be included in each application for payment or invoice submitted to the PRDOH for payment:


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

V. REIMBURSABLE EXPENSES

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

VI. ADDITIONAL SERVICES

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

VII. OWNERSHIP AND USE OF DOCUMENTS

- A.** With the exception of the CONTRACTOR's working papers, the CONTRACTOR acknowledges the PRDOH's ownership of all information, drafts, documents, reports, papers, and other materials developed and prepared by the CONTRACTOR, its agents or representatives, for purposes of performing key obligations hereunder. In the event of any termination, which includes but is not limited to the 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.** Any information, source code excerpts, or contacts acquired through accounts (including, but not limited to email addresses, documents, or other media or networks) used or created on behalf of PRDOH are the property of PRDOH.
- C.** 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

- A.** 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 of 1976, as amended, 17 U.S.C. §§ 101 et seq., 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 Grant Management 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 Grant Manager, whether independently or collaboratively, during the Grant Management Services. These materials will encompass anything that may and/or has circumstantial, indirect, or direct connection with the Agreement.

If for any reason the Work or any part thereof would not be considered a work made for hire under applicable law, the CONTRACTOR does hereby sell, assign, and transfer to the Recipient, its successors, and assigns, the entire right, title, and interest in and to the copyright in the Work and any registrations and copyright applications relating thereto and any renewals and extensions thereof, and in and to all works based upon, derived from, or incorporating the Work, and in and to all income, royalties, damages, claims, and payments now or hereafter due or payable with respect thereto, and in and to all clauses of action, either in law or in equity for past, present, or future infringement based on the copyrights, and in and to all rights corresponding to the foregoing throughout the world.

Notwithstanding the foregoing, PRDOH acknowledges and agrees that: (i) CONTRACTOR'S preexisting Grant Management System (the "**Canopy™ system**") shall not be proprietary material classified as a "Work for Hire" under this Agreement; (ii) PRDOH shall not obtain any rights to CONTRACTOR'S preexisting intellectual property rights relating to the Canopy™ system, including but not limited to any source and object code therein; (iii) between PRDOH and CONTRACTOR, CONTRACTOR shall have sole and exclusive ownership of all preexisting intellectual property rights relating to the Canopy™ system, including but not limited to and any and all improvements, modifications, enhancements or adaptations thereof; and (iv) PRDOH shall not engage in any activities or commit any acts, directly or indirectly, that may contest, dispute, or otherwise impair the CONTRACTOR's right, title, and interest relating to the Canopy™ system. For the avoidance of doubt, all proprietary materials prepared under this Agreement that are stored within the Canopy™ system shall be considered "Work Made for Hire" and shall be the exclusive property of PRDOH.

CONTRACTOR hereby grants PRDOH a perpetual, irrevocable, non-transferable, non-sublicensable, royalty-free, non-exclusive, limited license for PRDOH's own and sole use of CONTRACTOR's source code excerpts created to modify the Canopy™ system in connection with this Agreement ("**Source Code Excerpts**"). For the purpose of this Agreement, Source Code Excerpts refers to new coding portions (programming), or the edits to existing coding stored in Canopy™, developed under this Agreement. For the avoidance of doubt, the parties agree that all intellectual property subsisting in and to such Source Code Excerpts shall remain the exclusive property of the CONTRACTOR. PRDOH acknowledges and agrees that it may be necessary for PRDOH to separately procure license rights from third-party vendors and/or create additional source code to use the Source Code Excerpts in the manner contemplated by PRDOH. Except as expressly provided herein, the Source Code Excerpts are provided "as is", as the latest stable version of the Source Code Excerpts currently used by PRDOH, without representation or warranty of any kind. CONTRACTOR does not warrant that the Source Code Excerpts will function in any environment, satisfy any requirements, result in any outcome, or be error-free or uninterrupted. CONTRACTOR shall have no liability or obligation to PRDOH to the extent that any claim, action, or suit arises out of or results from modifications,

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combinations, or extensions of the Source Code Excerpts. To the maximum extent permitted by applicable law, CONTRACTOR hereby disclaims all warranties, express or implied, oral or written, including without limitation, all implied warranties of integration, accuracy, merchantability, or fitness for any particular purpose and all warranties arising from any course of dealing or performance or usage of trade. PRDOH further acknowledges and agrees that CONTRACTOR undertakes no obligation to provide PRDOH with any support, error corrections, or upgrades in connection with the Source Code Excerpts for the purpose or use intended by PRDOH or its third-party representative.

If the Work is one to which the provisions of 17 U.S.C. §106A apply, CONTRACTOR hereby waives and appoints the Recipient to assert on CONTRACTOR'S behalf CONTRACTOR'S moral rights or any equivalent rights regarding the form or extent of any alteration of the Work (including, without limitation, removal or destruction) or making of any derivative works based on the Work, including, without limitation, photographs, drawings or other visual reproductions of the Work, in any medium, for the Recipient's purposes. CONTRACTOR agrees to execute all papers and to perform such other proper acts as PRDOH may deem necessary to secure for PRDOH or its designee the rights herein assigned.

- B. 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, and indemnifying PRDOH for any fault or negligence on its part. Additionally, the CONTRACTOR pledges to cooperate with PRDOH in any claim they may have against a third party for the 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 refrain from using it in any manner that could disclose or compromise this confidentiality.

- C. The CONTRACTOR agrees to comply with the provisions of the Non-Disclosure Agreement signed by PRDOH and the CONTRACTOR included as **Attachment H** (Non-Disclosure Agreement).

IX.DELIVERY OF "WORK FOR HIRE" OR "WORK MADE FOR HIRE"

A. Delivery Request and Deadline:

Upon written request from PRDOH, the CONTRACTOR must deliver in its entirety all proprietary materials classified as "Work for Hire" or "Work Made for Hire", as defined by the Copyright Act, as amended, 17 U.S.C. Section 101 et seq. Deadline for delivery of the proprietary material shall be established and may be extended, by agreement between the parties. This deadline marks the expiration of the delivery term. The CONTRACTOR is responsible for ensuring the accuracy and integrity of the materials delivered.

B. Penalty for Non-Compliance with Delivery:

If the CONTRACTOR fails to meet the deadline for delivering all proprietary materials classified as "Work for Hire" or "Work Made for Hire," a penalty of **one hundred dollars (\$100.00)** will be imposed for each day of natural delay and non-compliance. This is

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considering that non-compliance is due to the CONTRACTOR's obstruction, delay, or denial and not because of PRDOH's or any of its designated third parties' inability to receive the proprietary materials. This penalty will accumulate until the CONTRACTOR completes the delivery of all proprietary materials and also satisfies the requirements for delivery certification.

If the penalty clause is activated, the CONTRACTOR will not be exempt from fulfilling the delivery of all proprietary materials classified as "Work for Hire" or "Work Made for Hire" by satisfying PRDOH with the payment of the amount computed as per the penalty clause. Furthermore, the CONTRACTOR is not exempt from fulfilling the payment amount determined by the penalty clause solely by providing PRDOH with the delivery of all proprietary materials classified as "Work for Hire" or "Work Made for Hire".

C. Delivery Certification:

Upon delivering all proprietary materials classified as "Work for Hire" or "Work Made for Hire" to PRDOH, the CONTRACTOR must provide a written certification, provided by PRDOH, on the same calendar day to confirm the completeness of the delivery.

D. Force Majeure:


In the event of a force majeure occurrence, as described in Article XXI, on the final delivery day, the CONTRACTOR must promptly notify PRDOH within the same timeframe and provide evidence of the event. The management of force majeure incidents will be assessed on a case-by-case basis and solely granted at PRDOH's discretion. The CONTRACTOR bears full responsibility for promptly notifying PRDOH of any events triggering the force majeure provision.

X. DATA MIGRATION

- A.** The CONTRACTOR shall provide full assistance to PRDOH during the data migration process from the existing system to any new software acquired by PRDOH. Such assistance shall include but is not limited to collaborating with PRDOH to develop a data migration plan, offering expertise and guidance in the extraction, transformation, and loading of data, conducting necessary testing and validation to ensure the accuracy and integrity of data to be migrated, and providing training and support to PRDOH staff involved in the data migration process.
- B.** The CONTRACTOR shall provide PRDOH with a source escrow repository service for data management from the commencement of data migration until its completion. A source escrow repository service provides a secure and neutral storage environment for critical source code excerpts and any PRDOH proprietary materials and information, data, or other proprietary information. This service will serve PRDOH as a risk management tool by assuring the security, access, and integrity of the source code excerpts or data.
- C.** The CONTRACTOR will also support PRDOH in the implementation and operation of any new software introduced under this Agreement. PRDOH and the CONTRACTOR will work collaboratively throughout the data migration and software implementation process to ensure a smooth and successful transition.
- D.** Recognizing the critical nature of PRDOH's operations under the CDBG-DR Program, the CONTRACTOR shall take proactive measures to prevent any disruptions or

shutdowns resulting from the implementation of new software or data migration activities.

XI. 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-DR program; Records required to determine the eligibility of activities; Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG-DR assistance; Records documenting compliance with the fair housing and equal opportunity requirements of the CDBG-DR program regulations; Financial records as required by 24 C.F.R. § 570.506, and 2 C.F.R. part 200, including records necessary to demonstrate compliance with all applicable procurement requirements; and other records necessary to document compliance with this Agreement, any other applicable Federal statutes and regulations, and the terms and conditions of PRDOH's Federal award.
- B. Access to Records:** The CONTRACTOR shall permit the PRDOH and auditors to have access to the CONTRACTOR's records and financial statements as necessary for the PRDOH to meet its audit requirements under the Federal award.
- C. Record Retention and Transmission of Records to the PRDOH:** Prior to closeout of this Agreement, the CONTRACTOR must transmit to the PRDOH records sufficient for the PRDOH to demonstrate and satisfy that all costs under this Agreement met the requirements of the Federal award.
- D. CONTRACTOR's Data and Privileged Information:** The CONTRACTOR is required to maintain confidential data demonstrating client eligibility for activities provided under this Agreement. Such data may include, but not be limited to, client name, address, income level, or other basis for determining eligibility, and description of activities provided.
- E. PII Policy:** The CONTRACTOR must comply with the PRDOH CDBG-DR Personal Identifiable Information Policy, as found in the CDBG-DR 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.

XII. ACCESS TO RECORDS

- A.** The CONTRACTOR agrees to provide the Government of Puerto Rico, PRDOH, HUD's Secretary, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the CONTRACTOR which are directly pertinent to this Agreement to make audits, examinations, excerpts, and transcriptions. The access includes, but is not limited to, as contemplated in the 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.

XIII. 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's 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 a written request from the PRDOH, the 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 subparagraphs 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 monetary damages may not be a sufficient remedy for any breach of this Section. Accordingly, the CONTRACTOR agrees that PRDOH shall have the right to seek injunctive relief and the specific performance of the provisions of this Section to enjoin a breach or attempted breach of the provision hereof, such right being in addition to any and all other rights and remedies that are available to PRDOH by law, equity, or otherwise.

XIV. 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 outlined in the Attachments to this Agreement; and be fit for ordinary use, of good quality, and with no material defects, if applicable.
- (c) CONTRACTOR warrants that it is the rightful owner of the technology products and services provided under this Agreement or otherwise has the legal authority to grant PRDOH the rights and licenses necessary to use such technology without infringing upon the intellectual property rights of any third party.

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- (d) CONTRACTOR warrants that the technology products and services delivered under this Agreement shall perform substantially in accordance with the specifications and requirements agreed upon by the Parties.
- (e) CONTRACTOR warrants that the technology products delivered under this Agreement are free from any material defects, including but not limited to viruses, malware, or harmful code. If any such defects are discovered during the term of the Agreement, the CONTRACTOR shall promptly take necessary measures to remedy such defects at its own expense.
- (f) 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.

XV. TERMINATION

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

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- 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 an overt manner and without question a relinquishment of said contractual duties.
- D. Unilateral Termination:** The PRDOH may terminate this Agreement, in whole or in part, at PRDOH's sole discretion, with or without cause, at any time. The PRDOH will terminate this Agreement by delivering to the CONTRACTOR a **thirty (30) calendar days'** notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the effective date of termination. Upon receipt of such notice, the CONTRACTOR shall immediately discontinue all services affected and deliver to the PRDOH all information, studies, and other materials property of the PRDOH. In the event of termination by Notice, the PRDOH shall only be liable for payment of services rendered up to and including the effective date of termination, taking into account the CONTRACTOR's obligation to immediately discontinue all affected services upon receipt of the termination notice.
- E. Suspension:** The PRDOH may suspend this Agreement in whole or in part at any time for the PRDOH's convenience. The PRDOH shall give the CONTRACTOR **five (5) business days'** written notice of such suspension. Upon receipt of said notice the CONTRACTOR shall immediately discontinue all Services affected.
- F. Immediate Termination:** In the event the CONTRACTOR is subjected to a criminal or civil action, suit, proceeding, inquiry or court of applicable jurisdiction, or any governmental agency, or the CONTRACTOR shall be subject to an order, judgment, or opinion, issued by any federal or local authority, a court of applicable jurisdiction, or any governmental agency, in connection with the execution, delivery, and performance by the CONTRACTOR of this Agreement or the CONTRACTOR of this Agreement has been 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 to, in the event of any judgment that may obligate the PRDOH to terminate the Agreement pursuant to Act Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico.

XVI. TRANSITION PERIOD

- A.** Upon termination or expiration of this Agreement, and for one hundred and eighty **(180)** calendar days, with the option of extending the period of transition for two **(2)** additional terms of ninety **(90)** 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

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transfer of responsibility for the performance of the Services to the PRDOH or a third party designated by the PRDOH. PRDOH reserves the right to provide for the execution of a Transition Services Agreement for the Transition Period. In such instance, the CONTRACTOR will be paid at a reasonable, agreed upon, hourly rate for any work performed for the PRDOH during the Transition Period. Moreover, during that Transition Period, all finished or unfinished records (files, data, work product) connected with this Agreement will be turned over to PRDOH.

XVII. PENALTIES

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 Work) and this Section. Refer to all required provisions set forth at 2 C.F.R. § 200.326 and 24 C.F.R. § 570.489(g), if applicable, and the Contract and Subrecipient Agreement Manual, Section 2, Subsection 2.4.1(a), as found in the CDBG-DR 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.

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

XIX. INSURANCE

A. Required Coverage

The CONTRACTOR shall keep in force and effect for the period beginning from the execution of the Agreement and ending after all services to be provided hereunder which are included in **Attachment B** (Scope of Work), insurance policies in compliance with the Insurance Requirements, attached hereto and made an integral part hereof as **Attachment D** (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 D** (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 a waiver of subrogation coverage for all insurance policies provided or herein in favor of PRDOH and its respective officers, agents, and employees.
3. The insurer shall be required to give PRDOH written notice at least **thirty (30) 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

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

Renewal Certificates of Insurance or such similar evidence is to be received by the Contract Administration of the Legal Division and/or the Finance area of the CDBG-DR program prior to the expiration of insurance coverage. At PRDOH's option, non-compliance will result in one or more of the following actions: (1) The PRDOH will purchase insurance on behalf of the CONTRACTOR and will charge back all 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.

XX. HOLD HARMLESS

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

The CONTRACTOR acknowledges and agrees to its liability for any material breach of this Agreement, including but not limited to failure to deliver technology services as per the agreed specifications, data breaches, system failures, or any other failure to meet performance standards. The CONTRACTOR agrees to indemnify and hold harmless PRDOH from and against any and all claims, damages, losses, liabilities, costs, and expenses arising out of or in connection with such breach. The CONTRACTOR's liability under this Agreement shall be limited to the CONTRACTOR's insurance coverages, notwithstanding in cases or events where the claim exceeds the insurance coverages caps and actions are attributed solely to the CONTRACTOR's negligence for the services

provided under this Agreement, without any interference or joint negligence with PRDOH, in which case the indemnifying amount will be determined by the final judgment of a court of law. CONTRACTOR's liability under this Agreement extends to direct damages arising from or related to the CONTRACTOR's breach of this Agreement.

XXI. 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.

XXII. CONFLICTS OF INTEREST

The CONTRACTOR must comply with the ethics requirements set forth herein including, but not limited to federal and local regulations, and warrant that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of the work under a PRDOH contract and CONTRACTOR'S organizational, financial, contractual or other interest are such that:

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

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

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.

XXIII. INDEPENDENT CONTRACTOR

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

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

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

XXIV. 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

William O. Rodríguez Rodríguez, Esq.
Secretary
Puerto Rico Department of Housing
606 Barbosa Ave.

Juan C. Cordero Dávila Bldg.
San Juan, PR 00918

To: CONTRACTOR

Samir El Hage Arocho
Partner
Horne LLP
269 Avenida Juan Ponce de León
Hato Rey, PR 00717
samir.elhage@hornepr.com

XXV. 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.

XXVI. SUBCONTRACTS

- A. General:** All subcontracts shall contain the applicable provisions described in **Attachment E** (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:
- That the work performed by the subcontractor be in accordance with the applicable terms of this Agreement between PRDOH and CONTRACTOR;
 - That nothing contained in such subcontract agreement shall impair the rights of PRDOH;
 - That nothing contained herein, or under this Agreement will create any contractual relation between the subcontractor and PRDOH;
 - That the subcontractor specifically agrees to be bound by the confidentiality provision regarding Personal Identifiable Information set forth in this Agreement;
 - 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
 - All Federal flow down provisions are included in the subcontract agreement per Federal guidelines.
- C. Monitoring:** CONTRACTOR shall diligently monitor all subcontracted services. If CONTRACTOR discovers any areas of noncompliance, CONTRACTOR shall provide to PRDOH summarized written reports supported with documented evidence of corrective action.
- D. Content:** CONTRACTOR shall cause all the applicable provisions of this Agreement to be included in, and made a part of, any subcontract executed in the performance of this Agreement.
- E. Notification:** Within **three (3) business days** of its execution, the CONTRACTOR shall notify the Contract Administration Area of PRDOH CDBG-DR Legal Division and provide a copy of all subcontracts related to this Agreement and CDBG-DR funds, as well as any other subcontracts listed in **Attachment F** (Contractor Certification Requirement). The CONTRACTOR is in charge of obtaining all certifications from the subcontractors listed in Article XXIV of this Agreement that are required for technical,



professional, or consulting services, as well as submitting them with the copy of the subcontract and adhering to all other requirements set forth in Circular Letter 1300-16-16 from the Puerto Rico Department of Treasury. Technical, professional, or consulting services that are employed to carry out the terms of this Agreement are referred to as subcontractors for the purposes of this article if they spend at least 25% of their time on it.

XXVII. 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 E** (HUD General Provisions), **Attachment F** (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 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.

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- D. **Social Security and Income Tax Retentions:** The CONTRACTOR will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income from this Agreement.
- E. **Government of Puerto Rico Municipal Tax Collection Center (CRIM, for its Spanish acronym):** The CONTRACTOR certifies and guarantees that at the signing of this Agreement it has no current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center. The CONTRACTOR further certifies to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. The CONTRACTOR shall hand out, to the satisfaction of the PRDOH and whenever requested by the PRDOH during the term of this Agreement, the necessary documentation to support its compliance of this clause. The CONTRACTOR will deliver upon request any documentation requested under this clause as per request of PRDOH. During the Term of this Agreement, the CONTRACTOR agrees to pay and/or to remain current with any repayment plan agreed to by the CONTRACTOR with the Government of Puerto Rico with regards to its property taxes.
- F. **Income Tax Withholding:** The PRDOH shall retain the corresponding amount from all payments made to the CONTRACTOR, as required by the Puerto Rico Internal Revenue Code. The PRDOH will advance such withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as *Departamento de Hacienda del Gobierno de Puerto Rico*). The PRDOH will adjust such withholdings provided the CONTRACTOR produces satisfactory evidence of partial or total exemption from withholding.
- G. **Compliance with Act No. 45 of April 18, 1935, as amended, 11 LPRA § 1, et seq.:** The CONTRACTOR certifies and guarantees that at the signing of this Agreement has valid insurance issued by the State Insurance Fund Corporation (CFSE, for its Spanish Acronym), as established by Act No. 45, *supra*, known as the "Puerto Rico Workers' Accident Compensation Act".
- H. **Government of Puerto Rico's Agency for the Collection of Child Support (ASUME, for its Spanish acronym):** The CONTRACTOR certifies and guarantees that at the signing of this Agreement that the CONTRACTOR nor any of its Partners, if applicable, have any debt or outstanding debt collection legal procedures with regards to child support payments that may be registered with the Government of Puerto Rico's Child Support Administration. The CONTRACTOR hereby certifies that it is a limited liability company organized and existing in good standing under the laws of the Government of Puerto Rico. The CONTRACTOR shall present, to the satisfaction of PRDOH, the necessary documentation to substantiate the same. The CONTRACTOR will be given a specific amount of time by PRDOH to deliver said documents.

I. **Compliance with Act No. 168-2000, as amended, 8 LPRA § 711, et seq.:** The CONTRACTOR is in full compliance with Act No. 168-2000, as amended, known as "Act for the Improvement of Elderly Support of Puerto Rico."

J. **Compliance with Act No. 1-2012, as amended, 3 LPRA § 1854, et seq.:** The PRDOH and the CONTRACTOR hereby certify that in signing this Agreement they are in compliance with Act No. 1-2012, as amended, known as the "Puerto Rico Government Ethics Act of 2011", in connection with the possibility of a conflict of interest.

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

L. **Ethics:** CONTRACTOR also acknowledges receipt and agrees to obey the Anticorruption Code for the New Puerto Rico, Act No. 2-2018, as amended, 3 LPRA § 1881, et seq., known in Spanish as "Código Anticorrupción para el Nuevo Puerto Rico".

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.

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4. The CONTRACTOR represents and guarantees that none of its employees, officials or agents have been convicted of a felony or misdemeanor as described in this sub-section. Moreover, the CONTRACTOR agrees to notify PRDOH should any employee, official, or agent is convicted of a felony or misdemeanor as described in this sub-section after the date of this Agreement. Said notice shall be made within **ten (10) business days** from the time of the conviction.

- N. Other payments or compensation:** The CONTRACTOR certifies that it does not receive payment or compensation for regular services rendered as an official or public employee to another government entity, agency, public corporation or municipality, and knows the ethical standards of his profession and assumes responsibility for his actions.
- O. Consequences of Non-Compliance:** The CONTRACTOR expressly agrees that the conditions outlined throughout this Section are essential requirements of this Agreement; thus, should any one of these representations, warrants, and certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for PRDOH to render this Agreement null and void and the CONTRACTOR reimburse to PRDOH all money received under this Agreement.
- P. Non-Conflict of Interest Certification:** The CONTRACTOR shall comply with **Attachment G** (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.

XXVIII. 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*.

XXIX. 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

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Rico, as well as public instrumentalities and public corporations and the Office of the Governor.

- B. Termination Clause:** The Chief of Staff (*Secretaría de la Gobernación*) of the Governor shall have the power to terminate this Agreement at any time.
- C. Contract Review Policy of the Financial Supervision and Administration Board for Puerto Rico:** The Parties acknowledge that the CONTRACTOR has submitted the certification entitled "Contractor Certification Requirement" required in accordance with the Contract Review Policy of the Financial Oversight and Management Board (**FOMB**) for Puerto Rico, effective as of November 6, 2017, as amended on October 30, 2020, signed by the Contractor's Executive Director (or another official with an equivalent position or authority to issue such certifications). A signed copy of the "Contractor's Certification Requirement" is included as **Attachment F** (Contractor Certification Requirement) to this contract.

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

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

XXXI. 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

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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-DR 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.

As mentioned before, HUD allocated funds for disaster recovery assistance to the Government of Puerto Rico under the CDBG-DR Program. These funds are intended to provide financial assistance to address unmet needs that arise and that are not covered by other sources of financial aid. 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.

XXXII. 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.

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

The CONTRACTOR acknowledges that HUD financial assistance will be used to fund the Agreement only. Also, the CONTRACTOR shall comply with all applicable Federal, state and local laws, rules, regulations, and policies relating to CDBG-DR 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 E** (HUD General Provisions) and in compliance with all the requirements described in **Attachment F** (Contractor Certification Requirement).

XXXIV. CDBG-DR POLICIES AND PROCEDURES

In addition to what is established in this Agreement, the CONTRACTOR shall comply with all CDBG-DR program specific and general policies and procedures, including, but not limited to, the Contract and Subrecipient Agreement Manual, OS&H Guideline, MWBE Policy, Procurement Manual for the CDBG-DR Program, URA & ADP Guidelines, Cross Cutting Guidelines, AFWAM Policy, Section 3 Policy, Personally Identifiable Information, Confidentiality, and Nondisclosure Policy and Conflict of Interest and Standards of Conduct Policy, as found in the CDBG-DR 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.

XXXV. 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

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

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

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

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

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

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

- A.** No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- B.** If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Forms-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C.** The CONTRACTOR shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). The CONTRACTOR

acknowledges that any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure. The CONTRACTOR certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the CONTRACTOR understands and agrees that the provisions of 31 U.S.C. §3801 et seq., apply to this certification and disclosure, if any.

XXXVII.EQUAL OPPORTUNITY

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

- G.** The CONTRACTOR will include the portion of the sentence immediately preceding paragraph (A) and the provisions of paragraphs (A) through (F) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Exec. Order No.11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance. Provided, however, that in the event a CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the CONTRACTOR may request the United States to enter into such litigation to protect the interests of the United States.

XXXVIII.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 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.



XXXIX. 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.

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XL.SUSPENSION AND DEBARMENT

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- 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.

XLI. 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.

XLII. 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.

XLIII. 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.

XLIV. 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.

XLV. 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.

XLVI. MODIFICATION OF AGREEMENT

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

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

XLVII. 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.

XLVIII. 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.

XLIX. 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.

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L. 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 E** (HUD General Provisions), **Attachment B** (Scope of Work), **Attachment C** (Compensation Schedule), and lastly, **Attachment A** (Proposal).

LI. 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.

LII. 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 it is established otherwise.

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

LIII. 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

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Work or Scope of Services), tasks, and performance goals or requirements to the resulting or surviving entity.

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

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LIV. 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.

LV. FEDERAL FUNDING

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

LVI. 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.

LVII. 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 if costs are disallowed due to CONTRACTOR negligence. CONTRACTOR shall reimburse such disallowed costs from funds other than those CONTRACTOR received under this Agreement up to the amount paid to the CONTRACTOR for the service that was deemed disallowed.

LVIII. 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.

LIX. 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.

LX.SURVIVAL OF TERMS AND CONDITIONS

The terms and conditions of this Agreement related to the following subjects shall survive the termination or expiration of this Agreement: interpretive provisions; consideration; warranties; general affirmations, federal assurances, federal and state certifications; CDBG-DR and state funding, recapture of CDBG-DR and/or state funds, overpayment of CDBG-DR and/or state funds; ownership and intellectual property, copyright; records retention methods and time requirements; inspection, monitoring and audit; confidentiality; public records; indemnification and liability; infringement of intellectual

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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.

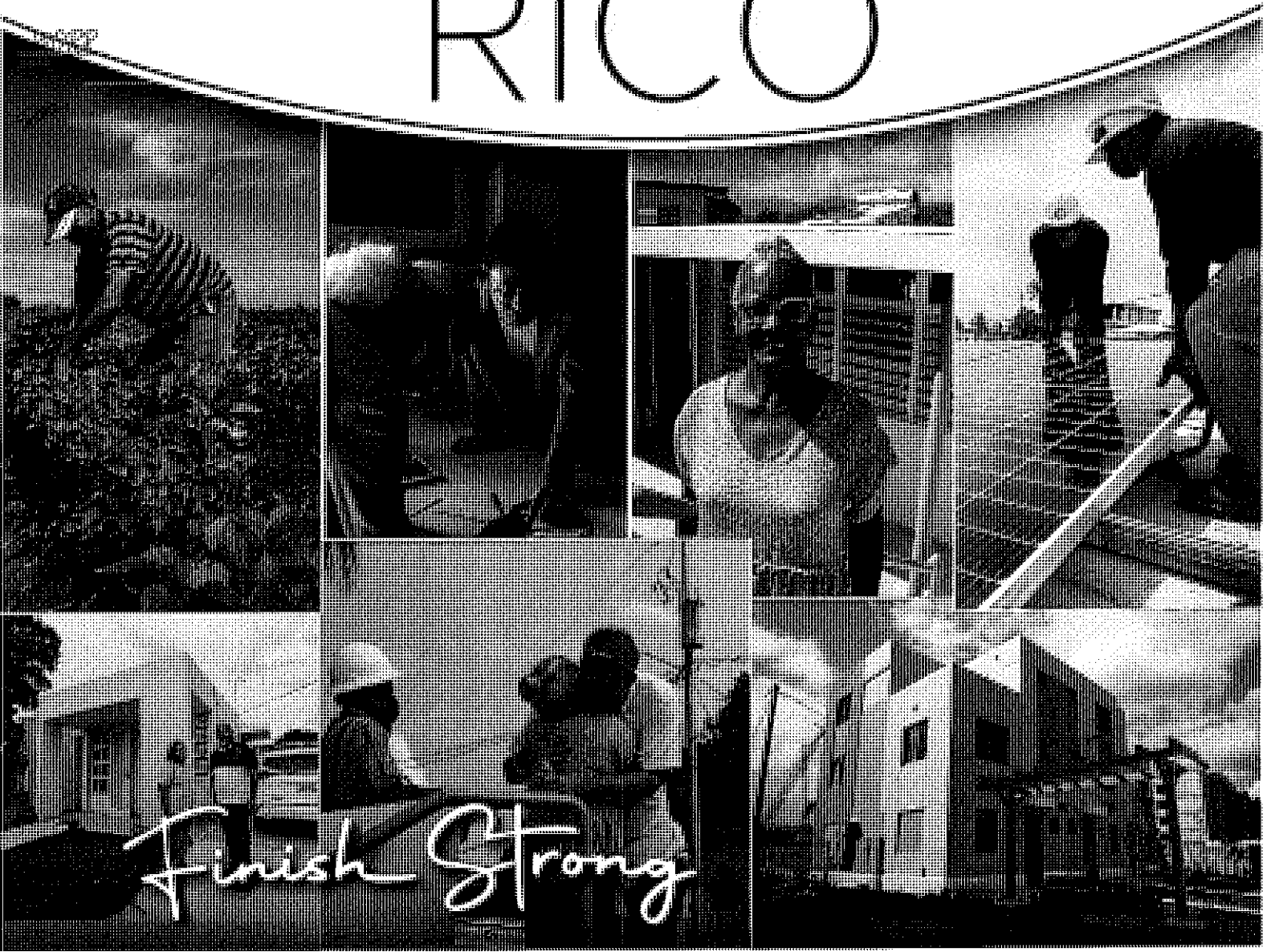
PUERTO RICO DEPARTMENT OF HOUSING

HORNE LLP

William O. Rodríguez Rodríguez
William O. Rodríguez Rodríguez (May 2, 2024 17:57 EDT)
William O. Rodríguez Rodríguez, Esq.
Secretary

Samir El Hage
Samir El Hage (May 2, 2024 16:25 EDT)
Samir El Hage Arocho
Partner

PUERTO RICO



GRANT MANAGEMENT SERVICES UNDER THE CDBG-DR

CDBG-DR-RFQ-2023-01 (GSA No. RFQ1670580)

February 9, 2024

Samir El Hage Arocho, Partner

samir.elhage@horne.com | O: 939-910-9300 | C: 939-717-7133

269 Juan Ponce de León Ave. Hato Rey, PR 00917



Project Organizational Chart



OUR COMBINED TEAM HAS LOCAL & NATIONAL CAPACITY

- 200+** | Puerto Rico staff
- 6+** | Puerto Rico offices
- 64%** | of our key members are located in Puerto Rico
- 1.9K+** | experienced staff and additional resources to further support the program

In developing our organizational chart, we looked to our current operation and how it integrates with PRDOH's organizational structure and vision for the future. We also studied our historical billing to PRDOH to hone staff levels based on the effort needed for each sector. We analyzed the CDBG-DR programs' status and developed a work plan that will drive them to completion. The work plan gradually increases PRDOH staff roles and responsibilities through our knowledge transfer plan while gradually decreasing or focusing on other tasks for our staff's levels of effort. It is forecasted that four programs will close in 2025; four more in 2026; five in 2027; two in 2028; and seven in 2029.

From all of this, we established the organizational structure depicted here.

GRANT EXECUTION LEADERSHIP

OPERATIONAL SECTORS

Grant Compliance

Procurement

FAU Unit

Environmental & Permitting

Information Technology

Training

Financial Management

External Relations

CARE Unit

PROGRAMMATIC SECTORS

Planning

- WCRP
- MRP
- Geo
- VPA
- VPR

Infrastructure & Multi-Sector

- NFMP
- CRP

Economic Development

- SBF
- SBIA
- WFT
- IPG
- ReGrow

Energy

- ER1
- ER2
- CEWRI

Housing

- R3
- SIH
- HC
- LIHTC
- TC
- HBA
- reSURge



The CARE Unit is a new addition to our current organizational chart. It encompasses various functions dedicated to delivering exceptional service to program participants. This group develops and implements effective strategies to enhance customer satisfaction and communication across programs. Responsible for monitoring and evaluating call center performance, the CARE Unit oversees protocol compliance and maintains high-quality standards.

The team makes sure service aligns with PRDOH standards, offering feedback and support for project execution. Furthermore, they analyze and report on key performance indicators, customer satisfaction metrics, and policy adherence to uphold high service standards. The team ensures optimal service delivery, efficient resolution of complaints, and effective management of warranties within programs.



WORKERS also have a team of experienced technical writers with diverse professional backgrounds ready to deliver high-quality documentation tailored to your specific needs and audiences. Their shared background in regulatory compliance and technical writing allows them to research, outline, create, draft, and edit content ranging from policies and procedures to program guidelines, and from training materials to public notices—all while communicating effectively and in compliance with applicable regulations.

TECHNICAL WRITERS

Monica Mota
Advisor & Technical Writer

Angel Pérez
Senior Programs Consultant

Teresa Morales
Technical Writer

Lourdes Arroyo
Grant Compliance Lead

Christina Wirsching
Technical Writer

María De Varona
Grant Compliance PM

Serving Puerto Rico with Purpose

We have worked alongside you for almost five years now. In that time, we have built a team of experts you have come to know and trust for your CDBG-DR and CDBG-MIT needs. Some have contributed to the successful implementation of your recovery programs since day one. And guess what? They all want to contribute further. Their expertise, historical knowledge, and, most of all, their commitment to the success of the Island's recovery efforts, are invaluable assets for the team that will take you and your programs to the finish line. There is no hiring to do, no vacancies to fill, no system to migrate, no training to give, and no learning curve to surpass. We just need to continue the current pace, adjust slightly where needed, and close out strong.

Below we present bios for those we consider key in the coming recovery efforts. These are the people that coupled with your team, our work plan, and their own steadfast commitment will propel you to success in the coming years.

Team Leader Bios



Samir El Hage, PE, Grant Execution Director

Samir, a partner and electrical engineer at HORNE, brings 20+ years of experience in program management, construction management, and consulting. He is a results-oriented professional who has successfully developed and implemented program portfolios for CDBG-DR and CDBG-MIT funds, positively impacting the most affected populations. Samir oversees HORNE's Puerto Rico government services operations with a team of 200+ members. He leads the \$20.2 billion CDBG grant management, the largest allocation of federal funding for the disaster recovery of hurricanes Irma and María. He directs this 32-program portfolio that spans the housing, economic, infrastructure, energy, and planning sectors. Samir has been a key player in achieving and completing successful infrastructure projects in various Puerto Rico towns and for several governmental agencies.



Jelliam Díaz Pérez, Esq. | Deputy Grant Execution Director

Jelliam is an innovative and dynamic leader with a career in project management, policy, contracts, leading teams, and organizational development. She assists PRDOH with compliance by overseeing operations production and deliverables currently consisting of 34 programs and sub-programs with a total allocation of \$20 billion. She has excellent analysis and research skills, is adept at identifying key challenges, and excels at assembling and leading teams toward effective solutions. She also excels at growing the success of organizations through collaboration, research, and technical and professional writing skills. She is skilled at developing strategic direction and delivering turn-key complex projects. Jelliam has solid interpersonal and communication aptitudes in establishing productive rapport with individuals of diverse backgrounds.



Scott Keller, HUD Policy Advisor

Scott has 30+ years of experience leading federal, state, and local teams to successfully find solutions for some of the government's most significant initiatives, including more than two decades in CDBG-DR housing programs. He develops complex grant funding programs and finds creative solutions for communities recovering from natural and economic disasters. From 2003 to 2007, he served as HUD's deputy chief of staff, directing policy and personnel matters for more than 9,000 employees. His expertise in administering large-scale recovery programs has allowed for decisive assessments of program needs for recovery efforts nationwide.



Ryan Flanery, HDFP, Overall CDBG Advisor

Ryan has 15+ years of experience in federal government oversight, administration, and policy development related to long-term disaster recovery and community development supplemental programs. During his tenure at HUD, he served as the assistant director of the Disaster Recovery Division. He was directly responsible for the federal oversight and administration of over \$37 billion in CDBG-DR funding awarded to states and local governments. Since joining HORNE, Ryan has led a team of subject matter experts as they support CDBG-DR grantees across the country to navigate complex requirements, develop effective strategies, oversee expenditures, and, most importantly, serve those in need.



Steven Rawlinson, Monitoring & Risk Management Advisor

Steven served as a presidential appointee, senior executive service, and federal fiscal monitor at HUD while overseeing more than \$22 billion in funding to Puerto Rico and the U.S. Virgin Islands. He also served as the chief financial officer for the Houston Housing and Community Development Department while adhering to HUD statutory and regulatory requirements. During his tenure at the city, Steven managed the IDIS portfolio for HUD grants. With over 13 years of experience in IDIS, he has set up budgets, created and approved vouchers, collected QPR data, and used IDIS reports to manage the different programs at HUD. He is a seasoned program compliance subject matter expert in strategic business planning, program management, finance operations, and budget execution, with 20+ years of financial experience with HUD and local government programs.



Christopher Shannon, Financial Advisor

Christopher joined the firm in 2020 after serving as the finance controller for the SANDY Recovery Division of New Jersey. He managed all financial aspects of the \$4.2 billion CDBG-DR grant, including accounting, invoicing, purchase orders, budgets, expenditures, Disaster Recover Grant Reporting drawn funds, indirect costs, and financial system implementation and enhancements. As a director in HORNE's government services, Christopher provides subject matter expertise and oversight to the financial implementation team. He uses his experience to solve complex issues and help people return to their homes.

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Monica Mota, Grant & Technical Writer Advisor

Monica has served vulnerable communities through housing and energy programs for 20+ years. She has collaborated with governmental, nonprofit, and civic organizations in the United States, Latin America, and the Caribbean to build safer, more sustainable communities. Monica is the senior compliance consultant for federal affairs for Puerto Rico's CDBG-DR program implementation, one of the largest disaster recovery and mitigation efforts in history. She oversees comprehensive regulatory compliance for approximately \$20 billion in federal funding for housing, infrastructure, energy, planning, and economic development activities in response to major disasters and to mitigate disaster risk. This includes a \$1.9 billion repair and redesign for Puerto Rico's electrical system. She is fluent in speaking and writing in English and Spanish. Monica's focus and passion are for serving states and municipalities in solving their biggest problems.



Christopher Emrich, Unmet Needs Assessment Advisor

Chris is a professor at the University of Central Florida's School of Public Administration and the Interim Director of the school's National Center for Integrated Coastal Research. His research includes disaster impact assessments, long-term recovery disaster recovery, and the intersection of social vulnerability and community resilience. Since 2005, Chris has provided geospatial support for response and long-term recovery to Florida and continues to be actively involved in identifying trends in long-term recovery for coastal Mississippi, Florida, and Puerto Rico disaster survivors.



María Del Rosario Collado, CARE Lead

María is an experienced business professional with a demonstrated ability to manage projects from initiation through execution. Currently, she works with PRDOH as the customer service lead for the CDBG-DR and CDBG-MIT participants. She has led several companywide initiatives, resulting in the development and implementation of process improvements. With 12+ years of experience in ethics, compliance, and conflict resolution, she has a proven track record of effective performance in business administration, communications, and training development.



Karyn Desselle, Environmental Lead

Karyn is an experienced environmental program specialist with expertise in federally funded programs, including PRDOH's CDBG-DR and CDBG-MIT programs. She brings 16+ years of experience performing tiered and non-tiered environmental reviews. She has built collaborative relationships with federal, state, and local agencies and stakeholders. She also continually leverages her knowledge and expertise to partner with grantees and recipients in developing customized compliance solutions following the regulatory requirements and policies established by the NEPA, FEMA, HUD, and Department of Agriculture.



Lauren Poche, Historic Preservation Lead

With 20+ years of cultural resource management experience, Lauren meets the Secretary of Interior Standards for architectural history and history and has extensive experience as an archaeologist specializing in historic period archaeological sites. Since 2012, she has focused on Section 106 compliance for HUD-funded disaster recovery programs in Louisiana, Mississippi, New Jersey, New York, North Carolina, Puerto Rico, South Carolina, and Texas.



Antonio Morales, Esq., FAU Lead

Antonio is a licensed attorney and notary public with 13+ years of experience. As the lead of the Federal Affairs Unit (FAU), he is responsible for leading the CDBG-DR and CDBG-MIT APA processes in compliance with relevant regulations to fulfill PRDOH's programmatic goals. Antonio oversees FAU's support and guidance to program areas regarding federal and local regulations, statutes, and waivers relevant for program delivery, helping refine and streamline program design and procedures. He also leads the internal preparedness for HUD monitoring and OIG audit events, supporting PRDOH's leadership anticipate focus areas, enabling coordination among sectors, and aligning responses and corrective actions towards resolution. Antonio will leverage CDBG-DR historic knowledge and expert-level regulatory compliance understanding to lead a proactive strategy for grant-wide closeout.



Lourdes Arroyo, Esq., Grant Compliance Lead

Lourdes is a licensed attorney 12+ years of experience in various law-related positions where she has gained vast knowledge and expertise in implementing project management principles to execute legal and compliance-related tasks. Her bachelor's degree in Spanish, combined with her preparation and experience as a legal professional, have provided her with the skill set necessary to excel in oral and written communication, as well as to analyze complex and technical issues. In her current position as Grant Compliance Lead, Lourdes has demonstrated strong leadership skills by managing a team of 15+ highly prepared professionals with expertise in policy and compliance issues relevant to disaster recovery, mitigation, and grant management overall. She has gained extensive experience researching, drafting, and reviewing 3,000+ policies, processes, and other highly technical documents related to state and federal compliance topics.



María De Varona, Esq., Grant Compliance PM

María is a licensed attorney with 15+ years of experience, including federal monitoring events and audits, regulatory compliance, public policy, and technical writing. Her bachelor's degree in English coupled with her legal expertise equips her with strong technical analysis skills and the ability to communicate clearly and effectively. As Policy Team lead, María is responsible for regulatory and policy research; oversees the review and drafting of policies, guidelines, SOPs, and other programmatic documents; and coordinates with internal and external resources for the resolution of regulatory and compliance issues.

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Edward Mejías, Yardi Advisor

Edward is a seasoned business IT subject matter expert with an extensive 24-year career dedicated to implementing, managing, and administering different financial solutions, including Yardi, which drives him to help clients achieve excellence, innovation, and operational efficiency within organizations. His passion for IT and relentless commitment to staying at the forefront of industry trends have allowed him to deliver transformative solutions and significantly contribute to various businesses. He has successfully managed multimillion-dollar projects, delivering on time and within budget while maintaining the highest quality standards.



Katia González, Housing Lead

Katia has 16+ years of experience in design and construction management. She has a bachelor's degree in environmental design and a master's in architecture. She is directly involved in the design, construction management, monitoring, and oversight of complex projects such as the Schools for the 21st Century Program, the Paseo Puerta de Tierra project in San Juan, the Revitalization of Santa Isabel Water Front, Lufthansa Aviation School in Aguadilla, FEMA's Hazard Mitigation Grant Program funded projects at La Fortaleza, and the Sheltering and Temporary Essential Power Program. Currently, she serves PRDOH's grant management team as the CDBG-DR and CDBG-MIT housing programs sector lead for complex programs with an investment of over \$7 billion and supervising 50+ employees.



Salim Laham Bauzó, PE, Infrastructure & Multi-Sector Lead

Salim is a professional civil engineer with 30+ years of experience administering project planning, design, permitting, procurement, contracting, and construction phases and assisting government agencies on various projects. His expertise includes potable water, sanitary sewers, highways, transportation, disaster recovery, recreational, office, and residential projects. He has vast experience managing, coordinating, evaluating, and synchronizing design work among different disciplines. Salim serves PRDOH's grant management team as the sector lead of the CDBG-DR infrastructure and multi-sector programs with an investment of over \$1.3 billion.



Tamary Álvarez, Energy Lead

Tamary is a project manager with 10+ years of experience in the construction industry, focusing on managing multiple concurrent and complex projects while exceeding client expectations. Her extensive project portfolio encompasses various sectors, including state and federal government, healthcare, hospitality, military, commercial, educational, institutional, and industrial good manufacturing practices. She has a strong background in sustainability as a LEED-certified professional, energy efficiency projects as a certified energy manager, and building systems (mechanical, electrical, plumbing, and controls). Currently, Tamary serves PRDOH's grant management team as the sector lead of the CDBG-DR energy programs with an investment of over \$2.7 billion.



Justo González, PE, Energy Advisor

Justo is an engineer with 34+ years of experience in energy. He has management, operation, maintenance, planning, and research expertise. Justo leads pivotal companies and teams in developing power production, energy systems, industrial equipment, and applicable and appropriate engineering and management principles and practices. In Puerto Rico, Justo oversaw the restoration of electric power to the island after Hurricane Maria in 2017. He developed a plan to modernize the island's electric grid and make it more resilient against future storms. He advises PRDOH on technical energy matters and consults PREB by analyzing power plant optimization plans, regulations, and energy policies.



Ruperto Berríos, Energy Advisor

Ruperto has 33+ years of experience in the finance industry. He specializes in financial analysis, management, budgeting, and data analysis. He has worked on energy programs as a consultant and used his expertise to push projects forward promptly and efficiently. In Puerto Rico, Ruperto licensed new projects for the Clean Water Act in compliance with Section 316(b) and worked with FEMA on the Environmental Historic Preservation Program. He also transmitted all the environmental permits, constructions, and required OGPe permits for the Neolpharma Cogeneration Project. Ruperto is now an energy consultant, advising both PRDOH and PREB.



Ángel Pérez Amador, PE, Senior Programs Consultant

Ángel is a professional engineer in Puerto Rico with 12+ years of experience. He has worked as a consultant for the capital improvement programs of multiple state agencies and applied his expertise across various focus areas. These include data analysis and reporting, budget and schedule controls, financial management, contract administration, program design, grant management system architecture, environmental, procurement, construction, and claims resolution. In 2018, he was key in the development of the initial procurement policies, procedures, and solicitations for PRDOH's CDBG-DR grant activities. He currently serves as a consultant and program manager for the energy sector, with a focus on the CEWRI Program under CDBG-MIT.



Robert García Cooper, EIT, Energy PM

Robert is an electrical engineer and power and energy engineering researcher with nearly 20 years of electrical utility technical experience. He supports PRDOH with enhancing electrical reliability, affordability, and resilience. He is a member of the PR College of Engineers and Land Surveyors, the PR College of Expert Electricians, and the Institute of Electrical and Electronics Engineers.

Beyond Our Team Leaders

It takes more than just a team's leader to win. Learn more below about some of our team members' critical roles, the areas they collaborate with, and how they contribute to our winning strategy.

CARE UNIT



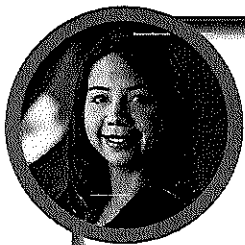
Diana Hernández

Diana tracks and monitors complaints, program-based reconsiderations, and phone calls between programs and applicants to verify that participants receive excellent customer service. She serves as a liaison between the programs, PRDOH Legal Division, and program managers to resolve administrative reviews or complaints filed by participants.

My core values on how to serve participants with purpose involve commitment, focus, empathy, and problem-solving.

HORNE & PRDOH SECTOR:
Housing

OPERATIONS

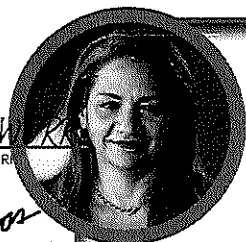


Mariela Reyes

Mariela offers comprehensive support across various programs to safeguard compliance with federal and local requirements in environmental evaluations.

I support the client and subrecipients by providing technical assistance regarding compliance with environmental regulations and strive to implement projects that provide a safe and healthy environment for the public.

HORNE TEAM:
Environmental
PRDOH TEAM:
Renewable Energy
Resources, Permit,
& Environmental

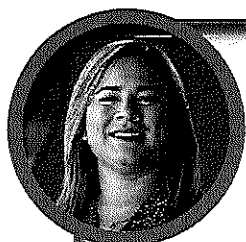


Flora Caquías

Flora supports the CDBG-DR and CDBG-MIT programs by drafting independent cost estimates, scopes of work, evaluation criteria, and procurement reports. She has been essential in performing QA/QC of procurement files and conducting cost and price analyses.

I provide technical assistance in developing documents for acquiring goods and services needed to effectively implement CDBG-DR and CDBG-MIT programs, enabling prompt assistance delivery at a reasonable cost.

HORNE & PRDOH SECTOR:
Procurement



Karla Rivera

Karla assists in preparing project financial projections and reports that provide insights into an organization's financial needs and identifies any potential discrepancies within Yardi and DRGR during the reconciliation process. She also supports analyzing contracts and SRA's budgets and amendments.

I strive to be accessible and attentive to proactively address immediate risks while staying vigilant about budget fluctuations and anticipating the client's needs.

HORNE TEAM:
Finance
PRDOH TEAM:
Finance & FAU

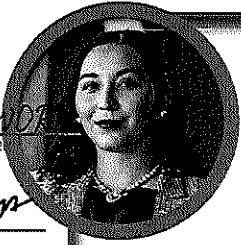


José Capó

José assists by creating complex and comprehensive reports to help the different programs and operational areas, especially the Finance Division, visualize their past, current, and future statuses using automatically populated data.

I seek ways to innovate through reporting, delivering unexpected solutions for the client. Graphic data visualization supports the client best during daily operations.

HORNE TEAM:
Reporting
PRDOH TEAM:
All Operational & Programmatic Areas



Natalia Bonilla

Natalia coordinates the development of APAs and collaborates with programs, finance, and communications areas to prepare for their publication. She analyzes potential changes to substantial amendments based on stakeholders' input and develops draft responses to public comments.

I serve with purpose by facilitating and maintaining effective communication channels between PRDOH and its stakeholders to advocate and promote recovery and mitigation efforts for a better quality of life for the people of Puerto Rico.



HORNE TEAM:

FAU

PRDOH TEAM:

Compliance



Ángel Rodríguez

Ángel serves as a liaison for the Grant Compliance Portal, verifying that SRAs are entered into the platform and providing technical assistance to subrecipients and vendors to resolve issues as needed. He also collaborates in creating Grant Compliance Portal (GCP) content for presentations and training materials.

I serve with purpose by actively listening to our clients, subrecipients, and vendor's needs, tailoring solutions to address their specific challenges, and fostering a long-term partnership built on trust and value.



HORNE TEAM:

Subrecipient Oversight & Development

PRDOH TEAM:

Operations & Subrecipient Management



Jonathan Vega

Jonathan implements comprehensive design elements to create elevated documents, reports, brochures, presentations, and statistics, following brand guidelines.

Being a graphic designer means my job is to visually communicate efficiently and practically to get the client's message across. Presentations, documents, social media posts, collateral material — everything must be cohesive and easy to understand. Offering a consistent brand across all platforms while maintaining practicality is indeed serving with purpose.



HORNE &

PRDOH SECTOR:

Communications

PROGRAMS



Arnaldo Borges

Arnaldo conducts QC reviews of pre-inspection assessments, final inspection reports for Community Energy and Water Resilience Installations (CEWRI)-DR applications, and monthly progress reports and invoices submitted by project managers and construction managers for the R3 and SFM programs. He also analyzes R3 construction managers' budget cost distribution reports for contract oversight.

My focus is on obtaining cost-effective results, in a timely manner, and of excellent quality, thus promoting that program beneficiaries feel that their needs were satisfied.



HORNE & PRDOH SECTOR:
Housing



Mineli Sánchez

Mineli guides City Revitalization Program (CRP) Region 1 projects' subrecipients and vendors by coordinating and hosting weekly meetings, clarifying questions, and prioritizing projects for environmental reviews.

I purposefully serve the client and subrecipients by maintaining excellent relationships and communication, allowing them to feel confident contacting me to help.



HORNE & PRDOH SECTOR:
Housing



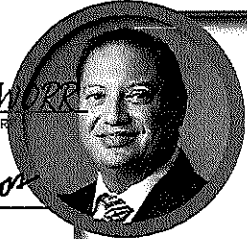
Lysamar de León

Lysamar implements and oversees Whole Community Resilience Planning (WCRP) Program subrecipients and vendors' activities. She collaborates on strategic decision-making to serve the communities and fulfill the program's goals.

I serve with purpose by streamlining processes for ease of management and treating every issue as an urgent task, with priority and attention to detail.



HORNE & PRDOH SECTOR:
Planning



Miguel Rivera

Miguel oversees and provides technical assistance to Small Business Incubators and Accelerators (SBIA) and Workforce Training (WFT) subrecipients to monitor and improve performance. He also assists in preparing SRA amendment documentation, including budget distribution.

For me, serving with purpose means providing individuals and businesses the skills and knowledge needed to achieve their financial and employment goals.

HORNE & PRDOH SECTOR:
Economic Development



Efraín Santiago

Efraín designs mock-ups of web applications and creates and improves system workflows. He serves as a liaison between the grant management, the project manager, and the systems development teams.

I serve with purpose by tailoring solutions to the client's needs and maintaining transparent communication channels.

HORNE & PRDOH SECTOR:
Energy



Félix Pérez

Félix has expert knowledge in Xactimate. His expertise gives him the skills to review appraisals and damage assessments for compliance with program requirements, review Xactimate reports for reconstruction cases, and provide detailed assessments to support award-type determinations for housing reconstruction or relocation cases.

I serve with purpose by safeguarding accurate and fair cost estimates, ultimately contributing to the successful rebuilding of homes and communities.

HORNE & PRDOH SECTOR:
Housing

GRANT EXECUTION LEADERSHIP

GRANT EXECUTION DIRECTOR

SAMIR EL HAGE, PE

DEPUTY GRANT EXECUTION DIRECTOR

JELLIAM DÍAZ PÉREZ, ESQ.

ADVISORS

Scott Keller
HUD Policy

Ryan Flanery, HDPF
Overall CDBG

Sean Almonte
Housing

Adrienne Celestine
Economic Development

Monica Mota
Grant & Technical Writer

Christopher Emrich
Unmet Needs Assessment

Steven Rawlinson
Monitoring & Risk Management

Christopher Shannon
Financial Advisor

Michael Chua
Infrastructure & Multi-Sector

Maribel Gatica
Monitoring

Lori Cunningham
GIS

Bob Harland
DRGR

Melanie Stewart
IT

KEY
STAFF



Located On
Island

CARE
UNIT

OPERATIONS

FEDERAL AFFAIRS UNIT

PROCUREMENT

GRANT COMPLIANCE

TRAINING

IT

ENVIRONMENTAL &
PERMITTING

FINANCIAL MANAGEMENT

EXTERNAL RELATIONS

PROGRAMS

PLANNING

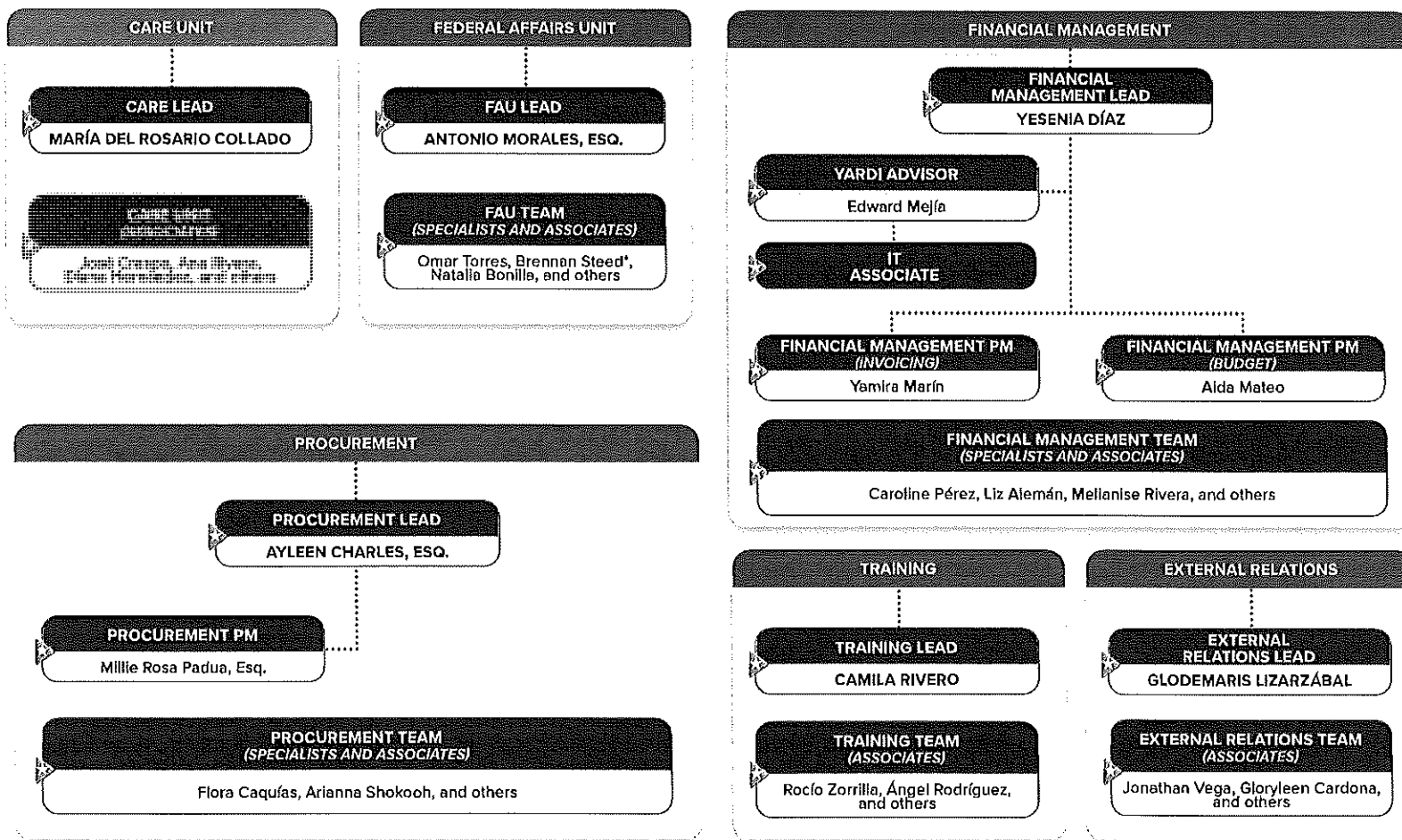
ENERGY

HOUSING

ECONOMIC DEVELOPMENT

INFRASTRUCTURE &
MULTI-SECTOR

OPERATIONS

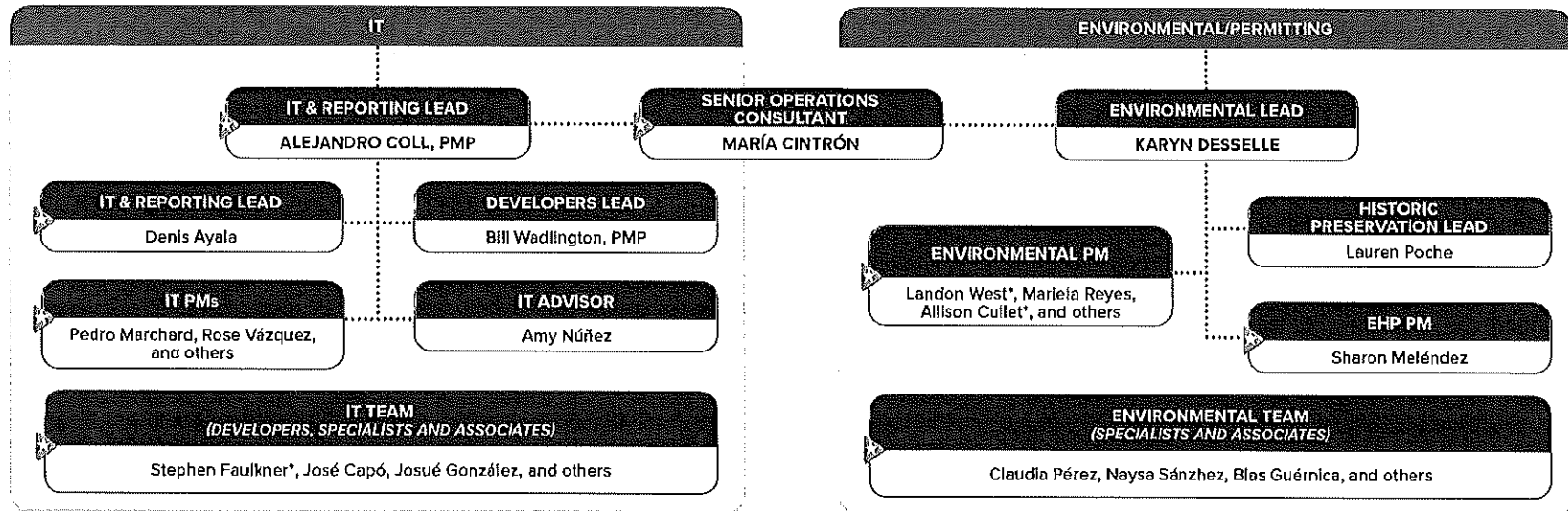


KEY STAFF



*Not on Island

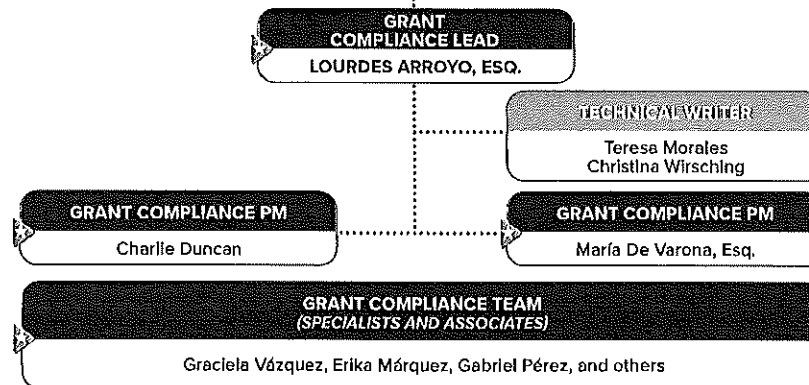
OPERATIONS



KEY
STAFF



GRANT COMPLIANCE



*Not on Island

PROGRAMS

HOUSING

HOUSING LEAD
KATIA GONZÁLEZ

HOUSING PM
(SIH)
Ramón Delgado

HOUSING LEAD
(R3, TC, HC & reSURge)
JAVIER PÉREZ

HOUSING SPECIALIST
(HBA & LIHTC)
Sabrina Suárez

SENIOR PROGRAMS CONSULTANT
Rocío Pérez

HOUSING PMs
(CONSTRUCTION OPS)
Carlos López, Arnaldo Borges,
and others

HOUSING PMs
(CONTRACT ADMINISTRATION
& PRE-AWARD OPS)
Wilfredo Jiménez, Erick Millush,
and others

HOUSING PMs
(ELIGIBILITY, CLOSEOUT,
RELOCATIONS & TC)
José Rodríguez, Ricardo Rangel,
and others

HOUSING SPECIALIST
(TETRA TECH)
Félix Pérez

HOUSING SPECIALIST
(IEM)
William Figueroa

HOUSING SPECIALIST
(ICF)
Noralma Rosado

HOUSING TEAM (SPECIALISTS AND ASSOCIATES)

Jorge González, Gustavo Díaz, Coral Montañez and others

**KEY
STAFF**



**Located On
Island**

GRANT EXECUTION
LEADERSHIP

OPERATIONS

PROGRAMS

PROGRAMS

INFRASTRUCTURE & MULTI-SECTOR

INFRA/MULTI-SECTOR LEAD

SALIM LAHAM, PE

INFRA/MULTI-SECTOR PM

Viviana González Vilamil, PMP

ADMINISTRATIVE ASSISTANT

INFRA/MULTI-SECTOR PMs (NFMP & ER1)

María Lebrón, Yollanna Hernández, and others

INFRA/MULTI-SECTOR PMs (CRP)

Sylvette Vargas, Angeles Figueroa and others

INFRA/MULTI-SECTOR TEAM (SPECIALISTS AND ASSOCIATES)

Carlos Augusto Giménez, Gabriel Acevedo, Magdalys Morales and others

ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT LEAD

ITZA GARCÍA

ADMINISTRATIVE ASSISTANT

ECONOMIC DEVELOPMENT PMs (IPG)

Eduardo Delgado, Kryzia Jiménez, and others

ECONOMIC DEVELOPMENT PMs (WFT & SBIA)

Marisol Navas and others

ECONOMIC DEVELOPMENT PMs (SBF & RE-GROW)

Edilberto Berrios, Víctor Rosa, and others

ECONOMIC DEVELOPMENT TEAM (SPECIALISTS AND ASSOCIATES)

Miguel Rivera, Jackeline Ramírez, Ángel Atanacio, and others

ENERGY

ENERGY LEAD

TAMARY ÁLVAREZ

SENIOR PROGRAMS CONSULTANT

Ángel Pérez Amador, PE

ENERGY ADVISORS

Justo González
Ruperto Berrios

ENERGY PMs (CEWR)

Nanechka Pagán and others

ENERGY PMs (ER2)

Robert García Cooper, EIT

ENERGY TEAM (SPECIALISTS AND ASSOCIATES)

Efraín Santiago, Beverly Prann, Jillian Uscomayta, and others

PLANNING

PLANNING LEAD

LAURA MARTÍ MUÑIZ

GIS SPECIALIST (GEOFRAME)

Daniel Díaz

ADMINISTRATIVE ASSISTANT

PLANNING SPECIALISTS (WCRP)

Lysamar De León

PLANNING SPECIALISTS (VPA & VPR)

Andrea O'Neill

PLANNING SPECIALISTS (MRP)

Elizabeth Castrodad

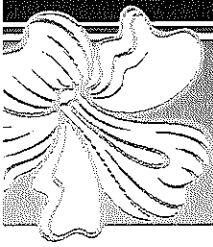
PLANNING TEAM (ASSOCIATES)

Aptemls Rodríguez, David Díaz, Elizabeth Díaz, and others

KEY STAFF



Located On
Island

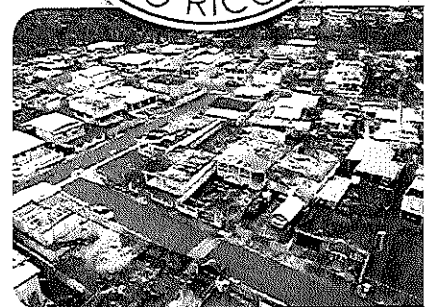


Technical Proposal



1. Approach for Developing and Implementing Scope of Work Tasks

The recovery from hurricanes Irma and María has not been a straightforward path. There have been obstacles to defeat and hurdles to surmount, but as an experienced and steadfast collaborator, HORNE has been here since the beginning to support PRDOH through the early stages, overcoming every challenge and leading together on the path to recovery. HORNE has developed a solid and trustworthy foundation over its years of service as a grant manager, serving the communities of Puerto Rico with enthusiasm and purpose and aiding PRDOH to break ground on some of the nation's most innovative and impactful disaster recovery programs.



We anchor our approach to program development and implementation on our proven experience in Puerto Rico and our unparalleled breadth of knowledge on how to implement applicable rules and regulations and commit funding quickly and compliantly for the island.

After the approval of the initial Action Plan and gaining access to the first CDBG-DR allocation of \$1.5 billion, on May 3, 2019, PRDOH secured HORNE as its grant manager for the CDBG-DR funds allocated to Puerto Rico. We provided PRDOH with the technical framework documents and financial management systems assistance needed for PRDOH to establish internal controls for effective and efficient grant implementation. Within just three months, HORNE helped plan, design, and launch the R3 Program, which received over 27,000 applications in five months, and supported PRDOH in achieving the submittal of the second APA (nonsubstantial). By the end of 2019, HORNE had collaborated with PRDOH to launch three additional housing programs, one planning program, and one infrastructure program.

Within 72 hours of the CDBG-DR grant management contract, HORNE had deployed 60+ highly trained and experienced staff members to begin executing tasks and delivering results. Since then, we have significantly augmented our staff and have the personnel needed for continuous and uninterrupted program implementation.



In February 2020, PRDOH experienced one of its greatest obstacles when it received a second grant agreement for an \$8.2 billion allocation with restricted access to only \$1.7 billion from the entire allocation. However, HORNE was there to assist PRDOH in its efforts and communications with HUD and other federal oversight entities for the removal of the imposed barriers, which were finally lifted in May 2021. With access to the complete funding budgeted in the Action Plan and the elimination of hurdles, HORNE has supported PRDOH in designing and implementing 20 programs providing grant opportunities to citizens, small businesses, and governmental and nongovernmental organizations (NGOs).

In January 2022, HORNE rallied with PRDOH for the submittal of the initial Action Plan for an unprecedented allocation of \$1.9 billion in CDBG-DR funds intended for the enhancement of Puerto Rico's electrical power system. This opportunity has allowed HORNE to collaborate with PRDOH while paving new ground with HUD in developing and implementing energy resilience programs.

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WORR

SEA

In March 2022, PRDOH once again selected HORNE as their grant manager, this time for an \$8.2 billion allocation of CDBG-MIT funds for Puerto Rico. Considering the unique opportunity given to HORNE as PRDOH's grant manager in the administration of the largest CDBG-DR and CDBG-MIT allocations ever awarded to the same grantee, we have a clear understanding of our purpose: strategically support the advancement of PRDOH and its staff to their fullest potential as leaders of disaster recovery in Puerto Rico.

One of the most significant achievements HORNE shared with PRDOH was in October 2023, when PRDOH secured an extension to the CDBG-DR grants' expenditure deadline until December 31, 2029. This extension aligns with the size and complexity of the recovery landscape and provides PRDOH with the time needed to deliver an impactful and efficient recovery effort.

To this date, PRDOH has obligated \$7.8+ billion in CDBG-DR funds and successfully disbursed \$2.8+ billion at a vigorous pace, significantly impacting the local housing, infrastructure, economic, and planning sectors on the Island.



- ✓ As we approach the later stages of program implementation, we seek to continue the momentum built through years of collaboration. Together we have learned from experience and forged a foundation for success. In this last lap of the race, we focus on **CARING** and serving Puerto Rico purposefully, empowering PRDOH staff and subrecipients with the knowledge needed for a successful program and administrative closeout. This is why HORNE is the right partner to accompany PRDOH to **finish strong**. A transformed and strengthened recovery landscape for the people of Puerto Rico awaits at the finish line.

2. Implementation of Action Plan's Programs and Projects

Most of the CDBG-DR programs are currently in the implementation phase and a portion is heading to closeout in the next 24 months. As a result, we will intentionally focus on providing PRDOH with the tools and mechanisms to facilitate oversight and monitoring of activities while complying with applicable laws and regulations. Our strategic implementation plan will provide visibility on the programs' status, identify existing and potential risks and barriers, and forge a path forward.

HORNE's strategic implementation plan will incorporate the following tools:

- ☑ **Management and Operations Project Schedule (MOPS)** to track progress and timelines of work assignments for all projects and programs, which will include strategic planning meetings to determine:
 - (1) **What** – the activities to be performed for grants' implementation;
 - (2) **Who** – the parties and resources that will perform the activities;
 - (3) **How** – the means and methods to implement activities; and
 - (4) **When** – the timeframes for the activities to be performed.

Scheduled strategic meetings will allow us to anticipate and plan for desired outcomes. These meetings will be held according to the following categories:

1. Project Oriented Programs

Under this category, we may find programs like the CRP, Gap to Low Income Housing Tax Credits (LIHTC), Social Interest Housing (SIH), Non-Federal Match Program (NFMP), Investment Portfolio for Growth (IPG), and ER2, among others. Although they are all at different implementation stages, they share the same outcome and goal: to complete the proposed projects.

2. Production Oriented Programs

Under this category, we may find programs like Small Business Financing (SBF), Re-Grow Puerto Rico Urban and Rural Agriculture (Re-Grow), Homebuyer Assistance (HBA), CEWRI, and R3. These programs are currently offering disaster recovery assistance to thousands of participants.

3. Public Service Oriented Programs

Programs such as Housing Counseling (HC), WFT, WCRP, and SBIA interact directly with community members to provide a defined benefit.

- ☑ **Project Plan** to identify and detail:
 - (1) the desired outcomes of the programs and projects;
 - (2) the tasks and responsibilities of each operational and programmatic area;
 - (3) the required resources to undertake the tasks;
 - (4) how and when performance will be monitored and measured; and
 - (5) the risks associated to the activities and how to respond to them.

- ✓ **Procurement Operation Projection Schedule (POPS)** to serve as a strategic master schedule of the development and timelines of upcoming procurement activities required to implement and administer the CDBG-DR program.

- ✓ **Customer Assurance, Resolution, and Engagement (CARE) Strategy** to prioritize our customers in every interaction with our programs, because they are more than just numbers; they are businesses, individuals, and families who deserve to be informed and **CARED** for. We will provide further details of this strategy and our strategic implementation plan under Task 1.3 Overall Project Plan and Implementation Strategies.

3. Grant Management Lessons Learned

HORNE has 17+ years of experience in disaster recovery and grant management, supporting grantees from California to the Virgin Islands, but most importantly, working here in Puerto Rico with you. Experiences in other jurisdictions have taught us that Puerto Rico challenges are unique. Implementing solution-forward practices appropriate to the geography and climate requires local knowledge, industry experience, and thinking outside the box. We understand the intricacy of CDBG principles and local regulatory framework challenges and will apply every lesson learned to complete this last leg of the race alongside PRDOH.

We present a team of professionals with vast understanding of the local conditions, infrastructure, island topography, and natural resources, and how to apply national best practices, resulting in programs aligned with local realities. We have proven our ability to provide strong oversight in managing construction vendors, controlling costs, reviewing environmental documentation, and achieving quality outcomes. We gained a comprehensive understanding of local agency rules by working with the PR Planning Board (PRPB) Joint Permit Regulations, PR Building Code, and International Code Council. HORNE has experience streamlining regulatory requirements to address programmatic needs. A clear example is our team's work with the PRPB to exempt regulatory permit requirements for the R3 Program to expedite construction activities and deliver housing units to citizens quickly.

While working with local regulatory agencies on the PR CDBG-DR Program, we have learned the value of nurturing these relationships. This spirit of cooperation has resulted in overall program quality enhancements. For example, in DOB analysis, we have assisted PRDOH with creating robust policies and procedures and developing and collaborating to execute information-sharing agreements with entities like FEMA, SBA, and, most recently, HUD. Understanding that DOB is a compliance cornerstone, we will remain vigilant in anticipating additional information or regulation updates.

HORNE has prepared a Plan of Action considering lessons learned from our experience in Puerto Rico and on the mainland. Our team blends knowledge, practical experience, local context, and lessons learned to meet requirements to allow PRDOH to ***finish strong!***

4. Financial Controls and Reporting Approach

Sound financial controls are fundamental for grantees, subrecipients, and HUD to safeguard the use of federal funds for their intended purposes. HORNE's model for adequate financial controls and responsibilities is based on having robust policies and procedures in place, including:

Internal Controls

Proper Disbursement

Timely Expenditures

Budget Management

DRGR Performance

Proper Tracking of Program Income

Avoid Potential Fraud and Mismanagement of Funds

Accordingly, HORNE has supported PRDOH in developing its financial policies, 50+ SOPs, 13 guides, seven sets of instructions designed for vendors, 40 forms, 34 templates, and four manuals.

HORNE will continue training contractors and subrecipients on invoice presentation requirements; including the proper documentation of allowable costs through activity reporting, timekeeping, and activity codes. HORNE will also support the QA/QC review of invoices for the CDBG-DR grants.

We will support PRDOH with payment and reimbursement requests, including invoice routing and recommendations, contractor and non-contractor invoice review, budget caps revisions, and payment processing. HORNE will continue reconciling budgets, obligations, expenditures, and draws between the Yardi and DRGR systems.

As PRDOH rapidly approaches the final phase of the CDBG-DR grants implementation, we will adapt our support to cover emerging needs. We will intentionally dedicate tools and strategies to further empower PRDOH's performance monitoring and oversight. Visibility through accurate data reports is crucial.

HORNE has excelled in demonstrating the ability to prepare near real-time reports on all financial metrics, considering established baselines, processes, controls, and data in place. Our financial reporting will continue to include budget, contracts, invoices, expenditures, and projections status at the cost type, sector, program, individual project, vendor, and subrecipient levels. It will keep PRDOH informed on the status of grant financials and allow tracking at whichever level of detail is needed. These reports are available on the Reporting Portal for 24/7 access by PRDOH.

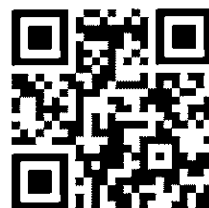
Without delay, we will report in writing any suspected event of fraudulent acts to PRDOH's Monitoring, Audit, and Legal divisions for proper investigation and action.



Edward Mejia
Yardi Advisor

Initially a four-month project, Edward led the oversight and financial data conversion from one Yardi instance to the CDBG-DR final database for PRDOH, enabling the MAP team to accomplish this feat in just two months.

As each APA is approved, the budget and expenditure projections will also be updated. These are critical, as they inform budget allocation decisions based on program performance. HORNE will continue to analyze these through monthly meetings between program areas and Finance. We will compare the status and trends of expenditures with forecasts and discuss activities' cash flow needs during these meetings to promote informed decision-making.



**One system,
one record, two
programs.**
Click or scan to view
CANOPY™ + Yardi
integration.

5. Knowledge and Understanding of Puerto Rican Government Structure and Hurricane Recovery Efforts

The almost five years we have spent as your grant managers have enhanced our understanding of the intricacies of Puerto Rican governmental entities. HORNE knows how to implement solution-based collaboration with these agencies to achieve program goals. We have already worked with local regulatory authorities and identified process improvements and efficiency opportunities. **Our team has experience engaging with:**

- ✓ PR Legislature
- ✓ Office of the Governor
- ✓ FEMA Region 2
- ✓ HUD (Puerto Rico)
- ✓ PR SHPO
- ✓ PR Energy Bureau (PREB)
- ✓ COR3
- ✓ PRPB
- ✓ PR Department of Natural and Environmental Resources
- ✓ Financial Oversight and Management Board
- ✓ PR Permit Management Office (OGPe for its Spanish acronym)

We have collaborated with PRDOH to draft various decrees for use across governmental entities, such as:

- ✓ OGPe exemption of construction permit submission for houses to be repaired under the R3 Program, flexibility of boundary requirements, and expedited permit issuance.
- ✓ Bill to establish an expedited and flexible process for Title Clearance Program participants to secure a clear title over their property subsequently approved as Act No. 118-2022.
- ✓ Executive Order allows the PR Health Department to apply exceptions in issuing Certificates of Convenience and Need for health facilities participating in the CDBG-MIT Infrastructure Mitigation Program.
- ✓ PRPB Resolution for Federal Consistency Certification with the PR Coastal Zone Management Program for the CRP.

The HORNE Team has worked diligently to create an open and collaborative relationship with governmental agencies such as PR SHPO for the benefit and success of CDBG programs. To accomplish this, our team has open and frequent communication with their staff, prioritizing regular in-person meetings so we can listen to SHPO, get their feedback on a direct level, and streamline consultations.

WORR

HORNE is also skilled in creating, proposing, and implementing strategies to expedite permitting processes for CDBG grant implementation. For example, we collaborated to obtain access to OGPe's Single Business

Portal to better track permitting status and follow-up on CDBG-funded projects. This access has proven to be essential for efficient monitoring of the local construction permitting and endorsement processes across multiple agencies. It has improved communication channels and streamlined project delivery.

Comprehensive oversight of local permits and endorsements is vital for the timely, effective, and transparent execution of infrastructure projects. We will continue partnering with PRDOH to cultivate similar relationships with other regulatory agencies.

6. Proposed Timeframe to Deliver Scope of Work Tasks

HORNE has substantially completed deliverables associated with support functions for the CDBG-DR Irma and María grant. These include the Action Plan, guidelines, and other programmatic documents; engagement, selection, and execution of SRAs; procurement, selection, and contracting with vendors; outreach and stakeholder engagement for programs; development and launch of a financial management system, a CDBG website, and a grant management system; development and implementation of processes for monitoring and controls; and training and capacity building for staff, vendors, subrecipients, other stakeholders, and the public at large. We have completed everything jointly, with PRDOH, empowering you to take on more responsibilities as we near the finish line.



See below HORNE's proposed deliverables schedule by program, showing completed tasks, current implementation status, and pending work.

Program	Deliverables	2024				2025				2026				2027				2028				2029			
		01	02	03	04	01	02	03	04	01	02	03	04	01	02	03	04	01	02	03	04	01	02	03	04
R3	01	Done																							
	02																								
	03																								
	04																								
	05																								
	06																								
	07																								
	08																								
SIH	01	Done																							
	02	Done																							
	03	Done																							
	04																								
	05																								
	06																								
	07																								
	08																								
HC	01	Done																							
	02	N/A																							
	03																								
	04																								
	05																								
	06																								
	07																								
	08																								
LIHTC	01	Done																							
	02																								
	03																								
	04																								
	05																								
	06																								
	07																								
	08																								
CEWRI	01	Done																							
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	08																								
TC	01	Done																							
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HBA	01	Done																							
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reSURge	01																								
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Deliverables Legend:

- D1: Project Verification (Definition)
- D2: Identify Projects (Outreach)
- D3: Application
- D4: Environmental Review
- D5: Planning/Design of Project
- D6: Bidding Support, Permits, Licenses
- D7: Construction Support
- D8: Closeout

WDRR
WDRR
SEA

Housing



Deliverables Legend:

- D1: Project Verification (Definition)
- D2: Identify Projects (Outreach)
- D3: Application
- D4: Environmental Review
- D5: Planning/Design of Project
- D6: Bidding Support, Permits, Licenses
- D7: Construction Support
- D8: Closeout

Multi-Sector & Infrastructure Planning



WRR

SEA

Economic Development

Energy

Program	Deliverables	2024				2025				2026				2027				2028				2029			
		01	02	03	04	01	02	03	04	01	02	03	04	01	02	03	04	01	02	03	04	01	02	03	04
SBF	D1	Done																							
	D2	Done																							
	D3																								
	D4				04 04 2024				03 01 2025																
	D5	05 01 2024																							
	D6	06 01 2024																							
	D7	N/A																							
	D8									08 01 2026															
SBIA	D1	Done																							
	D2	Done																							
	D3																								
	D4				04 04 2024								01 01 2025												
	D5	N/A																							
	D6																								
	D7																								
	D8																								
WFT	D1	Done																							
	D2	Done																							
	D3																								
	D4				04 04 2024																				
	D5	N/A																							
	D6	N/A																							
	D7	N/A																							
	D8																								
IPG	D1																								
	D2																								
	D3																								
	D4																								
	D5																								
	D6	N/A																							
	D7																								
	D8																								
Re-Grow	D1	01 01 2024																							
	D2	02 01 2024																							
	D3																								
	D4				04 03 2024				03 01 2024																
	D5				05 03 2024																				
	D6	N/A																							
	D7	N/A																							
	D8									08 04 2025															
ER1	D1	01 01 2024																							
	D2																								
	D3																								
	D4																								
	D5																								
	D6																								
	D7																								
	D8																								
ER2	D1	01 01 2024																							
	D2	02 02 2024																							
	D3																								
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- D5: Planning/Design of Project
- D6: Bidding Support, Permits, Licenses
- D7: Construction Support
- D8: Closeout

PRDOH has progressively increased its roles and responsibilities in each deliverable over the past five years of implementation and we wish to continue this pace. HORNE's Plan of Action is accompanied by a knowledge transfer plan whereby, coupled with the yearly strategic planning meetings for the MOPS, PRDOH will gradually take over tasks currently performed by the grant manager. Below is a preliminary list and schedule of knowledge and responsibility exchanges for the grants' final years. During strategic implementation meetings, we will coordinate with PRDOH to determine which tasks will be completely transferred or shared with the grant manager.

	Task Proposed for Transfer/Sharing	Programs/Areas
Q3 - 2024	DRGR Section 3 reporting.	Compliance
	Responses to public comments on action plans.	Compliance
	Coordination and follow-up meetings with housing counseling agencies (HCAs).	HC
	Quality control reviews of eligibility determinations, damage assessments, appraisals, DOBs, income, grant agreement, housing quality standards inspections, title search, and vendor activity detail reports.	R3; reSURge
	Review of quarterly/monthly performance reports from subrecipients and/or vendors.	WCRP; MRP; SIH; CEWRI; ER2
	Quality control reviews of preinstallation assessments, final inspections, and application closeout.	CEWRI
	Quality control reviews of eligibility determinations, grant agreement, and vendor activity detail reports.	CEWRI
	Review of subrecipient and/or vendor invoices by the program.	WCRP; SIH; HC; NFMP; CRP
	Quality control reviews of underwriting processes.	IPG; Re-Grow; CRP
	Quality control reviews of the review and recommendation reports for cost share requests.	NFMP
Q4 - 2024	Review of subrecipient and/or vendor invoices by Finance.	WCRP; SBIA; WFT; GeoFrame
	Document development and coordination for new, amendments to, and budget redistributions for subrecipient agreements.	SIH; HC; LIHTC; HBA; NFMP; CRP; ER1; ER2;
	Document development and coordination for new, amendments to, and budget redistributions for vendor contracts.	CEWRI; TC
	Development and submission of narratives for the grants' QPRs.	SIH; HC; CEWRI; HBA; LIHTC; TC; ER1; ER2
	QPR process management.	Compliance; Finance
	Subrecipient agreements closeout process.	NFMP
	Deliverables review.	MRP
	Subrecipient invoice preparation and quality control reviews.	NFMP
	GCP subrecipient agreement and vendor contracts configuration.	Subrecipient Management
	Modifications to procurement SOPs.	Procurement

Task Proposed for Transfer/Sharing		Programs/Areas
<div> <div>WOPR</div> <div>WOPR</div> <div>SEA</div> <div>2025-2026</div> </div>	QA/QC of procurement files for monitoring visits.	Procurement
	Cost and price analyses.	Procurement
	Development of evaluation criteria.	Procurement
	Review of subrecipient and/or vendor invoices by Finance.	CEWRI; SBF; Re-Grow; NFMP
	Updates to training content, as needed.	Training
	Quality control reviews of scope changes and progress inspections.	ER2; reSURge
	Review of quarterly/monthly performance reports from subrecipients and/or vendors.	GeoFrame
	Subrecipient and/or vendor invoice review by program.	MRP SRA-RP
	Quality control reviews of beneficiaries' intake profiles.	SBIA; WFT
	Quality control review of construction invoices and application closeout.	R3; reSURge
	Subrecipient and/or vendor invoice review by Finance.	R3; CRP; Environmental; ER2

7. Standards and Tools Used to Implement, Perform, and Execute Scope of Work Tasks

Implementing CDBG-DR programs requires a blend of professional and vocational training, practical experience, and a deep understanding of relevant regulations and standards. HORNE offers a diverse, accomplished, and qualified team with expert knowledge in various interdisciplinary areas. Through the combined efforts of skilled professionals, it is possible to continue executing programs that rebuild and enhance Puerto Rico sustainably and resiliently and benefit disaster-affected communities.

HORNE's team can discuss and implement standards and procedures, applicable laws, regulations, and guidance, including:

- ✓ Generally Accepted Accounting Principles
- ✓ 2 CFR § 200 and CDBG Standards
- ✓ Federal Register Notices
- ✓ 24 CFR Part 570
- ✓ Government Accountability Office's Standards for Internal Control
- ✓ PR Building Code and the Joint Regulation
- ✓ National Environmental Policy Act (NEPA)
- ✓ 24 CFR Part 58
- ✓ Secretary of Interior Standards
- ✓ PREB Regulations
- ✓ Institute of Electrical and Electronics Engineers Standards

HORNE has used each one of these standards while assisting PRDOH to draft SOPs, guidelines, checklists, forms, and tools used by the CDBG-DR programs and operational areas. Clear comprehension of these standards is essential to accurately apply them, not compromising compliance while providing a holistic oversight to all CDBG-DR areas.

HORNE uses these standards, as they may be amended, to implement, perform, and execute the tasks of the Scope of Work, to mention a few:

WOPR
WOPR
SEA

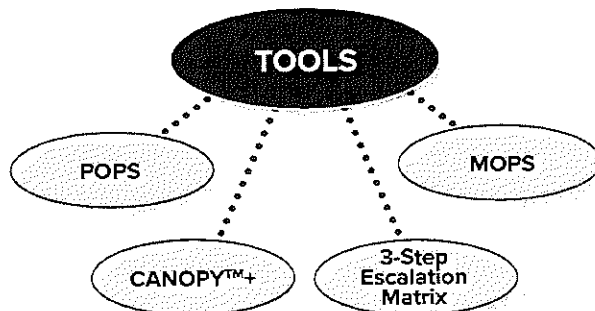
- ✓ **Institute of Electrical and Electronics Engineers and PREB regulations** assist PRDOH in evaluating ER2 applications and its energy production models.
- ✓ **NEPA** mandates environmental assessments for federally funded projects affecting the environment that are crucial for sustainable rebuilding. Our experienced professionals assess the potential environmental impacts of a project and consider alternatives and mitigation strategies.
- ✓ **PR Building Code and the Joint Regulation** govern land use, permits, and environmental aspects in Puerto Rico. Professionals implementing infrastructure projects must have theoretical knowledge and practical experience with local laws and authorities to adhere to these regulations.
- ✓ **General Accountability Office's Standards for Internal Control** provide risk assessment guidance.

HORNE is also proficient in using the tools needed to implement the tasks included in the Scope of Work, such as:

Tools	Applicability
DRGR	Tracks overall grant expenditures and performance outcomes completed.
COR3 Disaster Recovery System	Provides applications and project worksheet (PW) information to complete invoice recommendations for match payment.
FEMA Grants Portal	Obtains FEMA PA projects' official information, including scope of work, project period of performance, project FEMA funding obligation support by the FEMA 90-91 Form.
GIS	Facilitates environmental analysis using geospatial data in compliance with HUD and NEPA requirements.
Smartsheet	Enables streamlined documentation requests by federal agencies for monitoring and auditing events.
Power BI	Generates reports and hosts dashboards displayed live in the Transparency Portal.





HORNE applies standards and tools to guide PRDOH, subrecipients, and contractors in carrying out program activities appropriately and meeting regulatory requirements.

To achieve results and quality improvements to get to the finish line safely, we will implement the tools in the graphic to the right, which we will explain throughout the Plan of Action.



8. Approach to Identify, Solve, and Mitigate CDBG-DR Grant Issues

Over our grant manager tenure, HORNE has successfully executed an anticipatory transparency policy with PRDOH. We have and will address the programmatic implementation issues that affect program production by:

-  Identifying the problem through data and program-level coordination.
-  Brainstorming solutions with PRDOH point of contact.
-  Elevating potential solutions to PRDOH's leadership through weekly meetings.
-  Delivering the solutions with an implementation plan.

Considering the program implementation phases, we believe the GCP, CDBG-DR Reporting Portal, and other CANOPY™+ modules to be crucial in keeping PRDOH informed and anticipating critical items. These tools promote effective communication between responsible parties to work on strategies to solve and/or mitigate turning points. We will support PRDOH during the grants' final lap and take advantage of the starting blocks we have laid during the race's early stages.

The GCP tracks compliance requirements for subrecipients and vendors. It will be further adapted to include beneficiaries conducting projects such as those under the IPG and ER2 programs. The platform's structure is predicated on defining compliance and performance indicators according to project plans and expected deliverables specified in the terms of the agreements. Therefore, its main utility is to centralize data gathering for monitoring, historical communications, and reporting. As a result, the GCP is essential for monitoring and compliance efforts.

Combined with the GCP, HORNE proposes the implementation of a three-step escalation matrix to address issues. The matrix will show the actionable items, potential trigger events, any buffer or grace period PRDOH might deem reasonable for the trigger, and the escalation steps. The escalation steps will depend on the nature and severity of the specific issue.

ESCALATION MATRIX			
Issues	Step 1 Escalation	Step 2 Escalation	Step 3 Escalation
Contract Performance Requirements (SOW, Milestones, Budget, Exhibits, Monthly Invoices, and FHEO and FCLS reports)	Initial communication requesting information and reasons that prevented compliance. Agree upon a new due date. Send a summary of corrective actions to be performed.	Evaluate case file and noncompliance issue. Verify if previous steps were followed and if adequate communication and opportunity to correct issues were provided.	If issues remain unresolved or unable to work an acceptable recovery plan for the program, the item will be referred to Legal and PRDOH management and await a course of action.
CDBG Compliance Requirements (National Objectives, Closeout, QPRs, ENV, Procurement, Policies and Procedures)	Include technical assistance, if necessary.	Meet to update the corrective action plan.	
Legal (AFWAM, COI, Act No. 2 Anti-Corruption Code)	Notify Legal to determine a course of action.		

The matrix will accompany an SOP or guide detailing the actions that staff should take at each escalation step. This will escalate problems with consistency across multiple projects and identify issues before they have adverse effects. Onsite staff, clear communication channels, periodic status meetings, and monitoring efforts are of the utmost importance to solve problems promptly.

9. & 10. Innovative Techniques and Procedures and How We Will Incorporate Them for PRDOH

HORNE has consistently demonstrated its capacity to innovate. Below are some of our past innovations in the CDBG-DR grants and programs' operation, as well as what we have planned to propel you forward.

PAST INNOVATIONS	PLANNED INNOVATIONS
<p><u>Reporting Portal and Dashboard Content</u> <i>The collaboration between IT and the programmatic sectors yielded the CDBG Reporting Portal, the single source for most of PRDOH's reporting needs. It contains reports on operational aspects such as budgets, expenditures, procurement, and contracts and dashboards that present the programs' statuses.</i></p> <p><u>Grant Management System (GMS)</u> <i>The HORNE IT Team developed the GMS to handle the workflow and documentation for more than 100,000 applications for assistance to the CDBG grants. The GMS includes intake, eligibility, DOB, income, communications, environmental, inspection, closeout, and many other modules supporting PRDOH's implementation needs.</i></p> <p><u>Grant Compliance Portal</u> <i>The GCP is a significant component of PRDOH's GMS. It was created as a tool to manage and collect performance information from PRDOH's 250+ subrecipients in a standardized manner and later expanded to include vendors' performance monitoring. It has been used to draft, submit, and review 4,500+ performance reports.</i></p> <p><u>Yardi Integrations</u> <i>PRDOH has a separate financial management system for the grants: Yardi. HORNE's IT experts in Yardi produced integrated reports on programmatic (GMS) and financial performance (Yardi).</i></p>	<p><u>Entity Financial Status Report</u> <i>We will create a report that includes contract/agreement balances, invoice, and payment statuses, required documentation expiration dates, periods without invoices, and information on points of contact by vendor and subrecipient. The purpose is to reduce the burden of assistance to vendors and subrecipients on these topics.</i></p> <p><u>Procurement Estimating Catalog</u> <i>We will create and maintain a historical pricing catalog of information collected over the years for PRDOH to use as a tool for independent cost estimates and cost and price analyses.</i></p> <p><u>Planning as a Service to Other Sectors</u> <i>The planning sector has tools and information to aid the implementation of other programs. We plan to extend these as a service to other programs. This includes GIS support, planning and demographic projections, surveys, etc.</i></p> <p><u>NFMP Restructuring</u> <i>Every Request for Reimbursement in the program undergoes two separate but similar reviews: COR3 and PRDOH. The reviews highly overlap, with CDBG being the one that adds review items. This means two resources are performing the same work. It also adds time to the match disbursement process since PRDOH's review is only performed after COR3's. Therefore, we propose for the COR3 to include the CDBG match funding review items as part of its review to consolidate responsibilities. This will cut disbursement timeframes and the program's administration costs. It will also avoid the confusion created by multiple points of contact for the same costs.</i></p>

PAST INNOVATIONS

Core Curriculums and Learning Management System (LMS)

WORRHUD's second grant agreement imposed capacity-building conditions on PRDOH. HORNE designed the core curriculums and operationalized PRDOH's initiation of copacity-building trainings through our LMS. After that, we guided PRDOH through the procurement, setup, and operationalization of its own LMS. Currently, all PRDOH's capacity-building initiatives surpass those of any other grantee on the mainland.

Procurement of Housing Development

Together, we successfully procured the development of over 1,000 single-family housing units across the Island. This was an innovative response to the housing market's lack of inventory, which affects PRDOH's relocation and homebuyer assistance venues.

Digital SHPO Consultations

Thousands of consultations have been completed with the SHPO for CDBG programs, and thousands more will need to be done. Through our team's excellent relationship with SHPO, we achieved their acceptance of consultations in a fully digital format, greatly reducing the administrative burden on programs.

Digital Signature for Grant Agreements

Thousands of grant agreements have been executed for programs' implementation. To streamline the process and reduce administrative burden, we have implemented a digital signature process for the grant agreements of high-production programs.

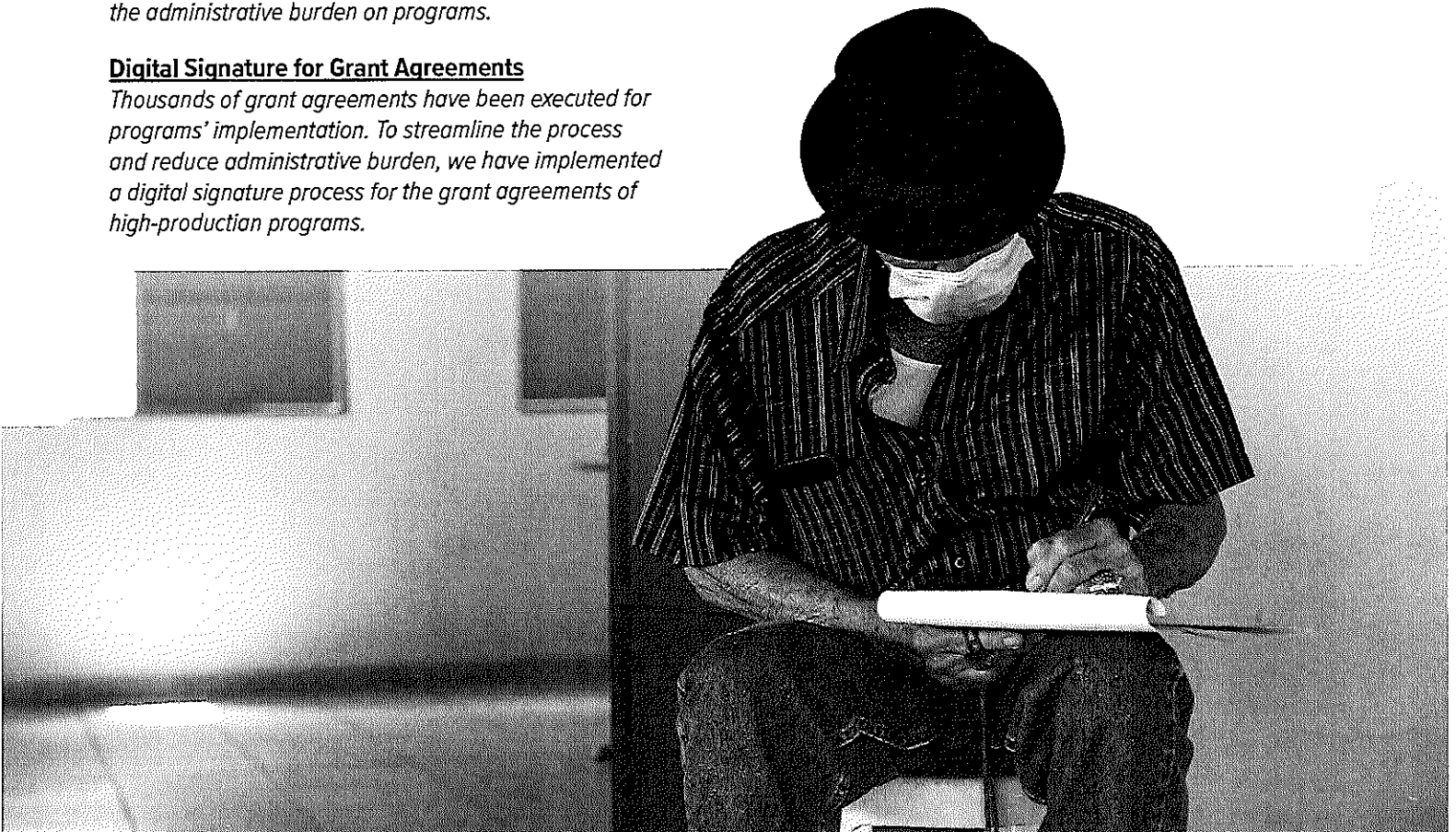
PLANNED INNOVATIONS

Interagency Coordination for Permits and Endorsements

There will be a myriad of construction activities across the Island in the coming years, thanks to the CDBG funds. The speed with which we can start this activity highly depends on regulatory/concerned government agencies. These agencies, at the local and federal levels, are important stakeholders. They determine which projects move into construction and operations by issuing permits and endorsements. We will establish recurrent coordination meetings with these agencies, including the PRPB, DNER, PRASA, DTOP, PREB, LUMA, and OGPe (local agencies) and SHPO, FEMA, and Army Corps of Engineers (federal agencies). The meetings will expedite project authorization by sharing information and diligently clarifying doubts from agencies. We are currently doing this with ICP and SHPO for CRP.

Creation of Land Bank for Property Disposition

PRDOH is acquiring various properties across the Island to support its relocation efforts. We propose creating a land bank for PRDOH to administer and dispose of these properties, while overseeing their allowed use.



11. Work Approach Sample Reports and Documents

As a trusted partner with an extensive history of collaboration, we are thrilled to provide you with sample reports/documents. These have been pivotal in shaping the current landscape of your CDBG-DR grants' operation but also serve as the roadmap guiding us to the finish line.

Among the many reports at our disposal, we have chosen samples to showcase their significance in our efforts and how they have evolved.

For HORNE, reports are more than just numbers and visualizations – they are necessary. From real-time financial insights to streamlined compliance tracking, and from knowledge-sharing tools to progress-tracking dashboards, these reports are your tools for informed decision-making and your roadmap to success.

As you stride to achieve your grants' objectives, our reports will remain your trusted companions. Hence, you reach the finish line while maintaining the highest transparency, efficiency, and accountability standards. With these reports at your disposal, you are not just managing grants but continuing to push the needle on setting the gold standard for grantees nationwide.

Please refer to Appendix A for screenshots and details:

- ✓ Sample Report 1: Talking Points and Critical Data for Secretary's Communication
- ✓ Sample Report 2: Budget and Allocation Reports
- ✓ Sample Report 3: New Budget Segregation
- ✓ Sample Report 4: Capacity Building Compliance
- ✓ Sample Report 5: Program Report – Storyboard View
- ✓ Sample Report 6: Subrecipient Management
- ✓ Sample Report 7: CEWRI App. Evaluation and Process Aging
- ✓ Sample Report 8: Environmental Performance Report

12. Engagement and Descriptions of Local Parties

Of the 200+ highly talented professionals HORNE employs, 90% are locally sourced. Our purpose-driven organization is committed to engaging local enterprises to provide an exceptional grant management experience. To better serve PRDOH, we are partnering with boutique local businesses that provide specialized services. Our team's local understanding of Puerto Rican regulations and unique policy frameworks, combined with our nationally known expertise in federal funds management, offers immediate advantages and value to PRDOH.

Our proposed team is invested in Puerto Rico and passionate about improving life on the island. Below is a summary of each of our local partners:



Strong Engineering Solutions has 30+ years of experience and delivers solutions using engineering principles and industry best practices in energy and industrial processes. They offer solid skills in strategic planning, knowledge of renewable energy sources, alternative fuels, and operation and maintenance of power plants – key factors for a successful implementation of energy programs.



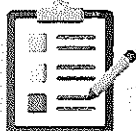
Enroque has 20+ years of extensive experience in disaster recovery and federally funded residential, and public housing programs, including R3 and SFM. They are uniquely qualified to provide specialized grant and program management services and have successfully managed highly complex federal programs in Texas, New York, and Puerto Rico.

MIP Consulting is a local boutique firm with 25+ years of experience working in the affordable property management business and providing Yardi consulting services. MIP's support to the Puerto Rican government includes Yardi's implementation for the PR Public Housing Authority and PRDOH's disaster recovery grants.



C2S provides IT consulting and business process services to private and governmental entities. C2S helps clients reshape businesses with their technological needs to promote continuous evolution and success.

13. Proposed Plan of Action



Task 1 Disaster Recovery Management



Task 1.1 Establish, Draft, and/or Update Disaster Recovery Guidelines

During our tenure as CDBG-DR grant manager, we have assisted PRDOH in laying the groundwork for the development, creation, review, update, and approval of multiple documents (including program guidelines, policies, SOPs, workflows, notifications, forms, and checklists, among others) for the implementation of CDBG-DR and CDBG-MIT programs, complying with federal and state regulations. This partnership included working on first drafts, managing compliance review and approval in the document management system, coordinating their publication on the CDBG grants website, as applicable, disseminating them among all involved parties, and collaborating with programmatic areas and other operational sectors for their correct implementation.

Considering the large volume of documents and their changing nature, we assisted PRDOH in instituting process management by designing and launching a document management system. This collaborative platform allows for automated processes in reviewing, approving, and storing all documents in a central repository within the system. The introduction of this tool effectively automated the multi-review document development process for more than 3,000 documents, reducing staff time spent on tracking and eliminating versioning errors.

As we stride forward, we will continue these efforts and build upon the existing groundwork to help PRDOH finish strong. Due to the advanced state of the grant, the accelerated pace of implementation and disbursement of funds, and the need to provide additional compliance

- ✔ 32 program guidelines were approved for program implementation.
- ✔ 30 policies and guides of general applicability have been developed, approved, and posted on the grants website.
- ✔ Overall, approximately 3,000 documents have been implemented.



support to programs and subrecipients, our team will support PRDOH to institute a QA/QC review of program policies and processes. Our primary focus will be the implementation of a comprehensive compliance QA/QC workspace within the existing document management system and developing SOPs and checklists for program implementation compliance review. These checks and processes will allow **(1)** all programs to meet the highest standards, including compliance with national objectives, eligible activities, and DOB, among other general requirements, and **(2)** the correct utilization of federal funds, thus minimizing the risk of recapture while preparing PRDOH for grant closeout.

Our team recognizes the importance of programmatic design as the foundation for a successful grant. Therefore, PRDOH and the HORNE Team will work together to develop new CDBG-DR programs for future disaster events or updates to existing programs. Our expert teams will guide design efforts, implementation, and fundamental knowledge transfer to address the specific needs of the affected areas. Throughout the contract period, HORNE will assist PRDOH in the development and updating of the policies and procedures in the existing implementation plan for the administration of the CDBG-DR Program. It will include upcoming allocations and address PRDOH, its contractors, and subrecipients' evolving roles and responsibilities in the grant process.

OUTLINE OF CURRENT AND NEW PROGRAM GUIDELINES WILL INCLUDE:

- ✓ Program overview
- ✓ Objectives
- ✓ Eligibility criteria
- ✓ Eligible and ineligible activities
- ✓ Use of funds
- ✓ Dissemination activities
- ✓ Application and selection processes
- ✓ Enhanced monitoring and oversight criteria
- ✓ Environmental review requirements
- ✓ DOB
- ✓ Reconsideration and administrative review processes
- ✓ Other General Requirements

HORNE will also support and assist PRDOH's implementation of best practices to manage subrecipients and program staff performance for all CDBG-DR-related activities. We will include federal and local policy experts, trusted disaster recovery grant implementers, and a pool of knowledgeable long-term disaster recovery and mitigation experts to enable effective adaptation of federal requirements to the local practice.

Task 1.2 Disaster Recovery Action Plans

HORNE's team has been instrumental in the action plan process. We've supported and assisted PRDOH in drafting and preparing original plans and amendment packages, designing new programs, periodically reviewing Federal Register Notices and new federal regulations, and coordinating programmatic implementation in compliance with federal and local requirements.

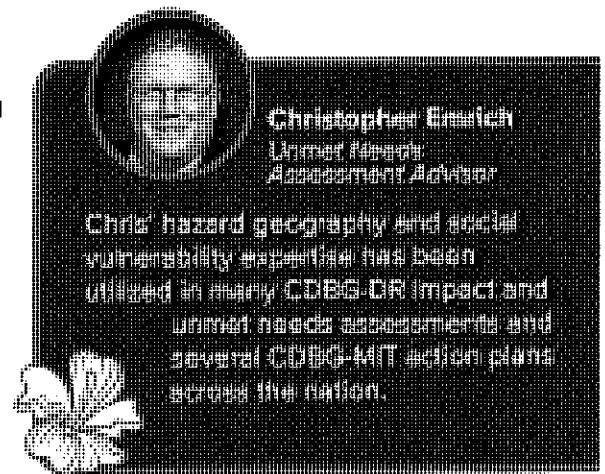
HORNE's Legacy

- ✎ Assisted in developing the CDBG-DR, CDBG-MIT, and CDBG-DR Electrical Power System Improvements initial action plans and implementation plans.
- ✎ Led 19 instances of APAs, including drafting and reviewing public comments responses, leading decision point discussions related to public comments, and coordinating outreach plans with PRDOH Communications.

We have consistently and proactively added value through the implementation of standards, tools, innovative techniques, and procedures to execute the action plans and amendments, such as:

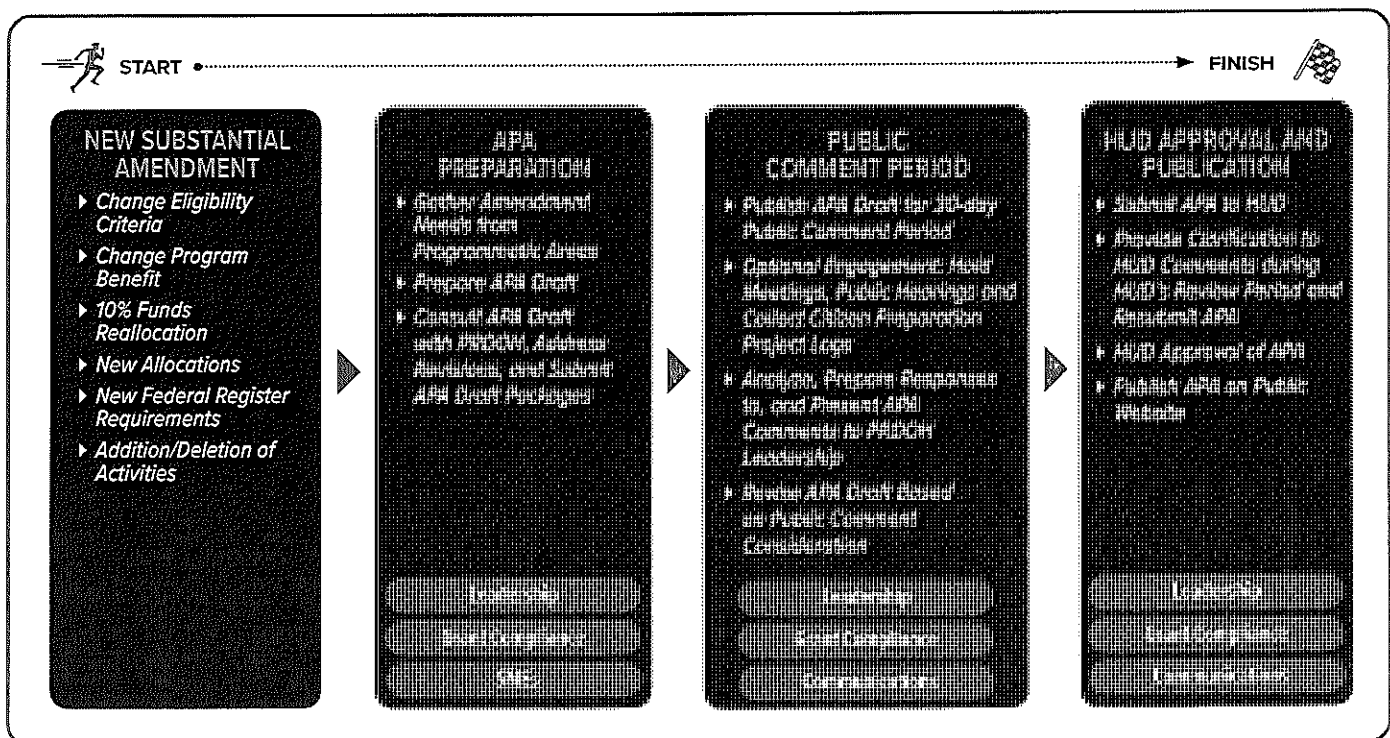
- ✓ **PUERTO RICO FORWARD:** A real-time data visualization tool that displays, categorizes, and analyzes public comment trends, pressing topics, stakeholder types, and the most discussed programs.
- ✓ **PUBLIC ENGAGEMENT Q&A DATABASE:** An online database to organize all comments and inquiries received and their validated response in Spanish and English, categorized by topic. The database enables quick, on-the-spot responses.
- ✓ **STREAMLINED APAs:** Development and implementation of a reduced version of APAs focused only on the proposed changes rather than the complete Action Plan document. This streamlined amendment process has a simple format that eases and speeds up internal and external stakeholders' review, resulting in a more efficient amendment process.

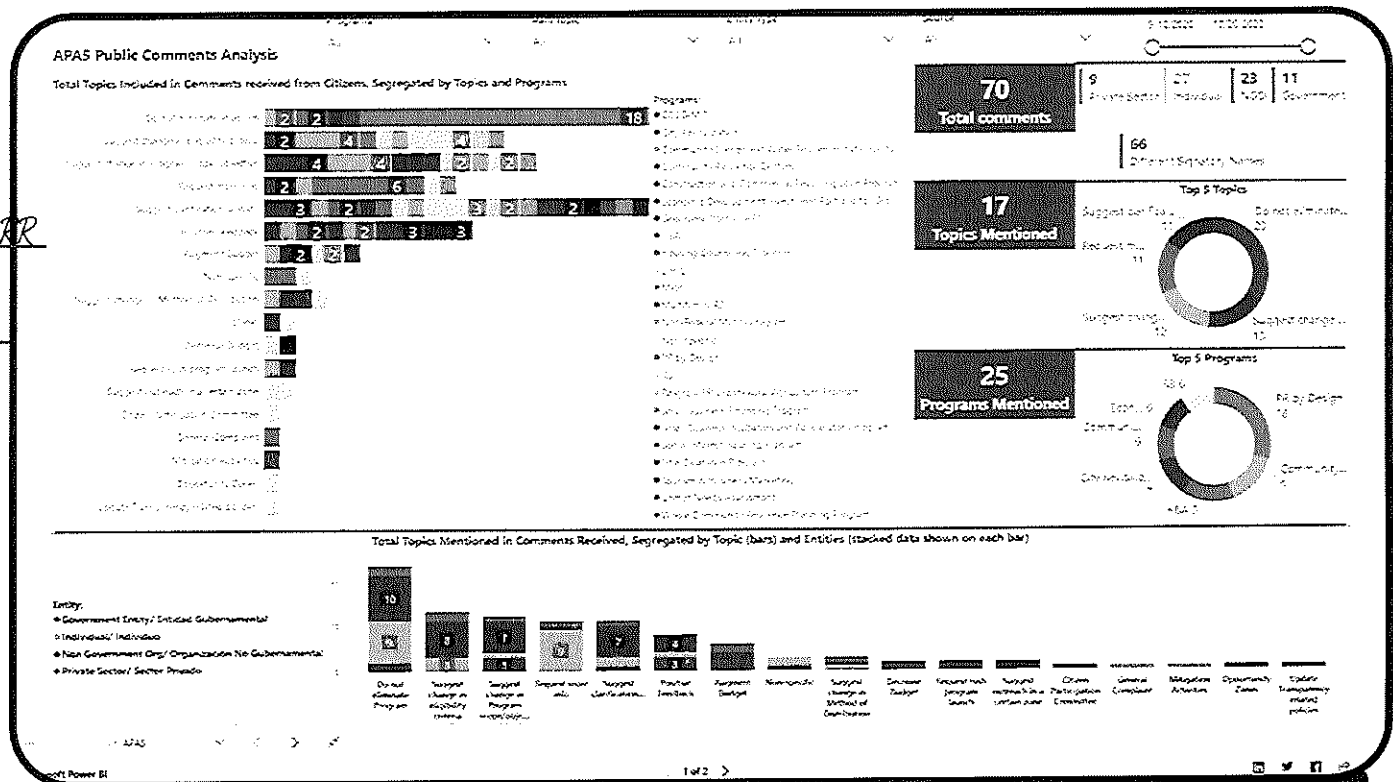
HORNE has proven experience as PRDOH's grant manager in obtaining HUD's approval of the Financial Management and Grant Compliance Certification. We have worked alongside you to achieve the required certifications for grants, action plans, and amendments as needed. We will work with PRDOH to meet these crucial requirements and exceed HUD's expectations.



APA REQUESTS

HORNE has developed tools to effectively organize, manage, and track APA requests submitted by program staff, based on lessons learned, with an interactive process to capture and facilitate APA requests through online forms and workflows. The graphic below presents instances that trigger APAs and the steps needed to achieve approval.





Stakeholder engagement analysis tools and reporting for managing comments.

PARTICIPATION

Action plans are live documents that evolve according to the unmet needs of the Island as a direct result of the disasters. Therefore, ongoing stakeholder and citizen participation is key for a solid action plan that meets local needs. HORNE's custom tools and experienced personnel oversee and conduct public hearings, workshops, open forums, and high-impact stakeholder work sessions.

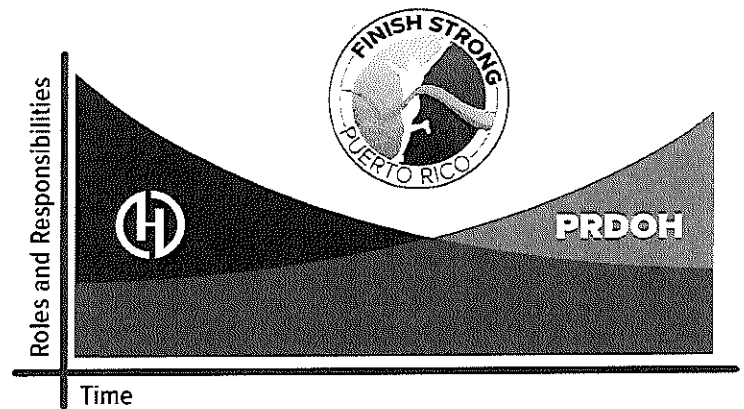
HORNE is skilled in working alongside governmental representatives, residents, community leaders, and contractors in public participation processes. Our goal is to conduct public outreach and stakeholder engagement and to captivate an audience through effective communication, as demonstrated by implementing the first televised public hearings in Puerto Rico for the CDBG-MIT and Energy action plans.

HORNE will support PRDOH with the coordination of public hearings, project logs, and responses to public comments; data collection, APA draft packages, and submission to HUD; the evaluation of needs and provision of subject matter experts for APA compliance; communications to HUD and stakeholders; and delivery of reports, research, and analysis.

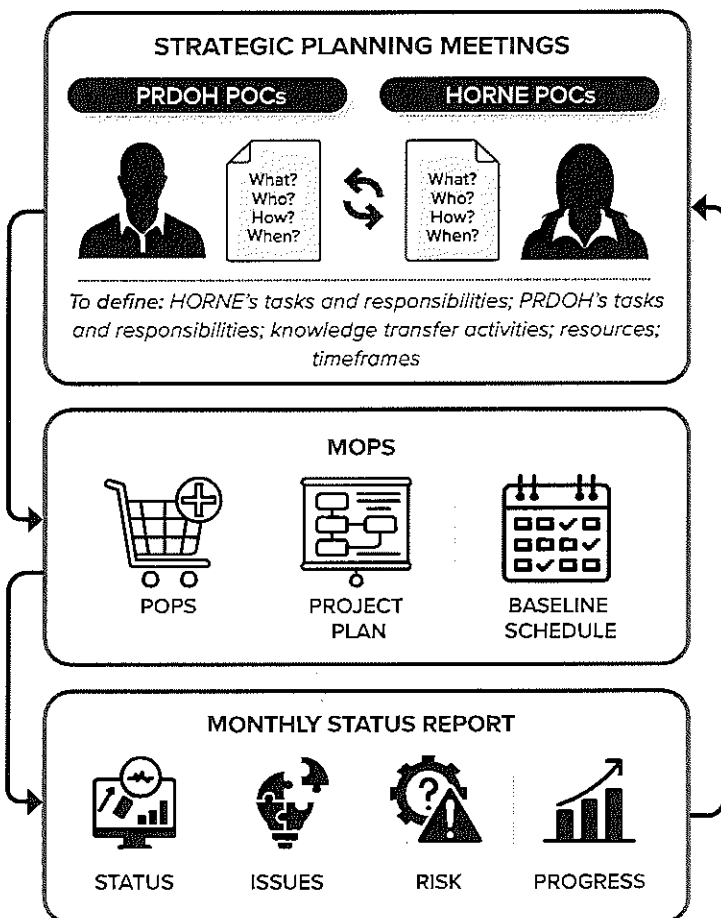
Task 1.3 Overall Project Plan and Implementation Strategies

We have supported PRDOH's design and implementation of the CDBG-DR programs. We have developed comprehensive operational documents from scratch; selected, trained, and managed partners, subrecipients, and vendors; built tools, schedules, and systems to track activities; and launched all approved programs under the action plans. HORNE has accomplished this alongside PRDOH while being flexible and adapting to Puerto Rico's ever-evolving recovery needs.

PRDOH substantially expanded its staff over the last five years, building capacity and taking more direct roles in implementation. We want PRDOH to sustain its momentum as we enter the final stages of the grants. Therefore, we propose the joint development and tracking of a yearly strategic implementation plan that will integrate four intrinsically related management tools: MOPS, Project Plan, POPs, and CARE.



MOPS development will begin with strategic planning meetings between operational and programmatic peers of both PRDOH and HORNE. The meetings will determine **(1) What** are the activities to be performed for grants' implementation, **(2) Who** are the parties and resources that will perform the activities, **(3) How** to implement those activities, and **(4) When** they will be executed. In addition to program activities, the meetings will facilitate knowledge transfer between parties, allowing PRDOH to continue building capacity to manage the grants. As grant managers, we will offer guidance and specialized advice as needed.



The results of the meetings will define PRDOH's Project Plan with (1) the programs and projects' desired outcomes; (2) each operational and programmatic area tasks and responsibilities; (3) the required resources to undertake the tasks; (4) how and when we will monitor and measure performance; and (5) the risks associated with the activities and how to respond to them. The Project Plan will feed two support plans: (a) the POPS to define procurement methods to obtain the goods and services needed; and (b) the baseline schedule with the planned start and end dates, and tasks' durations for monitoring.

We will monitor and update the MOPS and provide monthly status reports. These will include (1) each task's status and performance metrics (outcomes, budget, expenditures, etc.); (2) issues affecting progress, recommendations, and corrective actions; (3) updates on risk management and mitigation strategies; and (4) updates on the schedule and how it compares to established baselines (delayed, on track, ahead).

We will make more frequent status reporting available to PRDOH through three standard presentations:

General Grants Status Report	Program Status Report	Talking Points Report
------------------------------	-----------------------	-----------------------

WORK
WORR
SEA
Showing each program's overall progress and high-level view of operational status.

Showing a detailed progress of each program and project's performance metrics.

Summary of the past two weeks' accomplishments, and a quick look ahead at the next steps.

CARE Strategy

HORNE's CARE Unit conducted a thorough customer service evaluation to improve participants' experience and satisfaction. Our objective was to assess our program's current strengths and weaknesses, identify gaps or opportunities for improvement, and benchmark our performance against industry best practices. The team's contributions were particularly valuable in this process, as they provided firsthand insights into the challenges and situations they encountered while addressing participants' complaints and issues.



Meet the CARE Unit. Our dedicated team members embody what it means to serve with purpose and empathy.



María Del Rosario Collado



José Crespo



Diana Hernández



Ana Rivera

Based on this evaluation, we designed the CARE strategy to deliver the highest quality of service. We anchored the CARE philosophy on serving participants with kindness and empathy while guiding them through each program's requirements and execution. CARE aims to provide participants with timely, accurate, and respectful communication and service.

To meet the expected level of quality and accountability, HORNE has developed a range of tools, including scorecards, scripts, and templates to standardize and streamline the service and communication processes. We have and will deliver customer service training to PRDOH vendors' staff members who interact with participants to set clear quality standards and equip them with the necessary skills to handle various scenarios.

A key CARE strategy component is the tracking and monitoring of call center services offered to program participants. This process involves the following:

- ✓ Quantifying all incoming and outgoing calls, including the number of abandoned and answered calls.
- ✓ Assessing the quality of the calls through the analysis of recordings using a standardized scorecard that evaluates the call center agent's performance based on criteria such as professionalism, orientation, resolution, and documentation.

- ✓ Providing continuous feedback to call center managers, highlighting their strengths and areas of opportunity, and offering actionable recommendations to improve their performance.
- ✓ Holding monthly meetings with the program's point of contact and stakeholders to share feedback and implement corrective actions if needed.

- ✓ Evaluating next steps to address underperformance or noncompliance.
- ✓ Conducting quarterly satisfaction surveys.



Our goal is to extend the CARE strategy to all production, projects, and public service programs for your highest quality of service. We will tailor each program's customer service initiatives to address participants' needs and expectations. For example, we will conduct telephone campaigns to update participants on issues affecting their case's progress. We will establish a log to document customer service contact for programs that do not require a call center. Regular reviews and audits will ensure continuous improvement of processes and procedures. We aim to shift to a more proactive approach by identifying potential risks and assessing the impact of activities on the concerns and complaints raised by participants. We will report this information monthly or as required to a dedicated PRDOH CARE unit, which will in turn build up its capacity to take over this initiative across all programs by year four of the grant management contract.

The CARE strategy is not merely a set of guidelines and procedures but a commitment to prioritize participants in every interaction with our programs. We believe participants are more than just numbers; they are businesses, individuals, and families, who deserve to be informed and *CARED* for. That is why we have purposefully included CARE elements throughout our Plan of Action.

Website and External Relations

Since 2019, HORNE has been assisting PRDOH in defining content for a comprehensive website and collaborating to keep it updated and accessible for participants, vendors, subrecipients, and federal and local regulatory agencies. Our support in overseeing public relations and CDBG website vendors, content preparation for external communications, and program advertising materials will enable PRDOH to inform the public accurately.

Communication Plan

Keeping everyone updated with the correct information can become a hurdle when multiple team members and stakeholders are involved in a specific task. Effective and timely communication with all relevant parties is critical to reaching program objectives. With this in mind, we propose to enhance our MOPS and Project Plan with a communication prioritization plan to minimize duplicating efforts by encouraging collaboration.

HORNE has supported PRDOH in producing:

- ✓ 250+ presentations
- ✓ 660+ talking points for use in special conferences, official presentations, Senate sessions, roundtables, intake events, public relations initiatives, and other appearances.
- ✓ 2,000+ artworks and multiple designs, such as logos, posts, eblasts, web banners, landing pages, banners, pop-ups, and one-pager documents, among others.



Below is an example of the plan:

	Category of Items to be Addressed	Stakeholders Group	Time Elapsed to Issue Communication	Method of Communication
WORR	Potential media crisis	PRDOH leadership	Immediate	Phone and email
SEA	Updates and changes to program guidelines	General public	Immediate	CDBG channel, email, and website
Priority Level	Public policy critical item and decision-making	PRDOH leadership	Less than two hours from trigger event	CDBG channel and email
	Administrative decisions with programmatic impact	PRDOH leadership and POCs	Less than eight hours or by the end of the day	Email
	Change in policy and procedures for program implementation	Subrecipient and program's staff	Less than a week after the policy change	One-pager by email
	CDBG potential and upcoming events and relevant news	General public	Less than 24 hours from the event	Social media
	General CDBG grant updates: recognitions, announcements, milestones, other	General public	Monthly	One-pager by email and CDBG channel

Task 1.4 Procurement

Our close relationship with PRDOH enables us to anticipate needs, identify opportunities, and find innovative ways to procure the goods and services required efficiently and compliantly. As a result, we have developed an annual strategic procurement plan to maximize efficiency and identify cost control measures, allowing the Procurement Division to move quickly to meet program needs. We will continue this strategic approach to procurement management while equipping procurement staff with the skills to achieve their objectives.

Recognizing that the CDBG-DR Program is entering a mature stage, we will focus on executing procurement processes opportunistically and developing subrecipient capacity to conduct them compliantly.

Subrecipient Assistance

Programs with a subrecipient distribution model are at risk of falling behind due to obstacles related to the complexity of disaster recovery procurement processes and personnel and vendor participation. In the Scope of Work, PRDOH acknowledges that subrecipients need further assistance by requiring the grant manager to provide procurement courtesy reviews. However, we believe subrecipients need a more hands-on approach at the starting point and not as we are nearing the finish line.

PRDOH can help take local entities to the finish line by engaging in targeted one-on-one interactions and conducting procurement processes on their behalf. HORNE can provide direct support and advice to subrecipients throughout all stages of the procurement process, including the pre-solicitation steps.

Procurement Operation Projection Schedule

Planning and timeliness are key for the completion of an effective procurement process. For measurable continuation of procurements under the CDBG-DR Program, HORNE will develop the POPS, aligned with PRDOH's goals and objectives. The POPS will serve as a master schedule of the development and timelines of procurement activities required to implement and administer the programs. Considering procurement needs and expected timelines for completion, the POPS will be updated whenever new programs, projects, or unforeseen situations warrant a revision. We will use this tool to develop a comprehensive procurement management strategic approach that anticipates risks or delays and adjusts accordingly to mitigate outcomes that may interfere with the timely execution of procurement processes.

During this new phase in our service delivery, we will collaborate with PRDOH to reach the finish line as follows:

- ✓ Project Plan creation to assist subrecipients in developing procurement processes and serve them directly by Q1 of the grant manager contract.
- ✓ Capacity building plan development for PRDOH staff, which will be reviewed quarterly, to assist and guide in preparing for monitoring events and update/create SOPs, policies, templates, and forms, among others.

As procurement partner, HORNE has:

- ✓ Collaborated in creating and revising the first CDBG-DR Procurement Manual in Puerto Rico.
- ✓ Assisted in developing 200+ procurement processes, drafting scopes of work, preparing independent cost estimates and cost and price analyses, outlining sourcing strategies, and providing expert advice and outreach plans.
- ✓ Collaborated in contract execution process resulting from procurement, totaling over \$2.2 billion.
- ✓ Supported the development and amendment of 30+ SOPs.
- ✓ Provided technical advisors with the necessary experience in multiple engineering and other professional fields to advise on specialized subject matters.

We are committed to supporting the tasks mentioned above throughout this final lap.



HORNE has assisted the Procurement Division during all their HUD and OIG monitoring visits and audits; the last three resulted in no procurement-related findings. During the August 2023 HUD monitoring visit, the Procurement Division received praise for its excellent procurement files and the steps taken to reduce the administrative burden in the RFPs. HORNE played a crucial role during this last monitoring visit, having proudly assembled the QA/QC structure that enabled a successful file review.

Task 1.5 Financial Management/Project Controls

HORNE has supported PRDOH in implementing critical financial management milestones such as maintaining proper segregation of duties and developing reports, a robust financial management system, and SOPs to have internal controls in place to comply with CDBG-DR, HUD, and local requirements.

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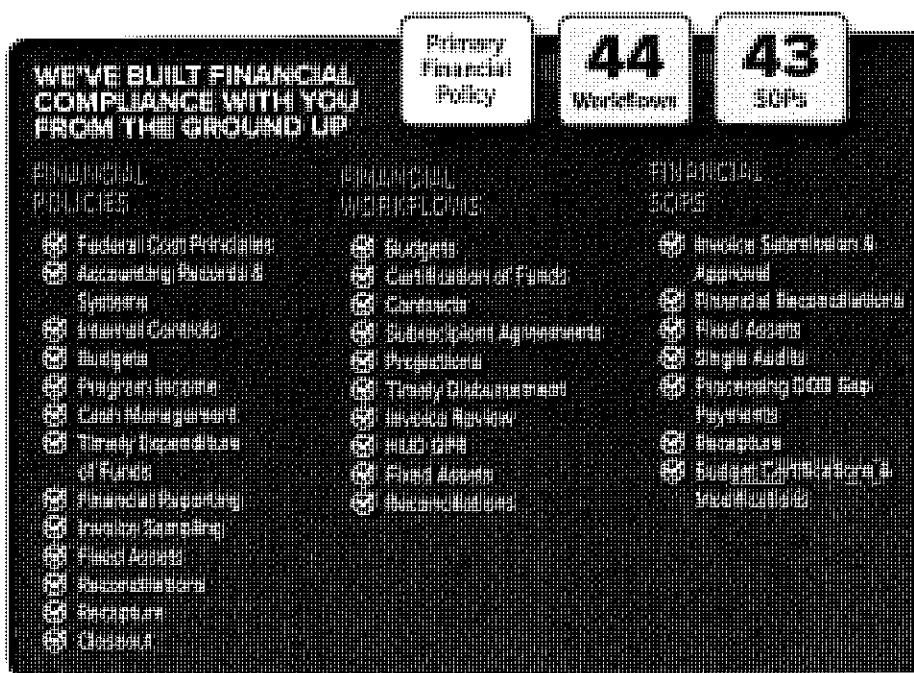
The HORNE Team has been engaged since day one with PRDOH Finance providing integral support in:

- ✓ Creating a digital system for invoice processing.
- ✓ Building its accounting structure, including a chart of accounts and account categories.
- ✓ Creating standardized templates for invoice submissions.
- ✓ Monitoring project budget, expenditures, and schedules.
- ✓ Developing workflows within the financial management system.
- ✓ Providing specialized and expert guidance on the Yardi system.

HORNE has assisted in performing QA/QC on 24,000+ invoices since May 2019, achieving \$2.8+ billion in CDBG-DR disbursements, with no significant HUD findings and obtaining an on-pace status on the CDBG-DR Grant Expenditure Report. Notably, over 85% of invoices recommended by our QA/QC team passed through all approval stages without additional information or comments, and the rest prompted minor adjustments to be coordinated with vendors or subrecipients, as requested by Finance.

We have also supported PRDOH in the creation of DRGR activities with specific financial and compliance information, the submission of 16 QPRs, and the execution of the Project Implementation Advance Funds process, resulting in 60+ entities benefiting from \$257 million in CDBG-DR funds.

HORNE will continue to support and guide PRDOH in financial duties and creating, improving, and maintaining financial policies, processes, and workflows. We acknowledge that PRDOH, in collaboration with HORNE, has established a robust financial management structure and received recognition from regulatory agencies for their ongoing work and program implementation. As grant manager, HORNE will continue to guide PRDOH in financial and compliance matters, such as DRGR, financial management system reporting, HUD monitoring, cost control measures, program income, DOB, and others.



We expect our guidance to be less frequently called on or targeted to highly specialized issues as the PRDOH team grows.

Our strategy to achieve this is to provide more one-to-one technical assistance sessions, offer monthly reports to vendors with the status of program contract information and invoices, and attach one-pager instructions for proper supporting documentation. We will also deliver monthly reports to PRDOH detailing all program-relevant information, such as budgets, expenditures, cash flow analysis, forecasts, lessons learned, and any other relevant information defined by PRDOH.

HORNE will support PRDOH on all programs, projects, and DRGR activity closeouts and coordinate the completion of the QPR preparation process transfer to PRDOH. We will support PRDOH on the QA/QC of outcome reports, as needed. We will complete knowledge transfer of all invoice quality revisions by year three of the grant manager contract. HORNE will focus on supporting financial compliance matters, such as budget structures and program income.

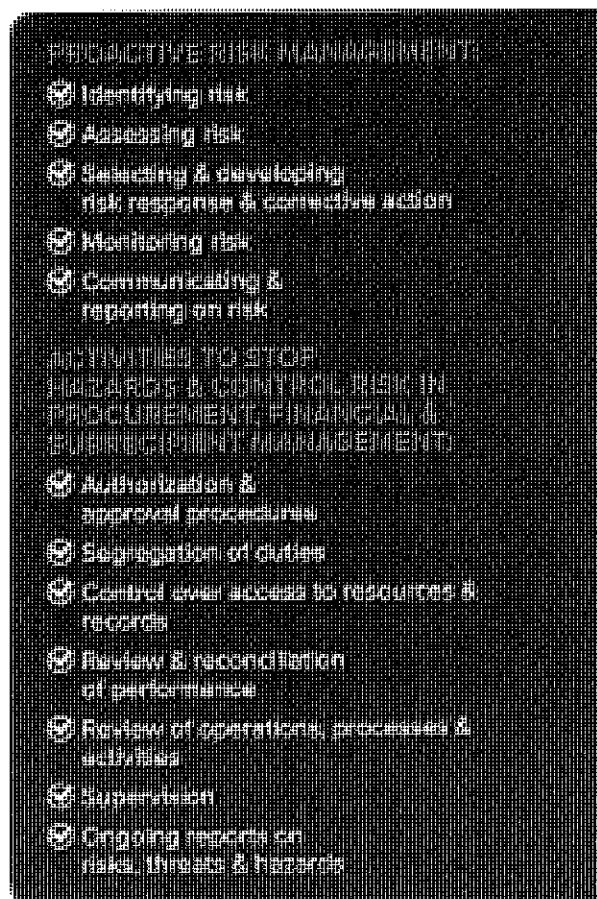
Task 1.6 Risk Management Assessments

HORNE will assist PRDOH in having effective communication flow horizontally and vertically within the organization and throughout all components and stakeholders by:

- ✓ Ensuring that current key information is readily available for decision-making.
- ✓ Providing reasonable assurance about the accuracy of information.
- ✓ Prioritizing most material risks by implementing a risk analysis matrix that will inform the higher and lower risks to determine benefits, costs, and budgets eventually.

HORNE has provided risk assessment services to multiple state grantees for CDBG-DR funds and identified best practices to support PRDOH in its risk assessment reports. We will report possible risks or threats to programs and operational areas' success to PRDOH leadership and advise on potential solutions and associated costs.

HORNE has already provided a matrix template and guidance to PRDOH on a specific risk assessment model that has worked for Florida and other states. This model identifies high, medium, and low risk in the following areas: capacity, funding, complexity, implementation model, experience, compliance history, and program timeline. We can advise PRDOH in implementing a streamlined risk assessment process.



OVERALL RISK ASSESSMENT RESULTS

	Rating Scale Low to High	Program 1	Program 2	Program 3	Program 4	Program 5	Program 6
WQRR City	1 - 10	5	2	5	5	6	3
WQRR Funding	1 - 7	7	7	3	2	5	7
SEA Complexity	1 - 10	7	4	6	5	6	6
SEA Implementation Method	1 - 8	6	7	8	8	7	7
Relevant Experience	1 - 10	5	4	6	6	5	4
Compliance History	1 - 8	7	5	6	5	7	6
Program Timeline	1 - 5	4	3	4	4	4	3
June 2023 Updated Risk Rating		41	32	41	38	40	36
June 2022 Risk Rating		42	38	46	41	38	43
December 2021 Risk Rating		42	38	44	45	43	N/A

Low Risk: 24 or Fewer Points; **Medium Risk:** 25 - 40 Points; **High Risk:** 41-58 Points



HORNE will also assist PRDOH in conducting subrecipient capacity assessments, enabling PRDOH to determine if SRAs must include special grant conditions to safeguard the compliant use of funds. Once SRAs are signed, HORNE will assist with overseeing sub-award terms, conditions, and performance goals. We will also provide PRDOH with the necessary reports, analysis, research, and advice on best practices and federal requirements for successful risk management.

Task 1.7 Monitoring and Compliance

Compliance is the starting block of any successful CDBG-funded program. HORNE has extensive experience assisting grantees overseeing compliance in Florida, South Carolina, North Carolina, California, Colorado, Texas, and other states and territories. Our staff members are committed to maintaining high work standards in all operations for improvement and proactive grant compliance. We will continue to assist PRDOH with complete transparency while monitoring and overseeing contractors' and subrecipients' compliance with federal, state, and local regulatory requirements, as specified in the applicable Federal Register Notices, grant agreements, action plans, and other applicable rules and regulations. The HORNE Team will also support PRDOH in building the capacity to complete all grant closeout procedures successfully.

As the grant manager, we will continue to support proactive compliance of PRDOH's grant activities, vendors, and subrecipients through policies, contracts, procedures, and systems while tracking performance, project progress, schedules, and key milestones. We will conduct quality control inspections and assessments, as well as regular compliance audits, so project deliverables meet the required quality standards and specifications and adhere to CDBG-DR Program regulations and requirements.

We will also conduct these assessments and audits internally to identify and address risks and compliance issues before external monitoring events or audits occur. As a result of these assessments, we will document any findings, address the identified compliance issues to prevent recurrence, and implement risk mitigation strategies as needed.

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SEA HORNE will support PRDOH's staff establishing schedules to review select programs, contracts, and agreements subject to the monitoring events. Through our internal monitoring support as grant manager, we have guided PRDOH through nine HUD CPD monitoring visits, four OIG audits, and three Departmental Enforcement Center reviews. This proactive approach has supported PRDOH's response, and as a result, no findings have resulted in significant sanctions.

HORNE's commitment to excellence extends to a strategic approach encompassing monitoring and compliance review. Our initial step involves immersing ourselves in the specifics of the monitored entity, comprehending unique program activities, disbursed program funds, and the applicable laws and regulations governing the activity. This comprehensive understanding lays the foundation for subrecipient targeted testing and evaluation, seamlessly integrating with our commitment to monitoring and compliance. HORNE will monitor that the parties perform projects and scopes of work according to the agreed upon terms and conditions, on time, and within budget.

MONITORING & AUDIT EVENTS SUPPORT

BEFORE THE EVENT

- ☑️ Complete documentation requirements for the event.
- ☑️ Prepare draft answers to questionnaires.
- ☑️ Prepare list of potential topics and questions of focus for the event.
- ☑️ Hold meetings with PRDOH staff to prepare for the event.

DURING THE EVENT

- ☑️ Prepare an event specific record log and submission form to facilitate communication.
- ☑️ Complete instructions, discuss, and prepare and respond to requests for information.

AFTER THE EVENT

- ☑️ Discuss event feedback with PRDOH and start brainstorming on potential additional issues associated to be included in Monitoring/Audit Report.

ANY AND ALL MONITORING/AUDIT REPORTS RECEIVED

- ☑️ Review report and discuss any findings and/or concerns with PRDOH leadership.
- ☑️ Prepare responses to any findings and/or concerns.
- ☑️ Adjust policies, procedures, and systems to address any findings and/or concerns.

HORNE has and will continue to support PRDOH monitoring the compliance of the following areas:

- | | |
|--|---------------------------------------|
| ☑️ Quality and Regulatory Assurance | ☑️ Occupational Safety and Health |
| ☑️ Finance | ☑️ Federal Labor Standards |
| ☑️ Risk Management | ☑️ Section 8 |
| ☑️ Procurement and Contracts | ☑️ MWBE |
| ☑️ Copeland "Anti-Kickback" Act | ☑️ Recordkeeping, Data, and Reporting |
| ☑️ Environmental and Permit Regulation | ☑️ Subrecipient Oversight |
| ☑️ Accessibility and Fair Housing | ☑️ Project Progress Tracking |
| ☑️ Equal Opportunity and Nondiscrimination | |

Using the GCP, we will develop a schedule of deliverables, requirements, and key performance indicators for every agreement to track compliance with contract terms and conditions. GCP noncompliance reports allow HORNE and PRDOH to log, track, and document problem areas and assist with resolving contract compliance issues. We will establish quality improvement plans and corrective actions to resolve and prevent performance and compliance deficiencies.

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Financial Compliance and Prevention of Fraud, Waste, and Abuse

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Integrating CANOPY™+, Yardi, and DRGR has proven to be an invaluable tool for reporting on program and financial activity performance and obtaining complete disclosure of financial results in compliance with requirements of 2 CFR 200.328 and 200.329.

Our team provides expertise for monitoring the grant general ledger to capture expenditures at significant levels of detail, allowing financial data to be filtered down, preventing CDBG-DR, CDBG-MIT, and other funding streams from being comingled, and safeguarding the accountable use of funds. HORNE's financial monitoring and compliance efforts will not just assist with managing PRDOH's financial system and policies. We will also assist in reviewing budgets and compensation schedules for contracts and agreements before they are executed and reviewing requests for payment and reimbursements before disbursement. Additionally, we will train contractors and subrecipients on documentation compliance and expenditure of funds, so compliance checks begin at the source of eligible activities, confirming adherence to cost principles.

QUARTERLY PERFORMANCE REPORTS

HORNE has assisted and will continue to support PRDOH with the compilation and timely submission of QPRs. We have established scheduled submissions 30 days before the QPR submission deadline for completeness and accuracy reviews by HORNE, so narratives and outcomes show a transparent picture of the grant and activities' status.



HORNE's team includes certified public accountants and certified fraud examiners fully committed to providing the highest level of scrutiny to all financial matters, which is why we will implement stringent processes that focus on prevention. They include the implementation of checklists, testing procedures, tools, desk reviews, and result-oriented methodologies to monitor, report, and prevent fraud, waste, abuse, and mismanagement of funds from intake to closeout. These proven standards will help PRDOH minimize the noncompliance risk and limit the reconsiderations, complaints, and appeals traffic by providing a more accurate award calculation.

Environmental Monitoring and Compliance

HORNE has consistently supported PRDOH in monitoring and assessing potential environmental impacts, so projects comply with environmental and permit regulations and disaster recovery measures. We have reinvented the environmental process to leverage national experts in assisting PRDOH to efficiently address any environmental compliance issues identified in the process. We will innovate together to further increase the process's efficiencies with interactive GIS-based tools. This collaboration allows for a preliminary project evaluation and analysis for rapid identification, overlay, and reporting of environmental and historical characteristics with proposed project footprints.

Task 1.8 Training and Knowledge Transfer

Training and knowledge transfer are essential for effective and compliant program implementation. That is why, during our service as grant manager, we have supported PRDOH in developing its capacity-building strategy, provided a learning management system, and developed a comprehensive CDBG curriculum with courses in English and Spanish.

We have also implemented innovative strategies, such as:

- ✔ Adult Learning Facilitation Techniques Seminar has improved the facilitation skills for 20+ key PRDOH staff members.
- ✔ PRDOH CDBG School is a four-day capacity-building program with back-to-back training sessions to equip PRDOH staff members with comprehensive CDBG knowledge to support them in their assigned roles. The school has already impacted 150+ PRDOH staff members.
- ✔ Knowledge Transfer Plan is a structured, agreed-upon approach to transition expertise from team to team, to shortening ramp-up times for new hires, and building institutional knowledge.

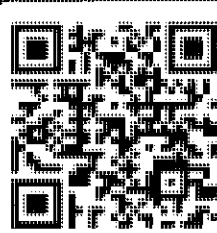
Through a coordinated knowledge transfer process, HORNE has trained, coached, and mentored PRDOH staff to implement critical processes with minimal support from the grant manager. HORNE will continue to guide PRDOH in capacity-building initiatives and maintain and update learning content as needed. We will provide training and technical assistance to PRDOH staff and subrecipients to create awareness of and promote compliance with funding regulations to meet performance objectives.

The HORNE Team will support and assist PRDOH in the development of additional training handouts and presentations, as well as instructional videos, to ensure PRDOH's full ownership of project development. During the first year of the grant manager contract, we will stride alongside PRDOH to establish an institutional knowledge strategy.

Building from the information captured through the Knowledge Transfer Plan and the CDBG School, we will create a more intentional shared database/concierge to share tangible knowledge among staff. In addition, we will formalize on-the-job training by identifying key staff in each division who can collaborate in the process, and continue creating a culture of learning, sharing, and **CARING** within PRDOH.

We have developed over 30+ instructional web-based videos to support the CDBG-DR and CDBG-MIT program launch and utilization of platforms, as well as other key operational processes:

- ✔ Environmental compliance
- ✔ Vendors Café
- ✔ Timesheets
- ✔ Procurement processes self-certification
- ✔ Program launch and implementation



Click or scan

Delivering knowledge transfer with care. The Book of Knowledge is a historical compendium of the capacity-building journey we embarked on together since 2019, starting with foundational knowledge to building CDBG mastery.

Task 1.9 Information Technology

In the ever-evolving landscape of grant management and disaster recovery, our IT team's innovative excellence has elevated

PRDOH's grant operations with digital transformation. At the heart

of our operational success lies CANOPY™+, our proprietary grant management system infused with 17 years of industry knowledge

we have constantly adapted and configured to fit each of our client's needs. HORNE knew CANOPY™+ was the only solution proven ready

for the job and that no other off-the-shelf solution could meet the demand and complex needs of the recovery effort from 2019 to date. With a proven success record in system deployment and the launch of 20 programs, PRDOH can rest assured they have the system in place to *rapidly progress forward*.

CANOPY™+ is comprised of powerful modules that allow the smooth processing and completion of the initial intake application submission for all programs, eligibility review, construction management, DOB review, award, financial management, subrecipient management, legal issues management, project management, back-office collaboration, document management, real-time reporting, GIS, monitoring, and operational modules. Our tools have consistently evolved to adapt to PRDOH's unique grant operations, addressing both significant and minute details.

Today, CANOPY™+ provides PRDOH:

- ✔ A secure, interactive, all-in-one grant solution with personalized workflow modules to PRDOH's guidelines and requirements, serving as the system of record for all 20 programs and operational areas.
- ✔ Verifications embedded in every workflow process to prevent fraud and validate compliance and accuracy.
- ✔ Data modeling and dashboards that provide transparency in program progress.
- ✔ Accessible technology platform for internal and external stakeholders.
- ✔ Integration with Yardi makes all CDBG-DR grant information and financial data available in a comprehensive, secure, and user-friendly electronic environment.
- ✔ Cyber-tested, SOC2 Type 2, CP3AO, HIPAA-certified compliant solution pending FedRAMP certification.

CANOPY™+ is at the nation's forefront in implementing compliant programs with multiple funding streams — maximizing disbursement while minimizing audit risk and out-of-pocket costs.



Alejandro Coll
IT Lead

Specializing in

OutSystems, Alejandro has over 22 years of experience serving as an IT and reporting lead. He manages technical teams and uses OutSystems and other platforms for proper project implementation and completion.



For this final lap, we propose the CANOPY™+ suite of tools to align with your needs for an expanded system of record with an exact match to your technology stack, including OnBase, OutSystems, Microsoft Dynamics, Power BI, and SmartSheet. We will use our current solution to enhance PRDOH's operational efficiency and data management capabilities to progress rapidly to a fully recovered Puerto Rico.

PRDOH Deliverables & System Requirements CANOPY™+ Currently Meets

- ✓ **Proven Grant Management Solution:** Used by 1,600+ users for over **20** programs and operational areas today where over **\$2.8 billion** funding has been expended.
- ✓ **On-Demand Licensing:** HORNE currently provides **1,600+** licenses.
- ✓ **Tech Stack Compatibility:** HORNE uses all platforms in the tech stack outlined by PRDOH today.
- ✓ **Proven Collaboration and IT Team with Industry Expertise:** Our almost five-year history of collaboration with PRDOH demonstrates our ability to meet and exceed requirements.
- ✓ **Dynamic Grant Management:** CANOPY™+ is a dynamic ecosystem that has evolved to outperform expectations in various aspects with functionality PRDOH can access today.
- ✓ **Document Management:** Includes version control, check-in/check-out functionality, and metadata management.
- ✓ **Workflow Automation:** Process automation and customizable workflows and modules to support all programs and operational areas.
- ✓ **Recordkeeping and Management:** Enhances compliance, retention policies, and detailed audit trails.
- ✓ **Search and Retrieval:** Provides advanced search capabilities and full-text search.
- ✓ **User Interface and User Experience:** Offers intuitive design and mobile accessibility.
- ✓ **Security and Access Control:** Includes role-based access control, encryption, and audit trails. We maintain the highest system security standards SOC2 Type 2 compliance and CP3AO and are currently undergoing the highest FedRAMP security certification.
- ✓ **Strategic Technology Planning:** Our unique approach sets PRDOH up for success and velocity as we move toward the finish line together.
- ✓ **Collaboration and Social Features:** CANOPY™+ provides collaborative editing, comments, and integration with social tools.
- ✓ **Subaward Management Module:** Streamlines management of 200+ subgrantees for compliance, on-time reporting, and tracking progress.
- ✓ **Integration:** Provides seamless integration with external systems, including financial systems, ArcGIS, and DRGR.
- ✓ **Scalability and Performance:** Accommodates growth while maintaining peak performance, as proven by the launch of 20+ programs and operational modules.
- ✓ **PRITS and Federal Compliance:** HORNE complies with all the stipulated technology and security requirements.
- ✓ **Project References:** HORNE has 65+ successful deployments of tailored grant management solutions for 18 years.
- ✓ **Data Management and Security:** Includes robust data security, regulation compliance, data retention strategies, and unwavering privacy commitment.
- ✓ **24/7 System Monitoring:** Offers uninterrupted support, preemptive maintenance, rigorous backup procedures, security vigilance, and software licensing control.
- ✓ **Integration Expertise:** Integrates extensive experience with external systems, preserving continuity *for all data under one system.*
- ✓ **Training and Support:** Provides ongoing comprehensive training, documentation, and capacity building for PRDOH's team.

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This next phase shifts our focus towards the finalization of ER2 Program modules implementation and maintaining and supporting operations through CANOPY™+. We will dedicate our efforts to empowering PRDOH on IT matters, starting with expanding the PRDOH IT Division. We will prioritize building PRDOH's internal IT capacity by initiating a comprehensive training program to seamlessly integrate our tools and information into their operations for a gradual transition towards self-sufficiency.

WDRR
WDRR Our strategic approach involves:

<i>SEA</i> SEA	Data Transition	Facilitating the annual transfer of ownership for all PRDOH data, empowering PRDOH to manage and understand this data. This process will enable staff expansion, new task adoption, and lay the groundwork for self-sustainability.
	IT Staff Expansion	Facilitating the growth of the IT Division, including hiring, and training, so they can independently manage the system's infrastructure effectively.
	Advanced Data Training	Providing advanced data training to PRDOH staff, covering data analysis, validation, and management techniques to empower PRDOH to handle complex data-related tasks and make data-driven decisions confidently.
	Technical Assistance & Support	Equipping PRDOH IT staff to address technical inquiries and challenges independently, including comprehensive technical assistance and user support enhancement.
	Emphasizing Best Practices	Instill and reinforce best practices across various aspects of system management, including data security, system maintenance, and data governance.

By empowering PRDOH in these key areas, we are laying the foundation for a self-sustaining future of continued success in grant management and data-driven decision-making. We propose the following schedule:

Year 1: Foundation for Self-Reliance	Year 2: Empowering Self-Reliance	Years 3-5: DR Closeout with Confidence
<ul style="list-style-type: none"> ✓ Conduct collaborative assessment of the current IT team. ✓ Train PRDOH IT staff in data management, reporting, Smartsheet, logic, and systems support. ✓ Prioritize system enhancements aligned with PRDOH's needs. 	<ul style="list-style-type: none"> ✓ Prepare PRDOH IT team to independently manage day-to-day operations. ✓ Develop enhancements as required. ✓ Focus on advanced training and technical assistance sessions. 	<ul style="list-style-type: none"> ✓ Conduct proactive QA/QC reviews and assessments. ✓ Implement improvements based on PRDOH feedback. ✓ Transfer data, systems, and maintenance tasks. ✓ Provide post-transfer assistance and resources.

Additional Supplemental Requirements:

Considering the current CANOPY™+ system implementation, it is crucial to emphasize that migration is unnecessary. Our comprehensive system aligns perfectly with PRDOH's requirements, removing the necessity for disruptive and costly migration. Our holistic approach covers all RFQ prerequisites, so PRDOH's operations continue without interruption, saving time and resources, and securing mission-critical functions. There is no reason to slow your pace down on the way to the finish line.

Task 1.10 Meetings and Reporting

With a proven history of providing these services over the last few years, we fully understand the critical importance of representing PRDOH effectively and participating in meetings as required by HUD, the federal government, and PRDOH. We approach this task with a commitment to meet and exceed expectations, offering a fresh perspective on improving further and enhancing our collaboration through:

- ✓ **Advanced Reporting** to provide real-time status updates and complete transparency on eligible activities, including monitoring budget, schedule adherence, and performance against contract metrics.
- ✓ **Resource Optimization** of our staff and technology to enhance service delivery. Identifying constraints affecting delivery will prompt us to institute immediate corrective actions for efficiency.
- ✓ **Tailored High-Level Presentations and Briefs** customized per your specific demands to present accurate information and tailor it to the audience's needs.
- ✓ **Comprehensive Data Sharing** to provide insights into deliverables completed to date and those scheduled for completion, fostering a deeper understanding of project progress.
- ✓ **Proactive Issue Resolution** to identify issues impacting eligible activities, including any reported problems, performance lags, or communication challenges, while prioritizing swift action and effective resolution, minimizing disruptions.
- ✓ **Rigorous Risk Identification** to enhance our mitigation strategies, providing detailed insights into the risks associated with each eligible activity. We will highlight potential challenges and present comprehensive risk mitigation, avoidance, or reduction plans.

We are not just a service provider; we see ourselves as an integral part of your path to success.

Task 1.11 Subrecipient Management Coordination

HORNE has and will collaborate with PRDOH to create and implement a robust subrecipient management strategy to provide oversight throughout the grant's cycle. Our collaboration will flow from identifying and assessing potential subrecipients to working with programs and PRDOH to define and enforce performance goals and quickly generate data reports to manage 300+ subrecipients.

Working with PRDOH, we have accomplished:

- ✓ Development of key documents to aid PRDOH and subrecipients throughout CDBG implementation:
 - ▶ Subrecipient Manual
 - ▶ Subrecipient Policy Guide
 - ▶ Informative Bulletins
 - ▶ SRA Closeout SOP
 - ▶ Outcome Oriented Frameworks
- ✓ Policies Self-Certification template (later embedded in GCP).
- ✓ Outline and redesign of the original CDBG Resources webpage for easier subrecipient access.
- ✓ Development of oversight tools and mechanisms.

Implementation and Management

We will focus on subrecipients' current implementation needs and improving their service experience with open communication channels between the different PRDOH divisions. Our approach consists of continuing development efforts to communicate effectively and improve subrecipient performance. These efforts include the development of stronger coordination with PRDOH teams and divisions to create informative videos, training materials, and targeted boot camp sessions.

Task 1.12 Additional Operational Support

As the most extensive grant management team in Puerto Rico, HORNE is positioned to support and deliver PRDOH with additional operational support as detailed in the Innovative Techniques Section of this proposal. We have a group of high-capacity leaders in place and engaged, with knowledge from national and local experts in various areas of expertise like communications, policy and compliance, finance, IT, and others. Our approach is to continue to serve PRDOH to finish strong in CDBG grant implementation. This approach includes continually reassessing and improving upon existing guidelines, policies, procedures, notifications, and forms – operational documents to identify more efficient ways to integrate systems and tools. HORNE is also ready to engage and support PRDOH with any other funding allocation that may emerge throughout the agreement, considering we have a vast diversity of experts in federal funding programs assembled to guide projects with design efforts, implementation, and knowledge transfer.

Grant Compliance Portal

Hosts:

- ▶ 250+ subrecipients.
- ▶ 500+ SRAs.
- ▶ 130+ contracts and amendments.

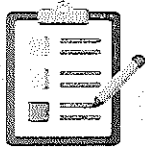
We have accomplished:

- ▶ 3,500+ approved progress reports.
- ▶ 300+ individual technical assistance sessions.
- ▶ 100+ webinar sessions.

Development of additional modules and dashboards to conduct oversight:

- ▶ 1,000+ subrecipients' procurements and contracts uploaded.
- ▶ 900+ deliverables reviewed and approved.





Task 2 Action Plan Implementation



Look for the logo above to identify our commitments by programs.

We know that Puerto Rico's disaster recovery needs are unique compared to those commonly experienced by mainland grantees. Homegrown expertise, honed over the past 4+ years to adeptly address these needs, distinguishes HORNE as a unique resource not found elsewhere. **Notably, amid challenges other disaster recovery firms face, including staff turnover and leadership transitions, HORNE's local leadership staff has remained steadfast for consistency in program operations and decision-making.**

All CDBG-DR programs are advanced in their implementation stages, except those in the recent energy allocation. Most programs already have their program guidelines and other programmatic documents in place, selected and executed SRAs with their subrecipients, configured IT tools such as the system of record and the grant application portal, and trained program and subrecipient staff on policies and procedures.

Based on our gained knowledge and particular understanding of each program's intricacies, we have developed a targeted Plan of Action with proposed schedules and commitments, which we could modify at PRDOH's request or by external factors. **We focus on providing feasible solutions to program hurdles, building over the starting blocks we have laid out together, and intentionally empowering PRDOH to cross the finish line.**

Task 2.1 Planning Programs

The PRDOH Planning sector has evolved from a one-person team in 2019 to a 14-person multidisciplinary unit in 2023. Through a close-knit and mutually supportive relationship, our Planning teams have been able to communicate, align strengths, and achieve shared goals actively. As with any planning process, we have been monitoring, tracking, measuring, evaluating, and adjusting the pre-planning and planning activities within the CDBG-DR portfolio to achieve more impactful and transformative results. As we present our approach for this new phase, we seek to highlight the efforts that will make this last run together even stronger than before while supporting PRDOH in areas such as QA/QC of final reports, management support, and technical assistance to subrecipients.

2.1.1 Whole Community Resilience Planning Program

HORNE has supported the WCRP Program's design since its origin, with the first SRA execution in 2019. We are actively designing solutions that apply lessons learned to implementation and assist subrecipients and communities in completing their community resilience plans. Hand in hand, HORNE supported PRDOH in designing and developing resilience tools such as interactive maps and an educational component available for communities on the WCRP Program's landing page. We have also provided technical assistance to subrecipients with compliance-related matters, reporting, invoicing, and procurement.



HORNE's planning experts will provide PRDOH with analytic and strategic support for compliance, cost estimation, analysis of Notice of Funding Availability regulations, and any other necessary documentation and coordination.

As PRDOH's WCRP team adds resources, builds experience, and increases its responsibilities within the program, HORNE will address any anticipated and unexpected hurdles of grant implementation, subrecipient oversight, agreements and contracts management, and general project tracking and efficient reporting.

WCRP AT A GLANCE

- ✓ 12 ERACs selected for program implementation
- ✓ 73 communities within 60 municipalities actively engaging in planning activities to develop their Community Resilience Plans
- ✓ 50+ community-based participatory meetings held to support communities during the development of their Community Resilience Plans

CARE Strategy

WCRP's success is tied to community participation. However, due to continuous hazardous events and delayed outcomes, community members often disengage from actively participating in planning efforts. HORNE will seek to mitigate these implementation delays and challenges with empathy and foresight by increasing communication, coordinating shared resources, and making adjustments.



- ✓ Complete all Community Resilience Plans by Q2 2026.

2.1.2 Municipal Recovery Planning Program

As one of PRDOH's first CDBG-DR programs to launch, the MRP Program implementation is advanced despite facing particular situations while working with municipal governments. Moving to MRP Phase 2 (SPA-RP), we consider lessons learned during Phase 1 and examine subrecipients' past performance for proposal scoring purposes to safeguard a compliant and timely implementation. Additionally, to mitigate incomplete or insufficient proposals and award planning activities that increase the potential for success, HORNE helped PRDOH develop tailored templates, which clearly define requirements through a proposal guide, provide technical assistance, and develop standardized requests for information.

HORNE's support will concentrate on providing strategic management coordination for the final municipal recovery plans submission and improving reporting tools for increased coordination between PRDOH and subrecipients. Lastly, increasing knowledge transfer of administrative and project management activities.



Municipal Recovery
PLANNING PROGRAM

MRP AT A GLANCE

Individual Municipal Planning (MRP Phase 1)

- ✓ 77 ERACs signed for program implementation
- ✓ 36 municipal recovery plans consulted and published
- ✓ 100+ community meetings providing data and input for recovery plans

Specialized Planning Analysis & Regional Planning (SPA-RP) (MRP Phase 2)

- ✓ 100+ recovery plans completed and approved in October 2023

For SPA-RP, HORNE will fully engage in expediting the SRA execution process, providing technical assistance and best practices for the drafting and review of procurements, and facilitating onboardings, deliverable reviews, streamlined reporting, and oversight for subrecipient compliance.

Individual Municipal Planning

- ✓ Complete all municipal recovery plans (77) by Q2 2025.
- ✓ Complete SRAs closeout process by Q2 2025.

SPA-RP

- ✓ Coordinate with stakeholders and execute 20 SRAs by Q4 2024.
- ✓ Complete 20 plans and studies by Q2 2026.



2.1.3 Puerto Rico Geospatial Framework Program

One of PRDOH's most complex and aspirational programs, GeoFrame, has undergone extensive stakeholder engagement and several program design and redesign processes. HORNE continuously seeks to innovate the program's outcomes to achieve critical integration with other governmental agencies that will use the program's data, platform, and system.



We built upon the GeoFrame Program's structure for the CDBG-MIT RAD Program, which included shared stakeholders and formalized agreements. We also adjusted and redesigned the GeoFrame Program outcomes for a new GEO/RAD Program implementation strategy. As a product of this redesign, HORNE supported PRDOH in the development, outreach, and coordination of the GEO/RAD system planning vendor procurement process and will support a quick and successful system onboarding by Q3 2024.

We have identified a need for knowledge dissemination and more program visibility to engage citizens, decision-makers, and critical stakeholders. HORNE proposes executing more public-facing and outreach activities with critical stakeholders to increase awareness, present program outcomes, and inform program progress. As we approach this last stretch of the race, we will help PRDOH finish strong by providing program implementation support. This will include managing and overseeing the system planning vendor's projected deliverables, invoice reviews, high-level reporting, stakeholder coordination, and general strategy discussions.

GeoFrame AT A GLANCE

- ✓ 11 memorandums of understanding executed and 10 more expected to be signed by Q4 2024.
- ✓ 104 stakeholder engagement and outreach participations and events held.



Daniel Diaz
GIS PM

An expert in GIS, Daniel supports and implements solutions, including web-based applications, remote sensing, and geographic analysis techniques. He has experience in enterprise GIS implementation using field data collection to analyze data and support decision-making.



- ✓ GEO/RAD system planning vendor onboarding to be executed by Q3 2024.

Task 2.1.4 Other Activities or Initiatives

Task 2.1.4.1

Vacant Properties Assessment Initiative and Vacant Properties Recovery Program



**VACANT
PROPERTIES
ASSESSMENT**

HORNE has been a key partner in all aspects of the VPA initiative, initially supporting PRDOH in the research that led to the direct subrecipient selection and the development of programmatic documentation. We also provided technical expertise for designing, coordinating, and executing the SRA, and supported in creating outreach and public content to generate awareness of the initiative. At this stage of the race, we have been part of a high-level production and efficient implementation. For the VPR Program, HORNE assisted PRDOH in drafting the program's description for the Action Plan.

VPA AT A GLANCE

- Develop the implementation plan of the initiative
- Develop public-facing materials

HORNE is currently supporting and will continue to support VPA and VPR implementation by offering subrecipient oversight, progress reports, management, technical assistance, and participation in meetings for decision-making discussions. HORNE will also support the VPR Program by developing all compliance and programmatic documents and assisting during the procurement process or SRA development and execution.

For VPA outcomes to be as impactful as expected and to increase VPR interest, HORNE proposes publishing final reports, developing informative visuals and online tools, and sharing results with mayors and municipal stakeholders. VPA and VPR could open doors for future projects, including housing rehabilitation and relocating affected families into new, safe, resilient housing. Therefore, we will increase public-facing activities and outreach with mayors, state agencies, and other local stakeholders to propel us to the finish line.



✓ 50,000 properties inventoried by Q1 2025.

Task 2.1.4.2

Program Design Support

HORNE can provide PRDOH overall program design support for any additional initiatives under CDBG-DR Planning. This support may include subrecipient management, that includes onboarding, deliverable guidance, GCP technical assistance, monthly report reviews, and SRA design, negotiation, and execution. Additionally, HORNE can provide program implementation support, including regular check-ins, stakeholder meetings, and general decision-making coordination.



Task 2.2 Housing Programs

From the launch of the first housing program in July 2019 (R3) to the launch of the last one in December 2021 (CEWRI), HORNE has methodically structured its operations and growth alongside PRDOH. We have cultivated a local talent pool of CDBG-DR project managers, subject matter experts,, and key staff uniquely equipped to support PRDOH's diversified and comprehensive program portfolio. We have meticulously tailored our management and oversight approach to maximize opportunities gained from lessons learned and to facilitate the seamless transfer of responsibilities to PRDOH staff, as delineated in our knowledge transfer plan.



Katia Gonzalez
Housing Lead

Katia is an architect with 16+ years of experience in design and construction management. As CDBG-DR and CDBG-MIT housing sector lead for the grant management team, she is skilled in overseeing program performance and delivery for compliant implementation of disaster recovery and mitigation activities.



2.2.1 Home Repair, Reconstruction, or Relocation Program

HORNE estimates that all construction activities for the R3 Program may be substantially completed by June 2025, representing close to 9,000 repaired or reconstructed homes. By this date, we predict construction activities may not be completed for less than 5% of the overall population, due to specific complex situations preventing assistance delivery. To assist these families, HORNE will work with PRDOH to form a task force of construction, legal, and programmatic subject matter experts, to explore all available options for resolving issues.

Many families that received an R3 relocation voucher have not identified and acquired a replacement property due to Puerto Rico's highly competitive real estate market. To address this, HORNE will continue to work with PRDOH to develop 5,000 to 8,000 new housing units for these applicants. These units will be developed via master planned developments procured by PRDOH and in coordination with municipalities by demolishing and deconstructing unused and dilapidated housing units.



R3 AT A GLANCE

- ✔ 15,000+ eligibility determinations – 8,000+ have received assistance
- ✔ 2,000+ home reconstructions completed
- ✔ 3,350+ home repairs completed
- ✔ 3,000+ relocation vouchers issued – 1,000+ families relocated
- ✔ 1,200+ homes in active construction or with construction task orders issued to manage design and permitting activities
- ✔ Assistance delivered by R3 Program participants represents a \$1.2 billion impact on the local economy

As the R3 Program has matured, so has our management and oversight approach. We have formed a program management office for R3 tasked with production oversight and problem resolution to complete the remaining projects. This team will dedicate a full-time project coordinator to each program management firm managing the different regional operational areas.

CARE Strategy

HORNE has implemented a comprehensive customer service plan to monitor service levels among program management firms. As part of this plan, each firm must maintain an in-house call center equipped with recording capabilities for all calls, facilitating detailed reporting and analytics to drive continuous customer service enhancements.

WORR
WORR

We will also create and standardize operational and communication guides for critical touchpoints to improve the applicant experience. During these touchpoints, applicants will receive:

SEA
SEA

- ✓ **Initial Eligibility Determination:** an overview of the entire process to understand the roles and responsibilities of service providers and a comprehensive program booklet marking their application progress.
- ✓ **Grant Award Meetings:** a detailed explanation of assistance, projected project timelines, and communication methods for construction progress updates.
- ✓ **Construction Progress Communications:** written progress updates as construction milestones are achieved.
- ✓ **Final Inspection and Key Turnover:** a program guide for standardized key turnover events so they can understand the type of award received, equipment operation, utility reconnection, and moving-in preparations. Most importantly, applicants will fully participate in the final inspection of their homes before receiving their keys. Through this last touchpoint, we aim to leave a lasting and positive impression.



- ✓ Construction substantially completed by Q2 2025.
- ✓ Complete all relocation activities by Q2 2027.

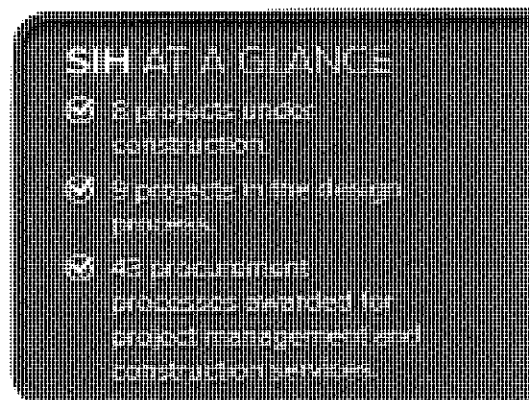


2.2.2 Social Interest Housing Program

Since the SIH Program launch, HORNE has worked with PRDOH to develop strategies to help subrecipients achieve their project and program goals. This includes coordinating the assignment of PRDOH's contractors to perform environmental activities, architectural, engineering, and project management services. With HORNE's oversight and support, the SIH Program's implementation is on track.



The SIH Program's primary objective is to serve vulnerable and marginalized populations. Program subrecipients have taken on the development and oversight of full construction projects to succeed in this mission. As subrecipients progress into the construction phase, areas of opportunity such as project management, procurement, and environmental support have emerged. Consequently, we propose a grant management approach offering targeted hands-on technical assistance, an "on behalf of" procurement strategy as detailed in Task 1.4 of this proposal, and direct support in the program's construction phase, including site visits to construction projects.



- ✓ Complete all construction projects by Q2 2026.

2.2.3 Housing Counseling Program

The HC Program is entering its final operational phase and has successfully maintained a steady pace of 1,700 monthly courses completed. As one of the first programs to launch, we have worked with PRDOH to optimize grant management processes for HCAs to execute at their highest potential. Our approach has been to build upon the relationships nurtured over the past four years with the HCAs. These relationships allow us to understand their needs and provide effective solutions to move forward. With the current program budget and scope, we expect HCAs to provide courses to approximately 100,000 participants by Q2 2025. Therefore, we foresee that the HC Program will be administratively closed out by Q4 2025.



- ✓ All courses are expected to be provided by Q2 2026.

2.2.4 CDBG-DR Gap to Low Income Housing Tax Credits Program

The investment of CDBG-DR funds through PRDOH's Gap to LIHTC Program has enabled PRHFA to issue many tax credits, increasing the affordable housing inventory. It has made 26+ projects feasible, representing 4,000+ affordable multifamily and elderly rental units. The unprecedented inflation rates experienced in the last few years have led to a significant increase in construction and financing costs, which delayed the closing process and construction start of these projects. Nevertheless, with HORNE's assistance, PRDOH reallocated necessary funding to the program and incorporated reasonable construction cost thresholds that helped overcome the funding shortfalls.

As the LIHTC Program enters its final operational phase, our main objectives will be to transfer additional responsibilities to PRDOH by Q2 2025 and perform a QA/QC compliance review of all projects in preparation for program closeout. With the current program budget, we expect all construction activities and administrative closeout for the LIHTC Program to be completed by Q4 2028 and Q2 2029, respectively.



CDBG-DR GAP TO LOW INCOME HOUSING TAX CREDITS PROGRAM

LIHTC AT A GLANCE

- ✓ LIHTC 9% - 16 projects completed, representing 1,511 new and re-habilitated affordable rental units.
- ✓ LIHTC 4% - 13 projects started construction, representing 1,278 rental units.
- ✓ Another 7 projects representing an additional 1,251 units will start construction in 2024.
- ✓ Public Housing Set-Aside - 3 projects with 752 additional affordable housing units reserved for protected groups.



- ✓ Disburse 100% for LIHTC 9% projects by Q1 2024.
- ✓ Execute grant agreements with remaining LIHTC 4% projects by Q3 2024.
- ✓ Execute grant agreements for LIHTC public housing set-aside projects by Q3 2024.

2.2.5 Community Energy and Water Resilience Installations Program

The CEWRI Program complements the R3 Program by providing single-family homeowners with the installation of photovoltaic systems with battery backup for critical loads and water storage systems to promote resilience.

Launched more than two years after the R3 Program, CEWRI's swift implementation pace allowed the program to catch up to R3 by reaching a monthly production rate of 300 installations. This production rate has adjusted to 125 cases per month to match the current R3 workload and could continue to decrease depending on the number of R3 Program referrals.



COMMUNITY ENERGY AND WATER RESILIENCE INSTALLATIONS PROGRAM

CEWRI AT A GLANCE

- ✓ 1,500+ R3 referrals received.
- ✓ 1,200+ intakes completed.
- ✓ 4,500+ pre-installation measurements and eligibility determinations completed.
- ✓ 2,400+ awards executed.
- ✓ 2,000+ installations completed.

As the program progresses, we will focus on expediting assistance for R3 relocation cases by working closely with the environmental team to establish a consistent process to conduct Tier II reviews at a recurrent frequency. We will also center our attention on improving the participants' experience throughout the process. Additionally, we will enforce the program's one-year system recommissioning requirements with all installation companies.

CARE Strategy

Installer Initiatives. The following initiatives are in place or will be started to reinforce customer service to installers, who are key stakeholders in the CEWRI Program implementation:

- ▶ Weekly meetings with installers to address program progress, questions, or comments.
- ▶ One-on-one sessions, either annually or biannually, to assess program satisfaction and address specific inquiries or concerns.

Applicant Initiatives. The following campaigns are in progress or in the process of being implemented:

Item	Campaign	Frequency	Caller	Description
1	Monthly Touchpoint	Recurrent	Project Manager	Provide general status report and next steps for in-progress cases.
2	Participant Satisfaction	One-Time	Call Center	Assess satisfaction for installed and inspected cases.
3	Participant Satisfaction	Recurrent	Call Center	Assess satisfaction for closed cases during the first month of each quarter for cases closed in the previous quarter.



- ✓ Complete 10,000+ system installations by Q2 2028.
The program will need to procure additional systems to achieve this goal.

2.2.6 Title Clearance Program

The TC Program is one of the most complex programs in the housing portfolio due to its legal intricacies and lengthy processes involved. However, it is also among the most rewarding as its impact on Puerto Rican families is unmeasurable. Every obtained title represents the validation of a participant's ownership rights and provides them with the long-term security and stability that most Puerto Ricans have only dreamed of, in an island where informal homeownership has been the prevailing standard for decades.

To assist program participants in having their property title issues resolved, PRDOH, in collaboration with HORNE, drafted Act 118-2022 to expedite the title clearance process. The act was endorsed and is now under implementation.



Title Clearance PROGRAM

TC AT A GLANCE

- ✓ 100% of all property titles cleared
- ✓ \$100 million in new \$42 million in new addresses

Recognizing that PRDOH is completely in charge of the TC Program operations, HORNE will continue to provide PRDOH with system of record optimization support to assist TC Program participants, as we have done for the last four years.

CARE Strategy

The TC Program needs vendors to be efficient and operate with the sense of urgency participants need to reach their final goal. Therefore, we recommend that PRDOH implements a CARE strategy designed to provide recurrent call campaigns to active participants to report on their cases' status and next steps.

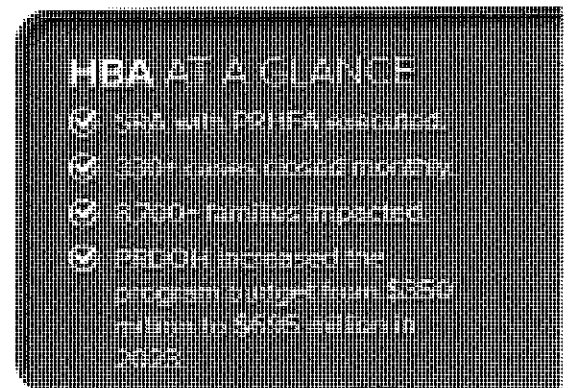
2.2.7 Homebuyer Assistance Program

HBA is one of the most successful programs in the CDBG-DR portfolio by giving 9,000+ families around the Island the opportunity to become homeowners for the first time. With almost \$350 million disbursed, it has contributed to a \$1.7+ billion capital infusion into the real estate market. Despite the low stock of available affordable housing in Puerto Rico, the monthly volume of HBA Program closings is considerable and steady. Nevertheless, HORNE has and will continue to work closely with the Mortgage Bankers Association and the PR Association of Realtors to identify available housing units to sustain the program's pace.

As we approach the exchange zone with PRDOH, we will focus on performing recurrent QA/QC reviews of sample cases, so the program's current success translates into an effective and compliant administrative closeout expected by Q2 2025.



HOMEBUYER ASSISTANCE PROGRAM



CARE Strategy

To support PRDOH, HORNE will implement a strategy to monitor service levels among financial institutions and the case management firm. This will consist of recurrent call campaigns to eligible applicants to report on their cases' general status and guide them through the next steps.



- ✓ Completion of all grant closing activities for the HBA Program by Q4 2024.

2.2.8 Tasks to be performed on the overall Housing Program

HORNE will continue supporting and assisting PRDOH in all Housing Sector endeavors as requested, from monitoring performance to reviewing and updating program documentation. During the contract's life cycle, we will seamlessly transition program operations within the proposed timeframes by leaning on our developed best practices, lessons learned, strategic implementation plan, and CARE Strategy to avoid common pitfalls during the programs' transition to PRDOH's staff and subrecipients.

Task 2.3 Economy Programs

With an unprecedented budget of \$1.2 billion, PRDOH has exceeded the typical funding levels for economic development programs and significantly increased the number of subrecipients, thereby magnifying the positive impact on our distressed economy.

WORR
We have worked alongside PRDOH in pioneering efforts, such as designing and implementing the Tourism and Business Marketing (TBM) Program, launched in 2020 via a special waiver that marked the first-ever HUD allocation of CDBG-DR funds for tourism-related recovery. The TBM Program's remarkable success contributed to a 4% rise in employment rates, an influx of 100,000 flights, 300,000 hotel bookings, and over \$100 million in lodging tax revenue by February 2022. The program closed without HUD findings and was highlighted in the August 2021 HUD monitoring event.

The HORNE Team will continue to work with PRDOH to emulate the TBM Program's success in implementing the remaining economic development programs to deliver impactful recovery efforts and achieve a compliant program closeout.

Due to the similarities between programs, to help the reader, we will address the following programs together:

- ☑ SBF and Re-Grow
- ☑ WFT and SBIA



2.3.1 Small Business Financing Program



2.3.5 Re-Grow PR Urban and Rural Agriculture Program

The SBF and Re-Grow programs provide direct grant assistance to small enterprises and agricultural producers. We have worked with PRDOH to increase production and achieve a steady pace of award determinations through process improvement and efficiency. Particularly, the underwriting review process improvement directly increased production by 450% in one year for SBF and 400% in two years for Re-Grow.

HORNE will continue to target its efforts to increase efficiency in other areas and further case closeouts while observing compliance with HUD and programmatic requirements. We will achieve this by offering technical assistance sessions to PRDOH, subrecipients, and vendors on how to properly conduct award evaluations and complete the case closeout process. In addition to the streamlined case closeout review, speeding up the environmental review process through the newly integrated vendor will help increase the number of extended cases evaluated in SBF and awards issued for both programs. HORNE proposes regular biweekly production meetings with the environmental vendor to discuss progress and goals, identify potential challenges, and provide solutions that allow us to move forward.

SBF AT A GLANCE

- ✓ Awarded 4,087 businesses \$706 million with 26,030 employees
- ✓ During Q3 and Q4 2023:
 - ▶ Average award of \$16,983
 - ▶ 110 awards disbursed monthly
- ✓ 1,355 cases closed
- ✓ 587 cases pending evaluation for award
- ✓ 3,000 cases pending closeout

Re-Grow AT A GLANCE

- ✓ Awarded 11,300 loans \$451 million
- ✓ During Q3 and Q4 2023:
 - ▶ Average award of \$39,853
 - ▶ 150 awards disbursed monthly
- ✓ 500 cases closed
- ✓ 408 cases pending evaluation for award
- ✓ 340 cases pending closeout

Having achieved a steady pace for monthly case processing, SBF created an extended case process to provide additional funds to participants who received the initial \$50,000 grant award but still have outstanding unmet needs. However, to request additional funds, participants must comply with their initial grant award, including completing underwriting, environmental review, expenditure review, and closeout. To date, 64 businesses have completed the request for additional funding, of which 48 are still pending award determination. With the finish line in mind, we recommend establishing a cutoff date to request extended assistance, so PRDOH can opportunely identify unexpended funds and reallocate them to other programs.

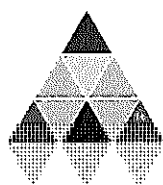


SBF

- ✓ Complete eligibility review by the end of Q1 2025.
- ✓ 300 awards (\$20 million) by the end of Q3 2024.
- ✓ Complete expenditure review and closeout for all disbursed cases by Q4 2025.

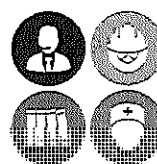
Re-Grow

- ✓ Complete expenditure review of all cases over six months since disbursement by Q3 2024.
- ✓ Complete awards disbursements by Q4 of 2024.
- ✓ Close out all cases by Q2 2025.



SMALL BUSINESS INCUBATORS
AND ACCELERATORS

2.3.2 Small Business Incubators and Accelerators Program



WORKFORCE
TRAINING PROGRAM

2.3.3 Workforce Training Program

The SBIA and WFT Programs have empowered NGOs to administer and carry out CDBG-DR activities. HORNE has supported PRDOH and subrecipients every step of the way, helping them solve complex problems from a programmatic point of view and from a finance, procurement, and compliance perspective. HORNE has also collaborated with PRDOH as a liaison, facilitating communication and tending bridges between public and private entities to advance program interests.

As both programs progressively move towards their goals, our focus will be to provide continued guidance to subrecipients and offer solutions to their projects' needs, streamlining processes wherever possible. We have identified that subrecipient compliance with procurement and environmental requirements is an ongoing challenge in implementing the SBIA and WFT Programs. We propose to collaborate with PRDOH by offering subrecipients to conduct formal procurement processes on their behalf, as previously mentioned in Task 1.4, and providing tools to speed up the environmental review process through the procured vendor.

WOPR
WOPR
SEA

SBIA AT A GLANCE

- 30 SBIA awarded
- 5,000+ applications received
- 2,500+ businesses served

WFT AT A GLANCE

- 25 WFT awarded
- 21,000+ individuals served
- 3,250+ applications received
- 5,000+ individuals began training course
- 1,000+ individuals completed course

We will continue to work with PRDOH to build staff capacity for it to take on the review and approval of participants' intake profiles to justify national objectives through the program's information platform. We will also advise subrecipients on outreach strategies to attract new participants to receive services under the programs and propel them to enter the workforce and increase the local economy's productivity.



- ✓ Serving at least 25,000 individuals in WFT and 6,500 businesses in SBIA.

2.3.4 Economic Development Investment Portfolio for Growth Program

HORNE works with PRDOH and participants to complete the IPG loan closing process and issue grant awards. Through the IPG Program, HORNE has supported and assisted PRDOH in allowing businesses to receive partially forgivable loans and grants for proposed development projects. For the next phase of implementation, we will focus on closing pending loan applications, providing technical assistance to the IPG subrecipient, and supporting PRDOH with monitoring and oversight of projects under construction.

To date, five applications are actively progressing through the established compliance evaluation phases to finalize loan closing. However, there are nine remaining applications with \$269 million reserved for projects that have encountered significant delays due to project sponsors not providing the requested information promptly. To address the situation, we propose that PRDOH establishes a final, non-extendable deadline for project sponsors to submit the required information and documentation. This will allow enough time for construction completion and project closeout within the CDBG-DR grant expenditure deadline. If applicants fail to submit the documentation within the established deadline, the program will reject the applications and mitigate the risk of unexpended funds that could be reallocated to other programs.



IPG AT A GLANCE

- 4 loan agreements \$3.0M+ million obligated funds
- 50% executed with the PR Development Center District Authority \$4.7M million obligated funds
- 2 projects under construction

CARE Strategy

The HORNE Team will support and assist PRDOH by providing ongoing guidance on environmental review process requirements, responding to questions, reviewing reports, and providing technical assistance, as required.

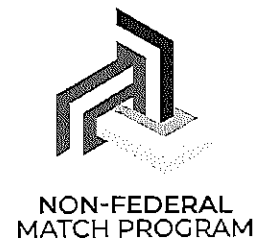


- ✓ Establishing December 2024 as the cutoff date for project sponsors to submit required information.

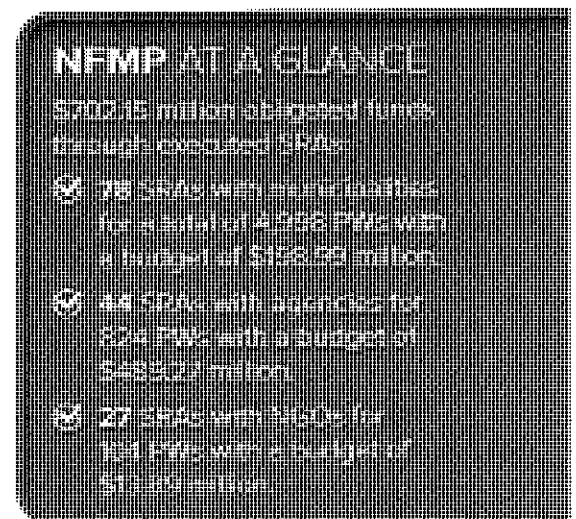
Task 2.4 Infrastructure Programs

2.4.1 Non-Federal Match Program

The NFMP has reached an advanced maturity level, having already created policies and procedures, completed project selection, and obligated all its budgeted funds. Although the HORNE Team is supporting and assisting PRDOH in all the undertakings mentioned in Task 2.4.1.1, most of the program's operations are now focused on reviewing project reimbursement requests received from COR3 to verify compliance with HUD requirements, including national objective compliance, and then issuing payments.



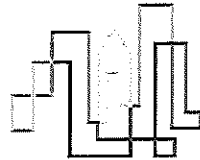
The COR3, as the entity managing the FEMA disaster recovery funding portfolio for all applicants on the Island, has developed and implemented a robust, tested, and trusted system to streamline compliance reviews and fund disbursements for FEMA-PA projects. COR3, as FEMA's experienced partner, is already performing an initial review of project requests for reimbursement, we propose taking the program to a new level of efficiency by having COR3 administer the NFMP on behalf of PRDOH as a subrecipient. This transfer could significantly reduce in half the administrative costs and time invested in reviewing requests for reimbursement. It could speed up disbursements and streamline subrecipients' communications with COR3 as a single point of contact. Building on PRDOH's current relationship with COR3, as established through an existing interagency agreement, PRDOH could boost program productivity and efficiency, taking it one step closer to the finish line.



- ✓ Transfer the NMFP's administration to COR3 by Q4 2024.

Task 2.5 Multi-Sector Support Programs

2.5.1 City Revitalization Program



CITY REVITALIZATION PROGRAM

WORR collaboration with PRDOH, HORNE has successfully developed the CRP's guidelines, policies, procedures, and a comprehensive system of record. We have also executed SRAs with the 78 municipalities across the Island to undertake various recovery activities to reinvigorate downtown areas, urban centers, and key community corridors. We are currently offering subrecipients engineering and construction management support to develop their infrastructure projects and providing technical assistance on topics such as:

- ✓ CDBG-DR requirements.
- ✓ Procurement regulations at 2 CFR 200.
- ✓ Environmental review requirements at 24 CFR Part 58.
- ✓ Bid award reasonableness in relation to current construction costs before executing construction contracts.
- ✓ Project closeout requirements.

Salim Laham Boud
Infrastructure Sector Lead

Salim is a civil engineer with 30+ years of construction experience and vast knowledge of permits and cost estimates. He has overseen planning, design, permitting, procurement, construction, and closeout phases of a broad range of projects across Puerto Rico.

CRP AT A GLANCE

- ✓ 321 projects approved
- ✓ 221 projects in design
- ✓ 12 projects in construction
- ✓ 6 projects in construction
- ✓ 1 project completed

To achieve success in the development of these projects, we will continue to assist PRDOH by participating in interagency committee meetings to address technical regulatory issues and establish effective communication channels with regulatory agencies such as SHPO and ICP. We will also support PRDOH in efficiently managing any challenges that may arise to achieve the CRP's goals while complying with required regulations.

CRP Finish Line:

Q4 2025

Q1 2026

Q4 2028

Q3 2029



100%
of Projects
Design Completed

100%
of Projects
Under Construction

100%
of Construction
Activities Completed

100%
of Projects
Closed out

Goal #1 – Q4 2025 - 100% Projects' Design Completed

We will continue to provide enhanced technical assistance and guidance to PRDOH and subrecipients on environmental compliance (including SHPO and ICP regulations), permitting and endorsement processes, and procurement-related tasks. Other areas include preparing status reports, tracking critical tasks, and coordinating periodic meetings to provide adequate follow-up. We will also establish recurrent meetings with regulatory agencies to share information and clarify doubts to expedite authorization of project construction activities.

Goal #2 – Q1 2026 - 100% Projects Under Construction

We will continue to help PRDOH conduct regional industry outreach events for contractors and suppliers to improve procurement participation and collaborate with subrecipients to promote their processes through various communication media. We will also

WRR assist subrecipients in preparing procurement packages, evaluating construction schedules, and technical assistance for cost reviews and additional funding search.

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Goal #3 – Q4 2028 - 100% Construction Activities Completed

We will continue to support PRDOH and subrecipients in establishing adequate oversight during construction activities and providing accessible reporting and metrics tools for visibility on projects' status. We will also monitor the subrecipients' compliance with environmental mitigation requirements established in environmental review records to accelerate project closeouts. Also, as needed, we will help PRDOH amend the terms of the SRAs, allowing the completion of construction schedules and closeout.

Goal #4 – Q3 2029 - 100% Projects Closed Out

We will continue to assist PRDOH and its subrecipients in preparing procedures, documentation, and reporting for the timely closure of projects. This will include checklists for validating compliance with the program's requirements.

At the finish line, with every CRP unique project, we will witness a transformed landscape of downtowns, urban areas, and key urban corridors, infusing local economies and job offerings, and improving quality of life.

Task 2.6 Earthquake Programs and Tropical Storm Isaiás, Earthquake System Enhancement Program

Task 2.6.1 reSURge

Recognizing that the reSURge Program is based on the existing R3 Program structure, we can provide readily available solutions to the complex municipal housing recovery initiatives. HORNE will support PRDOH and

CONSUR in effectively administering reSURge by developing dashboards and reports to offer visibility on the program's operations and performance. We will collaborate with effective vendor management across reSURge and R3 and provide guidance and technical assistance to CONSUR as requested by PRDOH. The objective is to have seamless coordination and maximize the impact of allocated resources.



reSURge AT A GLANCE

PRDOH contracted HORNE with the support of the Consejo del Gobierno Municipal, Administración de Planificación y Desarrollo, and the Consejo de Planificación y Desarrollo de Puerto Rico to administer the reSURge program.



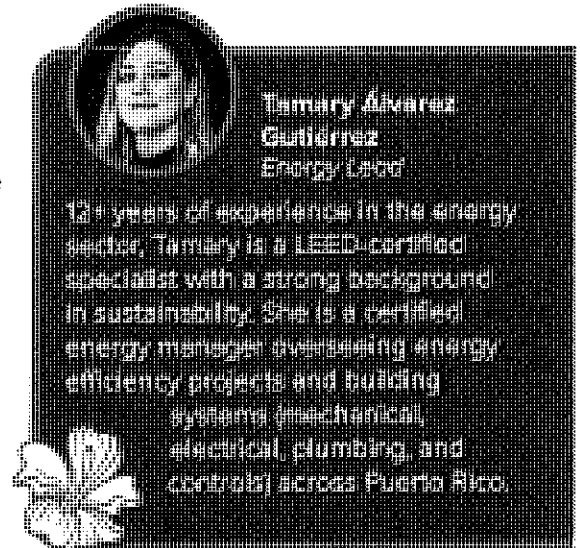
- ✓ Provide continuous support to PRDOH and CONSUR for simultaneously completing all R3 and reSURge construction projects.

Task 2.7 Electrical Systems Enhancement Programs

Energy is an indispensable lifeline for every facet of our lives. In response to this fundamental need, we have helped PRDOH craft comprehensive energy sector programs that extend their impact across various scales and serve diverse needs. From the individual grappling with daily challenges to vulnerable communities and even the grid itself, PRDOH's energy portfolio leaves no corner untouched by the positive impact of sustainable energy solutions.

Our vision is guided by the key principles of your Energy sector:

- ✓ **Maximization of Renewable Energy.** We are committed to harnessing the power of renewable sources by maximizing the use of clean energy to mitigate environmental impact and create a sustainable and resilient energy infrastructure in alignment with the Puerto Rico Energy Public Policy Act (Act 17-2019).
- ✓ **Promotion of Distributed Energy Resources.** We champion using distributed energy resources to empower individuals, communities, and businesses to actively participate in the energy landscape, fostering a sense of ownership and resilience.
- ✓ **Addressing Vulnerable Populations and Critical Services.** Our focus is on the most vulnerable communities to make sure energy solutions reach those who need them the most, elevating their quality of life and safeguarding critical services.
- ✓ **Data-Driven Approach.** We embrace a data-driven approach, leveraging insights and collaborating with industry stakeholders to optimize energy programs, enhance efficiency, and stay ahead of emerging trends so our initiatives are impactful and sustainable.



Task 2.71 Energy Grid Rehabilitation and Reconstruction Cost Share Program

The ER1 Program launched in October 2023 to cover the nonfederal match of FEMA's PA allocation for the PREPA island-wide FEMA Accelerated Awards Strategy Project. Unlike the NFMP – the other match program in the CDBG-DR portfolio – the ER1 Program is still in the initial stages of implementation, currently coordinating with COR3 and PREPA to identify projects. HORNE will support PRDOH during the collaborative efforts between PRDOH, COR3, PREPA, and LUMA to select the projects, and provide guidance and technical assistance as requested by PRDOH.



**ENERGY GRID REHABILITATION
AND RECONSTRUCTION COST
SHARE PROGRAM**

For the ER1 Program, we propose the same strategic approach as for the NFMP. Once ER1 reaches a level of maturity where projects have been selected and the program starts to receive project reimbursement requests, we propose to transfer the program's administration to COR3. Like with the NFMP, this transfer could significantly reduce PRDOH's administrative costs and speed up disbursements.

ER1 AT A GLANCE

Program Guidelines published in October 2023

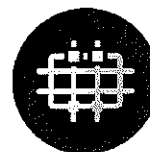
- ✓ Finalize project identification in coordination with COR3 and PREPA by Q2 2024.
- ✓ Determine eligibility and issue award by Q3 2024.

Task 2.7.2 Electrical Power Reliability and Resilience Program

The ER2 Program funds transformative energy projects that involve multiple stakeholders like PREPA, PREB, and the Department of Energy and its National Laboratories. This program requires a high level of specialized technical assistance, not only in HUD and federal funds requirements, but also in electrical engineering, renewable sources, and Puerto Rico's energy infrastructure. HORNE has gathered a first-class team comprised of electrical and mechanical engineers, academicians, and seasoned energy experts to assist and guide PRDOH with successful program implementation.

ER2 is now in the process of considering strategic projects and evaluating competitive applications, which will directly impact the program budget distribution. Our technical experts will assist PRDOH to evaluate applicants' proposed energy solutions for compliance with energy production models' sufficiency, reliability, resiliency, and maximization of renewable energy use, among other technical aspects.

To deliver comprehensive and impactful projects that are resilient, reliable, and sustainable energy solutions and considering the ER1 and ER2 projects' complexity level and regulatory requirements, an extension to the grant's period of performance would be necessary. Based on this forecast, HORNE is committed to assisting PRDOH to persuade HUD of the need for an extension that adjusts to the project's reality.



ELECTRICAL POWER
RELIABILITY AND RESILIENCE
PROGRAM

ER2 AT A GLANCE

- ✱ ER2 competitive application period closed in January 2024 with ample participation.
- ✱ ER2s awarded with:
 - ▶ AGSM for the Centro Médico Microgrid project
 - ▶ Department of Economic Development and Commerce for the Implementation of the Sports Engineering Program



**Justo Gonzalez
Torres, PE**
Energy Advisor

Mechanical engineer with 30+ years of experience who has held titles such as generation director and environmental protection director among other high-level positions at PREPA.



HORNE will support PRDOH with preparing and submitting the extension request and revising the proposed project and program closeout timelines upon it being granted.

WOCARE Strategy

WOCRR

We will implement the following initiatives to reinforce customer service:



Strategic Subrecipient Initiatives

- ▶ **Biweekly meetings** with in-progress projects.
- ▶ **Quarterly leadership calls** to assess program satisfaction and address inquiries or concerns.
- ▶ **Satisfaction survey** every six months to assess satisfaction.

Competitive Applicant Initiatives

- ▶ **Monthly touchpoints** with in-progress cases for general status and next steps.
- ▶ **Recurring call campaign** during the first month of each quarter for cases closed during the previous quarter.

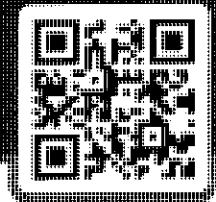


**Robert Garcia
Cooper, MSSE
Energy PM**

Electrical engineer and power and energy engineering researcher with 20 years of electrical utility technical experience.

Click or Scan

to view his paper on Distributed Generation Component Placement and Point of Common Coupling Allocation for Solar Rooftop Microgrid Sizing Costs Minimization.

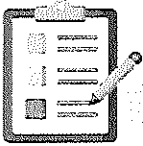


- ✓ Have all projects preliminarily selected and active in their design and environmental review phase by Q4 2024.
- ✓ Start construction on at least one project by Q4 2025.

Task 2.8 Additional tasks and programmatic support

HORNE's environmental and historic preservation team is committed to providing PRDOH with high-quality environmental review record preparation and QA/QC services in compliance with 24 CFR Part 58, HUD environmental regulations, and NEPA requirements, including EXEMPT, CENST, CEST, EA, and Environmental Impact Statements. We can provide technical assistance through virtual or in-person meetings. Our team has SOI-qualified professionals ready to assist with preparing and conducting QA/QC of the Historic Property Architectural Form for the National Register of Historic Places eligibility and other consultation forms for federal agencies.

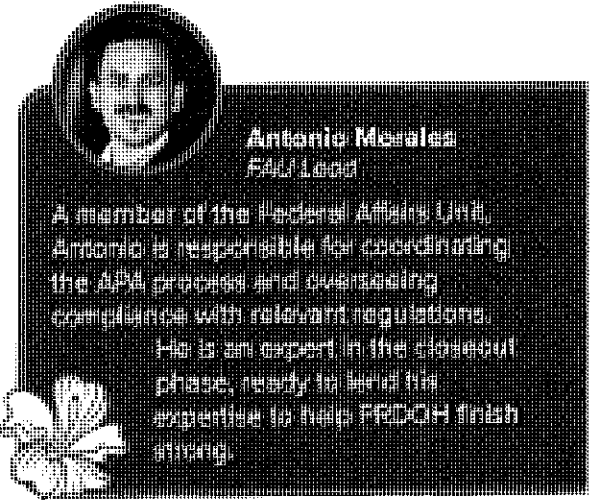




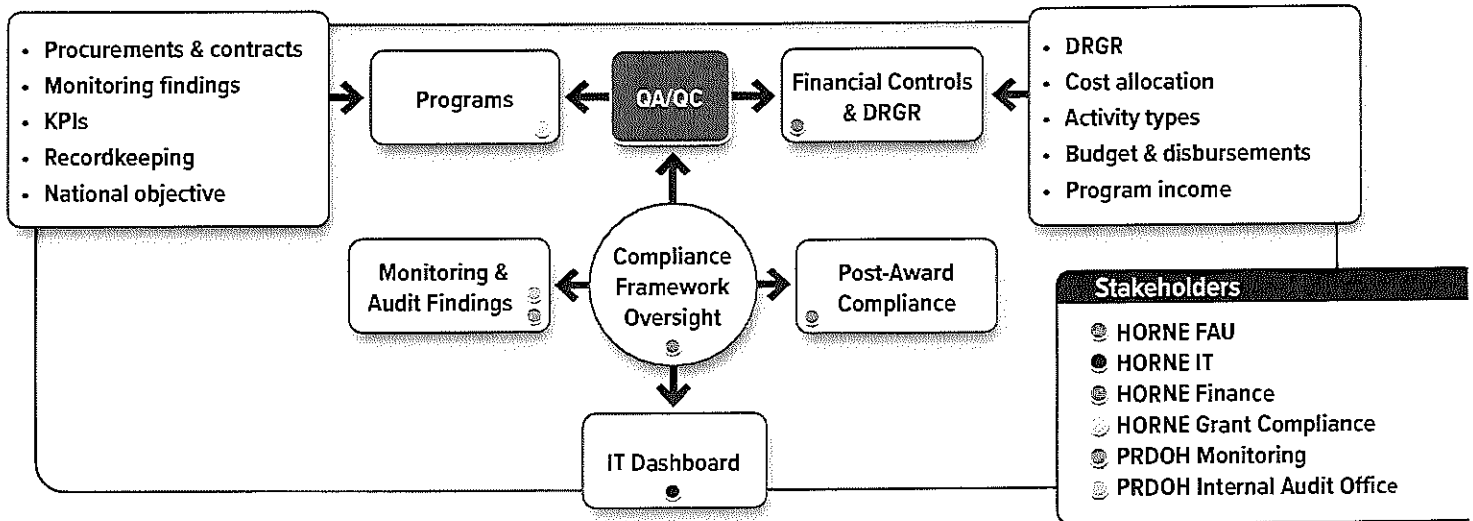
Compliance Framework for Oversight and Closeout

Due to the size and complexity of the CDBG-DR allocations, PRDOH must invest time and resources to safeguard compliance with HUD regulations and closeout requirements, identify compliance opportunities, and implement timely corrective measures across the portfolio. To support PRDOH, we propose implementing a compliance framework for oversight and closeout.

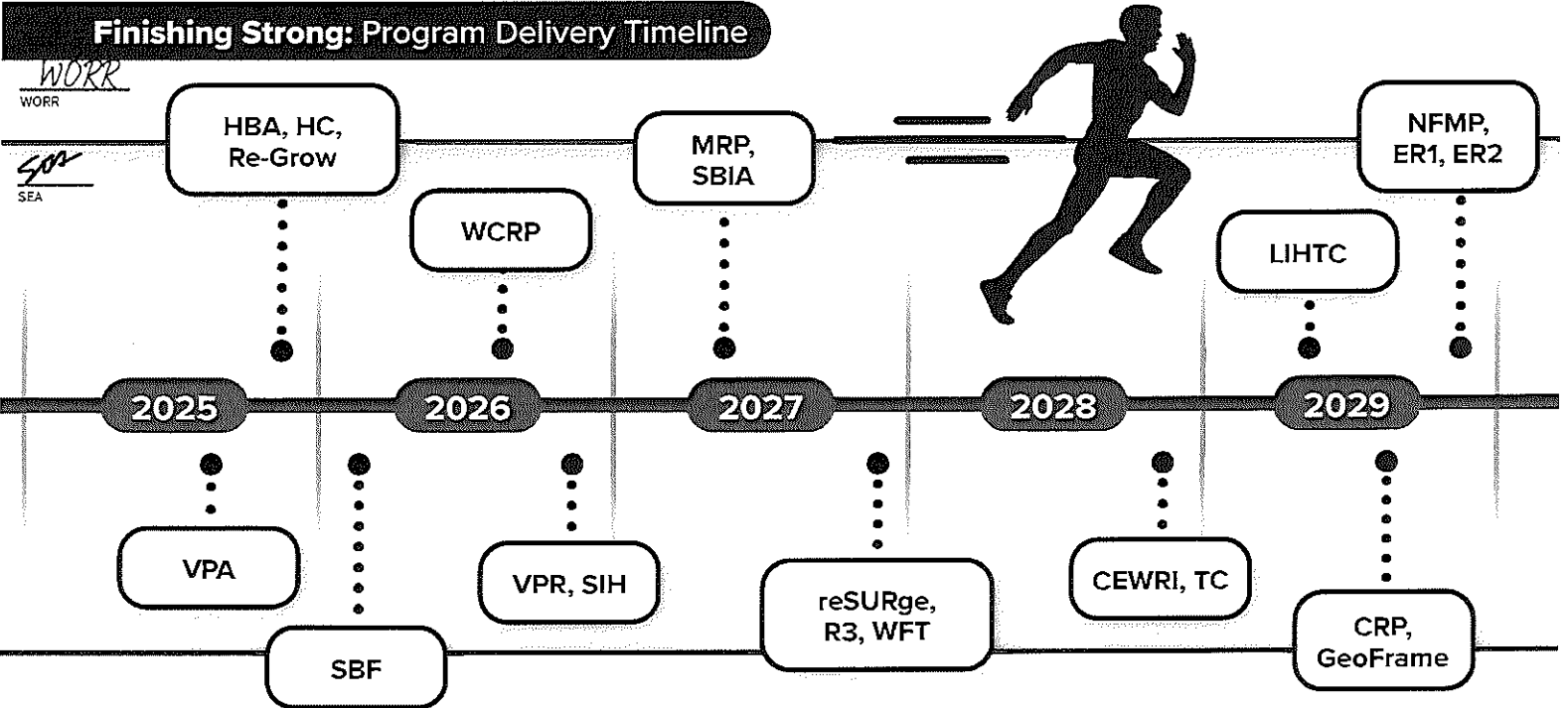
The HORNE Team will develop, implement, and oversee the strategy at the grant and program levels. We will also establish the framework and timeline for deliverables and track progress for compliant program and grant closeout. The Federal Affairs Unit will serve as a liaison with PRDOH's designated point of contact in all matters related to the progress and status of the compliance framework strategy. This includes compliance with single-audit requirements, financial controls in alignment with grant certifications, DRGR reporting (national objective, activities, costs, outcomes, program income, final QPR, etc.), and cost allocation between activity types (administration, activity delivery, and planning).



During the grants' life cycles and in proactively preparing for closeout, we will conduct a QA/QC review of sample cases across the portfolio for compliance with applicable federal and local requirements, identify areas of opportunities, and propose corrective actions to be addressed by a designated Grant Compliance Division team member dedicated to each sector. Ongoing QA/QC review efforts will include verifying the proficiency of financial controls and issuing reports with observations for PRDOH's Finance Division to address for safeguarding compliance with grant certifications. HORNE will coordinate reporting mechanisms and tools with our IT team to provide transparency and keep PRDOH informed during strategic coordination meetings. Finally, we will coordinate with the PRDOH Monitoring and Internal Audit Office to resolve all findings and observations and to monitor post-award compliance.



Finishing Strong: Program Delivery Timeline



As detailed throughout this Technical Proposal, the HORNE Team is committed to PRDOH's success in delivering and implementing the disaster recovery assistance that Puerto Rico deserves. Above all, we share your core values of CARING deeply for the people we serve and wanting to build a more resilient home for our families and those who will come after us—this is what drives us forward. That is why, as the highly trained and experienced partner who has accompanied you in every step of the race, we have the endurance and stamina it takes to reach the finish line and help you **FINISH STRONG!**



**HORNE will be PRDOH's champion,
and we will rally together for a STRONG FINISH.**



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

ATTACHMENT B

ATTACHMENT 2
SCOPE OF WORK
Request for Quotations
Grant Management Services
Community Development Block Grant – Disaster Recovery (CDBG-DR)
CDBG-DR-RFQ-2023-01
(Revised for Addendum No. 1)

I. Introduction and Overview:

This is a Request for Quotations (**RFQ**) issued by the Puerto Rico Department of Housing (**PRDOH**) for the Community Development Block Grant - Disaster Recovery (**CDBG-DR**) Program pursuant to the Continuing Appropriations Act, 2018, and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Pub. L. 115-56); the Bipartisan Budget Act of 2018 (Pub.L. 115-123); and the Additional Supplemental Appropriations for Disaster Relief Act, 2019 (Pub.L. 116-20), which allocated disaster recovery assistance to the Government of Puerto Rico from qualifying 2017 and/or 2019 disasters. In addition, under the Extending Government Funding and Delivering Emergency Assistance Act (Pub.L. 117-43), which arose in response to major disasters qualified in 2020 or 2021; and the Continuing Appropriations Act (Pub.L. 117-180) and the Consolidated Appropriations Act, 2023 (Pub.L. 117-328), which authorized recovery funds for disasters occurring in 2022.¹

The PRDOH is issuing this RFQ seeking to select one or more Grant Managers (also identified in this RFQ as "**Contractor**", "**Vendor**", "**GM**", "**Proposer**" or "**Successful Proposer**") to support and assist PRDOH in the establishment of CDBG-DR objectives, performance, compliance, and monitoring standards and procedures for all CDBG-DR related activities, in compliance with CDBG-DR, HUD, and other applicable federal and local rules and regulations. This document defines the tasks that the Successful Proposers must perform to support the PRDOH as part of the CDBG-DR Programs.

For this RFQ the use of the terms "shall", "should", "must", "may" or "will" indicate a MANDATORY requirement or condition.

The selected proposer will support and assist PRDOH with pre-awards, awards, post-awards, and closeout of grants; completing federal funding reports; support and assist in connection with federal financial assistance applications with a focus on emergency management, disaster recovery, and federal funds management plans; among other required tasks. Also, the selected proposer will support and assist with applicable CDBG-

¹ More information on allocations, including applicable Laws, Regulations, and Notices, may be found at https://www.hud.gov/program_offices/comm_planning/cdbg-dr/regulations.

DR requirements, regulations, and adequate coordination and implementation of staff augmentation strategies. The selected proposer will also support and assist PRDOH with all activities related to Puerto Rico's disaster recovery efforts in accordance with Federal Government requirements in connection with the allocations granted to the Commonwealth of Puerto Rico under the CDBG-DR Programs, as mentioned herein. The proposer shall also support and assist PRDOH in the establishment of quality assurance and quality control procedures.

The Grant Manager must support and assist PRDOH in the administration and activity delivery of Planning, Housing, Economy, Infrastructure, Multi-Sector, and any other eligible projects or programs approved for CDBG-DR funding. In addition to the programmatic areas, the selected proposer must support and assist PRDOH with the operational divisions, and/or administrative divisions, not limited to, Financial Management, Communications, Information Technology, Procurement, Legal, Policy & Compliance, Auditing, Monitoring, Federal Compliance & Labor Standards, among others.

To be considered as a candidate for this RFQ, proposal must:

- Contain **evidence of the proposer's professional grant experience, ability, and capacity in the specified discipline that is directly related to the grant services to be provided.**
- Describe and define how it will update, support, and assist PRDOH with all existing programs in the programmatic and operational areas. Proposer will also support and assist PRDOH with ongoing, and any future allocations. Proposer must prioritize in its proposals how it will assist the PRDOH in the creation, drafting from scratch, and subsequently, supporting and assisting PRDOH with non-existing programs for present and future allocations.

The proposer must provide **Grant Manager Software & Licenses** for all CDBG-DR allocations, including any other future federal grants. Presently, PRDOH has approximately 1,600 software licenses for the use of PRDOH, its subrecipients and contractors. The selected proposer must meet **compliance readiness**, should have the ability to continue work without shut down or with minimum interruptions of the programs and should be able to start rendering its services promptly.

This RFQ is subject to the availability of HUD CDBG-DR funds to complete the Scope of Work described herein. The PRDOH, while administering HUD funds, may receive allocations for future disasters on the Island. If additional CDBG-DR funds are allocated to Puerto Rico during the life of the contract, the proposer may be assigned to work on those future federal grants or allocations. Therefore, PRDOH reserves the right to amend

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any contract(s) resulting from this procurement process to, among others, extend its original duration, or to extend the scale of the scope to include work under presently administered and subsequent CDBG-DR allocations as related to the services requested herein.

There is no guarantee of a minimum level of services that may be requested by the PRDOH under this contract. The Selected Proposer shall be responsible for completing the activities outlined in this Scope of Work. The Selected Proposer shall assist PRDOH by providing additional resources to accomplish assignments authorized by the PRDOH.

NOTE:

If at the time of the bid due date for this RFQ, any proposer has a current contract with PRDOH, pertaining CDBG-DR and CDBG-MIT funds, and said contract presents a Conflict of Interest with the services to be provided under this RFQ, the proposer shall not breach or terminate said contract to submit a proposal for this RFQ.

Work for Hire

By submitting proposals to this RFQ, the proposer expressly acknowledges and agrees that all proprietary materials prepared by the Grant Manager under the subsequent Agreement shall be considered "**Work Made for Hire**" as defined under the Copyright Act, as amended, 17 U.S.C. § 10, and shall be the exclusive property of PRDOH. These materials shall include, but shall not be limited to, any and all deliverables resulting from the Grant Manager 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 Grant Manager, whether independently or collaboratively, during the Grant Manager Services.

The Grant Manager commits to diligently safeguarding all proprietary materials, indemnifying PRDOH for any fault or negligence on its part. Additionally, the Grant Manager pledges to cooperate with PRDOH in any claim they may have against a third party for use of any proprietary materials.

The Grant Manager agrees that, 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 Grant Manager acknowledges and respects the need to maintain the confidentiality of such content

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and refrains from using it in any manner that could disclose or compromise this confidentiality.

Sole Property of PRDOH

Proposer agrees that while GM is providing services for PRDOH and/or subrecipients, its work is subject for work for hire and the revenues, products, results, materials, programs, processes, information, and systems, among others, developed or produced by Proposer whether during office hours or non-office hours shall remain the sole property of PRDOH and constitute work for hire. Proposer shall have no other rights in said property other than to be paid its fees by PRDOH. Proposer agrees that upon request to return all said property and all copies of information or writings related to said property shall be returned to PRDOH. Proposer agrees to cooperate with PRDOH in obtaining any trademarks, patents or copyrights in PRDOH's name, and shall sign any such applications or needed assignments of rights if any. Further, Proposer agrees that the same shall constitute confidential proprietary information as the same is described herein.

II. Organizational Structure

Tasks for this RFQ are divided into two (2) sections to address the needs of the PRDOH. In summary, "**Disaster Recovery Grant Management**" and "**Action Plan Implementation**".

In general, the Selected Proposer shall support and assist with the PRDOH's implementation and oversight of CDBG-DR programs outlined in the applicable Action Plans, as they may be amended. Support and assist PRDOH in the establishment of CDBG-DR objectives, performance, compliance, and monitoring standards and procedures for all CDBG-DR related activities, in accordance with the Action Plans and CDBG-DR, U.S. Department of Housing and Urban Development (**HUD**), and other applicable federal and local requirements rules and regulations. Proposer shall assist PRDOH in planning and/or administrative activities related to any prospective allocation of funds under the CDBG-DR.

Grant Manager must be prepared to provide full-time staff support as needed. It is assumed that some of its staff will need to be based on island. Spanish/English staff is preferred but not required. Proposer may be required to assist and participate as PRDOH's representative in meetings as required by HUD, the Federal Government and/or the PRDOH, including, but not limited to, meetings with municipalities, partners, subrecipients, subgrantees, contractors, managers, and others.

The proposer shall provide their own qualified personnel to perform tasks as requested, in a highly efficient manner. As for the Energy Power System programs, proposer should

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provide qualified personnel, with expertise in electrical power systems, to support and assist PRDOH with energy grants.

PRDOH does not require specific personnel for this RFQ; proposer may submit the personnel it understands necessary. However, the inclusion of a technical writer is **highly recommended**. A technical writer in the CDBG-DR program will perform various roles and tasks to support effective program implementation, compliance, and communication. Their work supports the successful execution of disaster recovery projects by ensuring that program activities align with federal, local, and state regulations, guidelines and community needs while promoting clear and accessible documentation. Their responsibilities often include:

- **Policy and Procedure Documentation-** Creating, updating, and maintaining comprehensive policy and procedure manuals that outline program guidelines, compliance requirements, and standard operating procedures.
- **Program Guidelines and Regulations-** Creating, updating, and maintaining comprehensive policy and procedure manuals that outline program guidelines, compliance requirements, and standard operating procedures.
- **Program Reports and Documentation-** Preparing, editing, and organizing program reports, including quarterly performance reports, program evaluations, and compliance documentation.
- **Grant Applications and Proposals-** Assisting in the development and writing of grant applications and proposals to secure funding for CDBG-DR projects and initiatives. This includes crafting compelling narratives and ensuring compliance with grant requirements.
- **Technical Manuals and Guidelines-** Creating technical manuals, guides, and reference materials for program staff, subrecipients, and contractors. These documents provide clear instructions on project management, financial management, procurement, and compliance.
- **Communication Materials-** Drafting communication materials, such as press releases, newsletters, program updates, and public announcements. These materials inform stakeholders, community members, and the public about CDBG-DR activities.
- **Training Materials-** Developing training materials and modules for program staff, subrecipients, and community representatives. These materials support training sessions on program requirements, compliance, and best practices.
- **Environmental Impact Statements (EIS) and Assessments-** Assisting in the preparation of Environmental Impact Statements (EIS) and Environmental Assessments (EA) for CDBG-DR projects. Ensuring that these documents meet regulatory requirements and communicate environmental impact information effectively.

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- **Accessibility and Fair Housing Documentation-** Creating documents that outline accessibility requirements and fair housing guidelines for CDBG-DR projects. Ensuring projects accommodate individuals with disabilities and promote housing equity.
- **Public Notices and Public Participation Plans-** Preparing public notices, public participation plans, and related documentation for community engagement efforts. These documents inform the public about project activities and opportunities for input.
- **Compliance Checklist-** Developing compliance checklists and templates for program staff to use in evaluating project compliance with CDBG-DR guidelines, environmental regulations, procurement rules, and other standards.

Tasks included in this contract are described in Table 1 below:

Table 1- Summary of Tasks for Program Management Services

Task	Sub-task
Task 1 Disaster Recovery Management	Task 1.1 Establish, draft, and/or update Disaster Recovery Guidelines
	Task 1.2 Disaster Recovery Action Plans
	Task 1.3 Overall Project Plan & Implementation Strategies
	Task 1.4 Procurement
	Task 1.5 Financial Management/Project Controls
	Task 1.6 Risk Management Assessments
	Task 1.7 Monitoring and Compliance
	Task 1.8 Training and Knowledge Transfer
	Task 1.9 Information Technology
	Task 1.10 Meetings and Reporting
	Task 1.11 Subrecipient Management Coordination
	Task 1.12 Additional Operational Support
Task 2 Action Plan Implementation	Task 2.1 Planning Programs
	2.1.1 Whole Community Resilience Planning Program (WCRP)
	2.1.2 Municipal Recovery Planning Program (MRP)
	2.1.3 Geo Frame
	2.1.4 Other Activities or Initiatives
	2.1.4.1 VPA/VPR
	2.1.4.2 Program Design support
	Task 2.2 Housing Programs
	2.2.1 Home Repair, Reconstruction, or Relocation Program (R3)
	2.2.2 Social Interest Housing Program (SIH)
	2.2.3 Housing Counseling Program (HCP)
	2.2.4 CDBG-DR Gap to Low Income Housing Tax Credits Program (LIHTC)
	2.2.5 Community Energy and Water Resilience Installations Program (CEWRI)
	2.2.6 Title Clearance Program (TC)
	2.2.7 Homebuyer Assistance Program (HBA)
	2.2.8 Tasks to be performed on the overall Housing Program
	Task 2.3 Economy Programs
	2.3.1 Small Business Financing Program (SBF)
	2.3.2 Small Business Incubators and Accelerators Program (SBIA)
	2.3.3 Workforce Training Program (WFT)
	2.3.4 Economic Development Investment Portfolio for Growth Program (IPG)

	2.3.5 Re-grow PR Urban and Rural Agriculture Program
	Task 2.4 Infrastructure Programs
	2.4.1 Non-Federal Match Program
	Task 2.5 Multi-Sector Support Programs
	2.5.1 City Revitalization Program (CRP)
	Task 2.6 Earthquake Programs and Tropical Storm Isaias, Earthquake System Enhancement Program
	Task 2.6.1 reSURge
	Task 2.7 Electrical Systems Enhancement Programs
	Task 2.7.1 Energy Grid Rehabilitation and Reconstruction Cost Share Program (ER1)
	Task 2.7.2 Electrical Power Reliability and Resilience Program (ER2)
	Task 2.8 Additional tasks and programmatic support

It is important to highlight that all tasks to be fulfilled by the Grant Manager will be executed by petition of PRDOH. In other words, every task or work performed by the proposer shall be assigned, and or approved, beforehand, by PRDOH by task order. Thus, work not properly requested by PRDOH may not be paid. Also, PRDOH, at its sole discretion, may choose to not necessarily assign all tasks to a selected proposer.

Task1 - Disaster Recovery Management

Task 1.1 Establish, draft, and/or update Disaster Recovery Guidelines

Grant Manager must support and assist the PRDOH in the development and/or updating of program policies and procedures, and, once approved by the PRDOH, their dissemination among all involved parties.² Support and assist PRDOH in the establishment of preparedness and development of best practices, for all CDBG-DR related activities, in accordance with the Action Plans and CDBG-DR, HUD, and other applicable federal and local requirements rules and regulations. CDBG-DR Action Plans are available at <https://cdbg-dr.pr.gov/en/action-plan/>.

The Grant Manager will be responsible for ongoing reviewing and substantially revising or updating existing standard operating procedures, workflows, processes, checklists, and templates for State-and Subrecipient-run CDBG programs, as requested by the PRDOH. Assisting the PRDOH in developing and/or updating existing implementation plan, and upcoming allocations, for the administration of CDBG-DR including comprehensive information regarding the roles of the PRDOH, its contractors, and Subrecipients in the grant process. The implementation plan is a working document and shall be updated by the selected proposer throughout the Contract Period. The selected proposer will ensure compliance with federal and state regulations, including PRDOH guidelines. The proposer will support and assist PRDOH updating and/or designing recovery programs that address specific need for the affected areas.

² All Program Policies and Guidelines may be found and downloaded at <https://cdbg-dr.pr.gov/en/resources/policies/>.

Deliverables:

- A. Support in the creation and/or updating created Program Guideline Documents per program:
- This document will precisely define the requirements of the particular program, including, but not limited to, Program overview and objective, applicant eligibility criteria, eligible use of funds, ineligible activities, detailed application and selection process, specific requirements imposed by federal and local laws and regulations (e.g., environmental assessment, duplication of benefits), reconsideration and administrative review process, and HUD general provisions. These will include specification of criteria for the selection of subrecipients and the increase of subrecipient monitoring, including support and assistance in the compliance of the enhanced subrecipient monitoring and oversight requirement established in applicable Federal Register Notices, and preparation of reports regarding such monitoring.
- B. Support in the creation and/or update Created Required Program Documents and Forms:
- To be used as part of the implementation of the Program for both applicants and Program staff.
- C. Support in the creation and/or update Standard Operating Procedures (**SOPs**): These documents will detail the procedure specific to CDBG-DR Program operation that describe the activities necessary to complete tasks in accordance with applicable federal and local regulations and laws. Submission of any SOP, Program Documents, Guidelines, and/or policies, shall be made in writing to the PRDOH Program Area and Legal Division and must be approved by the PRDOH.
- D. Support and advise the PRDOH in any matter related to the creation of these Guidelines, Program documents and forms, as requested by the PRDOH.
- E. Provide any support, reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.
- F. Any other tasks required by PRDOH.

Task 1.2 Disaster Recovery Action Plans

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Grant Manager must support and assist the PRDOH in drafting and preparing amendments to the Action Plans, substantial or non-substantial, including, but not limited to, the design of new programs, as required. In the event of substantial amendments, the Grant Manager shall assist in the public comments process. Grant Manager's responsibilities will include, but are not limited to:

- Periodic review of Federal Register Notices and new federal regulations applicable to CDBG-DR allocations.
- Support and assist preparing, drafting Action Plan Amendments and Benefit Cost Analyses, as required.
- Support and assists PRDOH in the submission of clarifications, certifications, and other information and/or documentation required by HUD.
- If required, support and assist the PRDOH coordinating public outreach and community engagement for the public participation process as required; including, but not limited to, open forums and workshops as may be needed, publication of the amendments in the CDBG-DR website and other means of outreach, assessment of disaster's impact on affected communities, among others.
- If required, support and assist updating or developing a communication plan to reach affected communities PRDOH and
- Support and assist in the development of processes to address Action Plan amendment requests from CDBG-DR Program staff.
- Assist in the programmatic coordination for implementation of federal and local requirements as outlined in the Action Plans and projects identified as needed.

Deliverables:

Proposer should support and assist with:

- A. Schedule of public hearings within the time granted by the applicable federal regulation, if required.
- B. Log of projects suggested as part of the citizen participation program, if required.
- C. Record of responses to public comments, if required.
- D. Data collection of information needed for the Action Plan Amendments.
- E. Action Plan Amendment (**APA**) draft package to be submitted for approval to PRDOH CDBG-DR Director, Disaster Recovery Deputy Secretary, and PRDOH Secretary.
- F. Final version of the approved APA package to be submitted by PRDOH to HUD.
- G. Support and assist PRDOH's staff in the evaluation of needs related to these amendments. As such, the Grant Manager shall provide

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Subject Matter Experts (**SMEs**) to clarify policy issues and compliance with DR regulations.

- H. Drafting of communications with stakeholders, HUD, and any other entity needed to complete the process of the amendments.
- I. Support and advise the PRDOH in any matter related to the amendment of the Action Plans, as requested by the PRDOH.
- J. Provide any support, reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.

Task 1.3 - Overall Project Plan and Implementation Strategies

Grant Manager must support and assist PRDOH in the development or updating of a Project Plan for all Program Areas. This will include the identification of projects and schedule for project implementation. This will require the Grant Manager to review all projects in all program areas to consider the following:

- A. Strategic procurement plan to ensure a timely supply of goods and services that are critical to CDBG-DR Program's ability to meet its core objectives.
- B. Conduct a thorough assessment of disaster's impact on the affected communities.
- C. Support and assist the analysis of collected data on damages, losses, and the need of individuals and business and how to maximize efforts for ongoing programs.
- D. Help identify available resources and how to maximize efforts for better usage of allocations.
- E. Support and assist securing additional funds or resources as needed. It should include information such as the planned delivery or implementation dates.
- F. Assist tracking progress for programs and of recovery efforts.
- G. Proposer will engage with subrecipients and organizations, within and outside PRDOH, for data collection and review information on the Island capabilities, per PRDOH's request.
- H. Support and assist PRDOH in developing, monitoring, and recommending modifications of the CDBG-DR grant master management and operations plan and schedule.
- I. Support PRDOH to maintain a comprehensive website regarding all disaster recovery and disaster recovery activities under any HUD notice applicable to the CDBG-DR grant.
- J. Proposer shall provide PRDOH the following support and reports on:
 - i. issues impacting each eligible activity being carried out, including reported problems, lagging performance, communication issues, etc., and the action being taken to resolve them;

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- ii. identification of risks associated with each eligible activity being carried out;
- iii. deliverables completed to date and those scheduled for completion;
- iv. resources available to deliver services, including staff and structure, technology and budget, identification of constraints affecting delivery and institution of corrective actions;
- v. prepare high level presentations and briefs upon demand;
- vi. carry out PRDOH and/or the Government of Puerto Rico reporting obligations under the CDBG-DR grant.

Deliverables:

- A. Management and Operations Plan and Schedule. Should present a detailed scheduling plan that determines start times, finish times and work assignments for all projects at each program, as well as project completion (outputs).
- B. Project Plan which identifies specific projects within each program area.
- C. Proposer shall provide a monthly status of each eligible activity being carried out, including monitoring of the budget, schedule, and performance against contract metrics. A project cost loaded schedule should be included in this monthly report.
- D. Assist PRDOH in official presentations and federal quarterly reporting requirements.
- E. Proposer shall assist PRDOH and its procured public relations firm in content preparation for external communications, including, news releases, conferences, and web content in relation to the CDBG-DR, per PRDOH's request.
- F. Provide any support, reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.

Task 1.4 - Procurement

Grant Manager must support and assist the PRDOH's Procurement Division, per request, with, but not limited to:

- Support and assist with market research to identify potential suppliers and market costs.
- Updating current SOPs for procurement acquisitions.
- Support and assist in the implementation of cost controls measures to optimize procurement expenses and ensure cost-effectiveness.

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- Support and assist in establishing quality standards to ensure that procured goods and services meet specified needs.
- Assist the Procurement division in the creation of RFP, IFB, RFQ, and other packages.
- Support and assist the Procurement Division in developing Independent Cost Estimates (**ICE**) in accordance with an acquisition process.
- Support and assist PRDOH in the procurement process, from determining needs onto final bid board recommendation.
- Support and assist PRDOH in the compliance with procurement regulations and policies and in overseeing procurement processes to ensure the award processes are fair and meet applicable rules and regulations.
- Support and assist in any other tasks required, pertaining procurement processes.
- Support and assist with procurement's subrecipients courtesy reviews.

Deliverables

- A. Draft or update a document outlining sourcing strategy, selection criteria, strategies for cost reduction, among others.
- B. Prepare expert advice in a variety of subject matter areas so to assist PRDOH with technical aspects of developing Scopes of Work and all necessary procurement documents (RFP, RFQ, Evaluation Criteria, sealed bids, among others) using information obtained from Programmatic Areas.
- C. Maintain comprehensive records of procurement activities, contracts, and communications with suppliers.
- D. Support and assist with procurement cost and price analysis comparing actual costs to budgeted or estimated costs.
- E. Support creating an outreach plan to build a list of prequalified firms which will be needed based on the Program plan identified in Task 1.3
- F. Support and assist PRDOH with proposer outreach including Industry Day Events, Pre-proposal/Pre-bid conferences, and other outreach efforts, per PRDOH's request.
- G. Provide any reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.

Task 1.5 - Financial Management/Project Controls

Project Controls

- Support and assist in monitoring and overseeing financial metrics of the Overall project plan developed in Task 1.3.

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- Support and assist in monitoring project budgets and expenses to ensure cost control and compliance with CDBG-DR for PRDOH and subrecipients.
- Support and assist in creating or updating project schedules, including milestones and critical paths.
- Support and assist in monitoring and documenting all financial needs on a continuing basis.
- Support and assist with monthly reports that provide a concise financial view of the program to date as well as planned future expenditures. This should include a projected financial need on a project basis for all program areas.
- Support and assist in submitting a written monthly high-level financial report for senior management that displays expenditures, budgets by cost types, and projections. Ensure all documentation is accessible and well organized.
- Support and assist with cash flow analysis and project Schedules.
- Document lessons learned from project phase and share with the CDBG-DR team for continuous improvement.
- Develop a closeout plan to finalize project activities, ensure compliance, and prepare final reports and documentation, per PRDOHs request.

Financial Management

- Support and assist PRDOH in the establishment of policies and procedures related to the prohibition of duplication of benefits and in the auditing and monitoring of duplication of benefits.
- Assist in the monitoring of project budgets and comparing actual expenses to the approved budgets.
- Assist in generating financial reports.
- Provide support to PRDOH for the initial review and approval of Subrecipient draw requests submitted to the PRDOH.
- Assist the PRDOH with establishing, maintaining, and improving financial processes.
- Coordinate with the PRDOH, its contractors, Subrecipients, and Subrecipients' contractors on State-and Subrecipient-run programs to ensure proper documentation prior to disbursement of funds.
- Assist the PRDOH with applicable financial duties, reporting, reconciliation, and certifications.
- Support and assist with preparing financial records and documentations for audits or reviews by regulatory agencies, internal auditors, or independent auditors.
- Report, in writing, suspected fraudulent acts to the PRDOH.
- Provide and perform any other reporting services, at the PRDOH's request.

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- Support and assist in reviewing change orders or contract amendments that may impact project budget and funding allocations.

Deliverables:

- A. Grant Manager shall review, process, track and monitor invoices and/or requests for payments for Subrecipients and contractors under CDBG-DR and forward the results of these reviews and processes to PRDOH.
- B. Grant Manager shall perform, at a minimum, the following reporting services, at the PRDOH's request:
 - i. Submit written monthly reports to the PRDOH, in a format agreed to by the Parties, detailing program status, forecast, budget, significant issues, lessons learned, and items that need to be addressed.
 - ii. Provide near-real-time access upon the request of the PRDOH to individual project statuses, significant issues, lessons learned, and items needing to be addressed.
- C. Provide support for any reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.

Task 1.6 Risk Management Assessments

Proposer shall support and assist PRDOH providing risk management assessments in relation to the CDBG-DR grant.

- Identify processes and situations that may affect the success of CDBG-DR projects, such as environmental risks, funding uncertainties, regulatory changes, and natural disasters, among others.
- Identify processes and situations that may cause harm, particularly to the financial management of the CDBG-DR Grant. Determine how likely it is that each hazard will occur and how severe the consequences would be. Advice, upon request, on what steps the PRDOH can take to stop these hazards from occurring or to control the risk.
- Increase consistency and proactiveness in risk management activities including risk identification and assessment, risk prevention and disaster recovery, reporting, and monitoring, risk response and corrective action.
- Support and assist in the development and maintaining a risk register that include a list of identified risks, their descriptions, potential impacts, and others.
- Support and assist PRDOH in the increase capacity for effective grant management and greater openness, transparency, and accountability in decision-making between all actors in the grant management process.

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- Support and assist PRDOH in creating stronger communication channels between stakeholders, partners, and local governments in dealing with and prioritizing risks.
- Support and assist PRDOH in the creation of more effective strategic planning because of increased knowledge and understanding of these risks.
- Support PRDOH in better prioritization and focus on the most material risks.
- Support and assist PRDOH in the compliance of the Financial Management Capacity Risk conditions, as specified in CDBG-DR Grant Agreements.
- Support and assist PRDOH in assessment of Subrecipients' capacity.
- Assist PRDOH in oversight Subrecipients' activities and performance to ensure: (i) subawards are used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and (ii) subaward performance goals are achieved.
- Support and assist in evaluating financial risks related to budget overruns, changes in funding availability, or fluctuation in projects costs.
- Support and assist in maintaining a track record on ongoing projects, when they finalize and advise on a timely manner for any amendment or the need for a new process.

Deliverables:

- A. Provide an ongoing report which creates awareness to PRDOH about possible threats, hazards and risks, and advice how to avoid them.
- B. Justify the costs of managing risks. Provide a cost benefit analysis for the risk, indicating high/low risk and the associated costs.
- C. Determine the budget to remediate risks.
- D. Provide support for any reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.

Task 1.7- Monitoring & Compliance

Monitoring tasks

- **Project Progress Tracking-** Regularly monitor progress of CDBG-DR projects. Use project schedules and key milestones of tracking.
- **Financial Monitoring-** Continuously monitoring project budgets, expenditures, and financial records to ensure they align with approved budgets and cost estimates.
- **Quality Assurance Inspections-** Conduct quality control inspections and assessments to ensure that project deliverables meet the required quality standards and specifications.

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- **Environmental Monitoring-** Monitor and assess potential environmental impacts or projects, ensuring compliance with environmental regulations and disaster recovery measures.
- **Compliance Audits-** Conduct regular compliance audits to verify adherence to CDBG-DR program regulations and requirements. Document findings and address any identified compliance issues.
- **Subrecipient Monitoring-** Monitor activities and financial management of subrecipients to ensure compliance with CDBG-DR program guidelines and regulations.
- **Data and Reporting Monitoring-** Continuously review and validate data and reports related to project performance, financial management, and compliance. Ensure accurate and timely reporting to CDBG-DR administering agencies.
- **Risk Monitoring-** Monitor identified project risks and evaluate their status, potential impact and any changes. Implement risk mitigation strategies as necessary.

Compliance tasks

- **Regulatory Compliance Assurance-** Ensure all project activities adhere to CDBG-DR program regulations, guidelines, and other relevant local, state, and federal regulations.
- **Financial Compliance-** Verify that financial practices and transactions comply with CDBG-DR financial management guidelines, including cost eligibility and documentation requirements.
- **Contract Compliance-** Monitor contracts and agreements to ensure compliance with contractual terms, milestones, and deliverables.
- **Procurement Compliance-** Monitor procurement processes to ensure that they align with CDBG-DR procurement guidelines.
- **Environmental Compliance-** Verify that projects comply with environmental regulations, permits, and impact assessments. Address any environmental compliance issues or violations.
- **Accessibility and Fair Housing Compliance-** Ensure that projects comply with accessibility and fair housing requirements to accommodate individuals with disabilities and promote housing equity.
- **Equal Opportunity and Non-Discrimination-** Ensure that project activities and services provided do not discriminate based on race, color, national origin, sex, or other protected characteristics.
- **Document Compliance-** Maintain complete and organized records and documentation for all project activities, expenditures, and compliance-related matters.
- **Compliance Reporting-** Prepare and submit compliance reports to CDBG-DR administering agencies, regulatory authorities, and oversight bodies.

- **Compliance Audits and Self-Assessments-** Conduct periodic self-assessments and internal compliance audits to identify and address compliance issues before external audits occur.

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In addition to the aforementioned information, the selected proposer will:

- Support and assist PRDOH in all phases of the CDBG-DR grant management process, which include, but is not limited to: (i) assessing compliance of the financial management systems; (ii) ensuring responsible and accountable use of grant funds; (iii) ensuring that CDBG-DR funds are not being comingled with other funds or non CDBG-DR funds; (iv) ensuring transparent and authorized use of all CDBG-DR funds (guarding against fraud waste, abuse, and ineligible use of funds); (vi) ensuring that performance is in compliance with grant requirements; (vii) ensuring that all key performance indicators are being properly monitored and addressed quickly and resolved effectively; (viii) assisting with the management of the financial management systems; (ix) assisting with the management of the project(s) period of performance schedule(s); (x) evaluating ongoing status reports, final reports, and other deliverable products required under the CDBG-DR grant, and; (xi) assisting in grant close-out procedures.
- Support and assist PRDOH in the CDBG-DR grant oversight, management, supervision, and compliance monitoring process and system that involves an ongoing process of planning, implementation, performance, and communication follow-up. The objectives for the programmatic/contractual oversight, management, supervision, and compliance monitoring will be to: (i) determine and assure that municipalities, partners, subrecipients, subgrantees, contractors, and managers are carrying out their projects, programs, and/or scopes of work or services as described in their respective contracts or agreements; (ii) determine and assure that municipalities, partners, subrecipients, subgrantees, contractors, and managers comply with CDBG-DR, HUD, and other applicable federal and local requirements, rules, and regulations; (iii) determine and assure that municipalities, partners, subrecipients, subgrantees, contractors, and managers are carrying out their projects, programs, and/or scopes of work or services on schedule or in a timely manner and within budget; (iv) determine if municipalities, partners, subrecipients, subgrantees, contractors, and managers are conducting their projects, programs and/or scopes of work or services with adequate control over program and financial performance and in a way that minimizes the opportunity for fraud, waste, and abuse; (v) identify problem areas and assist municipalities, partners, subrecipients, subgrantees, contractors, and managers in applicable requirements, and; (vi) provide adequate follow-up measures in the form of quality improvement plans and corrective actions to ensure performance and compliance deficiencies are corrected and not repeated.

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- Support and assist PRDOH in oversight and monitoring of the distribution of funds, including, documentation compliance. Proposer shall work with the PRDOH to determine documentation that must accompany requests for payment and assist in the review for completeness, compliance, and accuracy of all payment request documents.
- Proposer shall ensure timely submission of all required documentation, including, but not limited to, financial reports; performance reports by eligible activities carried out; budget and expenditures reports by eligible activities carried out; work progress, costs and scheduling reports; resolution of findings, resolution of recommended changes, implementation of policies and resolution of issues affecting performance.
- Support and assist PRDOH in sufficient and appropriate document control and management initiatives and programs to meet financial management and all other documentation requirements for CDBG-DR grants. Proposer shall implement such document control initiatives and programs.
- Support and assist PRDOH in review and revision of any CDBG-DR related contracts for CDBG-DR compliance and shall be available to explain contract to all related stakeholders.
- Support and assist PRDOH in the compliance of all requirements applicable to the CDBG-DR program, as specified in the applicable Federal Register Notices, Grant Agreements, Action Plans, and any other applicable law, rules, or regulations.
- Proposer shall monitor and report any identified or suspected instances of non-compliance with CDBG-DR, HUD, and other applicable federal and local requirements, rules, and regulations, as well as suspected fraud to PRDOH.
- Supporting and participating in quality-control plans or audits conducted by the PRDOH, HUD, or contracted auditors. This task includes a preliminary assessment of potential audit risks, evaluation of significant items, and assistance with fulfilling all audit requests.
- Providing support to PRDOH staff in compiling information for program monthly reports and Quarterly Performance Reports (**QPRs**) in DRGR.
- Proposer shall ensure, monitor, and oversee, through the qualified personnel or staff: (i) Occupational Safety and Health Administration (**OSHA**) regulations compliance and supervision of job site safety; (ii) environmental assessments, when and where needed, are completed; (iii) fraud prevention and abuse practices are in place and being implemented; (iv) local and federal permit(s) clearance; (v) environmental compliance; (vi) submission of all HUD required forms.

Deliverables:

- A. Prepare documents and materials as required to report on compliance issues, which need PRDOH attention.
- B. Concise monthly report detailing compliance issues and recommended solutions.
- C. As requested, Grant Manager shall conduct desk reviews of the documentation supporting the program reports for accuracy and compliance and shall develop compliance checklists and other tools to assist with the compliance and oversight required by the CDBG-DR grant.
- D. Proposer shall ensure timely submission and compliance with all required documentation, both for PRDOH and at the municipalities, partners, subrecipients, subgrantees, contractors, and managers' level, for proper submission, dissemination of information, as well as for proper record keeping. Proposer shall then provide, as needed, compliance oversight and technical assistance to PRDOH, municipalities, partners, subrecipients, subgrantees, contractors, and managers, and review the documents for proper content and ensure information is complete, accurate, and issued in a timely manner.
- E. Provide any support, reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.

Task 1.8 – Training and Knowledge Transfer

- Proposer shall conduct periodic trainings to local staff and/or to municipalities, partners, subrecipients, subgrantees, contractors, and managers, as needed, to ensure compliance with funding regulations and requirements, including, CDBG-DR grant and local administrative practices, to meet performance objectives and ensure adherence to all applicable regulations and requirements. When major changes in policy or requirements occur, Proposer shall prepare the necessary training materials and effectively communicate the changes.
- Proposer will fully train Program Managers and PRDOH staff regarding the operation of the programs and the grant, within the contract period.
- Proposer shall ensure, monitor, and oversee, through the qualified personnel or staff: (i) OSHA regulations compliance and supervision of job site safety; (ii) environmental assessments, when and where needed, are completed; (iii) fraud prevention and abuse practices are in place and being implemented; (iv) local and federal permit(s) clearance; (v) environmental compliance; (vi) submission of all HUD required forms.

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- Proposer shall ensure municipalities, partners, subrecipients, subgrantees, contractors, and managers comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Fair Housing and Equal Opportunity Standards and all other applicable federal and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of their respective contracts or agreements.
- Proposer shall ensure that all municipalities, partners, subrecipients, subgrantees, contractors, managers, and any entities receiving CDBG-DR funds are aware of and are compliant with any regulatory requirements associated with the funds.
- Support and assist PRDOH in the evaluation of applications by municipalities, partners, subrecipients, and/or subgrantees including, but not limited to, eligibility and prioritization and that applicant files are complete and maintained as part of the document control and management system. Proposer shall monitor municipalities, partners, subrecipients, and/or subgrantees receiving CDBG-DR funds to meet the accounting, transparency, reporting, job creating, contracting and any other applicable requirements through proper oversight, outreach, and technical assistance.
- Building staff capability through delivery of technical assistance and training of staff for easy knowledge transfer by creating a Knowledge Transfer Plan.

Deliverables:

- A. Developing, at the PRDOH's request, program step-by-step training handouts, presentations, and other training materials to assist PRDOH's staff and Subrecipients with their applications and project development.
- B. Developing, at the PRDOH's request, web-based training videos on practically applying federal rules and regulations related to CDBG-DR and CDBG-DR, and other topics as identified, to PRDOH and Subrecipient projects and programs.
- C. Knowledge Transfer Plan: creating a proactive plan for sharing knowledge today in order to build a more collaborative, aligned, and informed workforce.
 - a. Supporting PRDOH's employees as they transition to roles that were done previously by the Grant Manager;
 - b. Shortening ramp-up times for new hires or interns in their roles;
 - c. Ensuring that key knowledge from Grant Manager and PRDOH's departing employees is stored and shared with future team members.

D. Provide any reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.

Task 1.9 – Information Technology

- PRDOH is seeking a reliable and knowledgeable vendor to assist in the implementation, migration, and management of PRDOH's current grant management system to a comparable or more robust solution. The selected proposer will be responsible for assessing PRDOH's existing system, developing a comprehensive migration plan, executing the migration process, and providing post-migration support and training. The purpose of this RFQ is to identify a capable partner to assist in the seamless transition of these critical systems to enhance PRDOH's operational efficiency and data management capabilities.
- Proposer shall ensure that all CDBG-DR grant information including, but not limited to, financial information, is available at all times in one comprehensive, secure, and user-friendly electronic environment, compatible with the Yardi system currently in use by PRDOH. Financial information includes, but is not limited to, budgeted amount for each eligible activity, CDBG-DR funds drawn to date, and CDBG-DR funds expended to date.
- PRDOH shall be granted continuous access to the system and up-to-date data in the system.
- Proposer shall provide the information requested herein as part of its Work Approach Document. This information shall include the Approach to Deployment, technical support and custom development as well as any license requirements and costs.
- Proposer shall also have expertise on managing Geographic Information System (GIS) software.
- Assist PRDOH with implementing and maintaining an accurate record-keeping system to ensure documentation is properly stored and easily accessible for reporting:
 - Proposer is required to maintain all documents, communications of any kind that relates in any manner to the CDBG-DR allocation for Puerto Rico for a minimum period of five (5) years following grant closeout. GM shall provide viewing access to the PRDOH during this period.
 - Proposer shall provide protective storage and provide reports and electronic copies to the federal and local government, as required and/or requested.
 - Ensure that Project documentation is designed and maintained in a way that will satisfy the compliance requirements for all funding sources.
 - Ensure that all records are permanently stored, not duplicative, and easily accessible.

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- o Assist PRDOH with implementing and maintaining an accurate record-keeping system to ensure documentation is properly stored and easily accessible for reporting.

Deliverables:

- A. Provide Software for record keeping and grant management for at least 1,600 users.
- B. Manage the grant portfolio through informative dashboards.
- C. Include report templates.
- D. Sync objectives, activities, and performance measures with PRDOH's budget.
- E. Manage sub-awards & pass-through funding.
- F. Able for maximum customization and security.
- G. Track of every transaction in real-time against every line item.
- H. Proposer shall represent PRDOH in meetings and participate in meetings as required by HUD, the Federal Government and/or the PRDOH, including, but not limited to, meetings with municipalities, partners, subrecipients, subgrantees, contractors, and managers.
- I. Provide any reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.

Task 1.10 – Meetings & Reporting

- Proposer shall represent PRDOH in meetings and participate in meetings as required by HUD, the Federal Government and/or the PRDOH, including, but not limited to, meetings with municipalities, partners, subrecipients, subgrantees, contractors, and managers.
- Proposer shall provide (i) a monthly status of each eligible activity being carried out, including monitoring of the budget, schedule, and performance against contract metrics, and (ii) assist PRDOH in official presentations and federal quarterly reporting requirements.
- Proposer shall provide PRDOH the following: (i) issues impacting each eligible activity being carried out, including reported problems, lagging performance, communication issues, etc., and the action being taken to resolve them; (ii) identification of risks associated with each eligible activity being carried out and the action being taken to mitigate, avoid, or reduce them; (iii) deliverables completed to date and those scheduled for completion; (iv) resources available to deliver services, including staff and structure, technology and budget, identification of constraints affecting delivery and institution of corrective actions; (v) prepare high level presentations and briefs upon demand; (vi) carry out PRDOH

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and/or the Government of Puerto Rico reporting obligations under the CDBG-DR grant.

Deliverable:

- A. Provide any reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.

Task 1.11 Subrecipient Management and Coordination

Proper subrecipient management is necessary not only to comply with Federal regulations, but to improve service delivery to the Island of Puerto Rico. CDBG-DR funds invested in the Puerto Rican communities must be meticulously managed through practices that ensure federal and local compliance. An inadequate administration of CDBG-DR funds may result in wasted Program funds, lost opportunities, grant reduction, and an adverse effect on future grants. Through a clear assignment of responsibilities and tasks, as well as robust monitoring program, these potential negative fallouts can be avoided.

Responsibilities of Subrecipients include meet PRDOH's selection criteria; carry out specified program and/or program activity on behalf of PRDOH; comply with all Federal and state statutes, regulations, Program requirements, and PRDOH's policies and procedures; comply with all terms and conditions of the Subrecipient Agreement; and meet established performance goals.

Proposer shall support and assist PRDOH in the management and coordination with the subrecipients.

Deliverables:

- A. Support and assist PRDOH in establishing policies, procedures, and guidance, as necessary, to allow for the adequate management and oversight of PRDOH Subrecipients.
- B. Grant Manager will work closely with Program and Operational Areas in establishing strategies and tools to ensure that their Subrecipient oversight activities are carried out appropriately to meet regulatory requirements.
- C. Grant Manager will work closely with PRDOH to ensure open lines of communication between Program Areas and Operational Areas such as, but not limited to, Monitoring and Finance.
- D. Provide any reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.

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Task 1.12 Additional Operational Support

The selected proposer must also support and assist PRDOH with any other operational division within the program, including but not limited to, Communications, Legal, Policy & Compliance, Auditing, Federal Compliance & Labor Standards, among others, including any other disaster recovery management needs, operational or otherwise, that may emerge. Additionally, the selected proposer must as well support and assist PRDOH with any alliances or joint programs that may emerge with any and all federal, state or local government agencies, non-profits, or private entities.

Task 2- Action Plan Implementation

The following tasks are General tasks for each programmatic area, nevertheless, the selected Grant Manager must first receive a task order to perform tasks as required.

The Scope of Work under "Action Plans Implementation" is based on the programs identified in the original HUD-approved CDBG-DR Action Plans. Through amendments to the Action Plan, programs may be eliminated or incorporated, depending on the needs identified by PRDOH and the Government of Puerto Rico. The Grant Manager will have same responsibilities for new programs that are introduced in subsequent amendments to the Action Plans.

Task 2.1 Planning Programs

A. Project Background

The Planning Programs consist of Whole Community Resilience Planning Program, Municipal Recovery Planning Program, and the Puerto Rico Geospatial Framework Program (**Geoframe**). In sum, the tasks to be performed by the selected proposer, without limitation to any additional tasks or programs that may emerge, will be:

2.1.1 Whole Community Resilience Planning Program (WCRP)

Through the Whole Community Resilience Planning (**WCRP**) Program, eligible entities support the development of community planning efforts that produce actionable Community Resilience Plans (**CRPs**) that support the goals identified by their community and define implementable projects to increase their resilience. During this process, communities will be asked to consider future stressors (hurricanes, earthquakes, landslides, economic downturns, other social or geophysical shocks, etc.), environmental integrity, economic diversity and viability, hazard disaster recovery opportunities, historic preservation, equity and vulnerability, and infrastructure redevelopment or augmentation, as well as other issues they deem important. For this Program, it is estimated that PRDOH will enter into Agreements with around twenty (20) eligible entities.

2.1.2 Municipal Recovery Planning Program (MRP)

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Municipal Recovery Planning (**MRP**) Program was created to respond to current and future municipal needs in areas affected by Hurricanes Irma and/or María. The Program provides funds to municipalities to undertake planning activities to address conditions created or exacerbated by Hurricanes Irma and María. The planning process will culminate with the preparation of Recovery Plans that will serve as a guide to develop more resilient communities in Puerto Rico's municipalities, which will have technical assistance provided by the Department of Housing.

Individual Specialized Planning Analysis

The Specialized and Individual Planning Analysis is intended to address essential or desirable planning needs and activities, at the municipal level, identified during Individual Municipal Planning that require additional efforts, professional or specialized services and/or highly technical planning analysis or activities for the development of future recovery and/or mitigation strategies.

Regional Municipal Planning

The Regional Municipal Recovery Planning provides the opportunity for municipalities, participating consortia and other municipal entities incorporated under the Puerto Rico Municipal Code to submit a proposal for a planning study that addresses regional challenges in Puerto Rico. Municipalities interested in Regional Planning Activities must be participants in the MRP Program. If the area of activity is linked to an immediate unmet need, these groups or consortia may receive a direct allocation for planning purposes. For requirements, access the Program Guidelines.

2.1.3 Geoframe

The Geoframe program consists of the aggregation, integration, and actualization of all cadastral and geospatial data in Puerto Rico using a centralized and regulated system, as Spatial Data Infrastructure (**SDI**). The IT components proposed in the SDI will be part of the Government IT system. The Program will integrate all maps and geospatial data from multiple state agencies including but not limited to addresses, roads, parcels, structures, ownership, occupancy, land use, natural hazards, etc. As well it will upgrade and standardize maps and layers already in existence.

2.1.4.1 Vacant Properties Assessment (VPA) Initiative & Vacant Properties Recovery

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Communities. This has been established in the Unmet Needs Section of the CDBG-DR Action Plan. PRDOH identified the need for a service provider with experience and capacity to implement the following tasks:

1. Conduct Regional Informative Meetings with CDBG-DR and PRDOH Central and Regional Staff, Municipalities and Communities.
2. Develop a methodology for creating a database, including the creation of an official definition of vacant properties to be inventoried.
3. Create a database at the Barrio level for each municipality.
4. Creation of templates for data collection and development of databases for the use of municipalities and PRDOH, along with the preparation of a Final Report.

Vacant Properties Recovery Program (VPR)

The proposed Vacant Properties Recovery (VPR) Program intends to implement planning and code enforcement activities to address the issue of vacant and abandoned properties to convert them into resilience opportunities for Puerto Rico's communities. The program will offer capacity building and support to municipalities to reach a resolution in terms of code enforcement.

VPA/VPR Program Implementation Support

Program implementation support (GCP Support - Monthly Report Reviews, Subrecipient Management Support (check-in community presentations, stakeholder meetings, decision-making, invoice reviews, deliverable reviews), general decision-making and coordination). Design and documentation of Phase 2 (Action Plan Amendments, Guidelines development, presentations, stakeholder coordination, research, SRA negotiations and executions). Once signed, Program implementation support, including Municipalities' management.

2.1.4.2 Program Design support

Program Design support (Deliverable Guidance for Subrecipient, SRA design, negotiation, and execution), Subrecipient Onboarding, Program implementation support (GCP Support - Monthly Report Reviews, Subrecipient Management Support (check-ins, stakeholder meetings, decision-making, invoice reviews, deliverable reviews), general decision-making and coordination.

2.1.4.3 Training for Planning Department staff on the use of the VPR

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Housing Tax Credits Program; Community Energy and Water Resilience Installations Program; Rental Assistance Program; Title Clearance Program; and Homebuyer Assistance Program. The tasks to be performed by the selected proposer, without limitation to any additional tasks that may emerge, will be:

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2.2.1 Home Repair, Reconstruction, or Relocation Program (R3)

This Program provides funding to repair damaged homes or rebuild substantially damaged homes in-place in non-hazard areas. Reconstruction activity returns otherwise displaced families to their homes in the same community. Homes become eligible for reconstruction when the property estimated cost of repair exceeds \$60,000 as confirmed through program inspection, or if a feasibility analysis determines that reconstruction is required. The relocation venue provides homeowners with substantially damaged homes located in high-risk areas an opportunity to relocate to a safer location.

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2.2.2 Social Interest Housing Program (SIH)

The objective of the Program is to provide funding to non-profit organizations who are committed to providing Social Interest Housing and work with vulnerable populations to ensure accessibility of housing to individuals with a wide range of socioeconomic, physical, emotional, and other impairments. The Program seeks to expand existing housing to increase the number of vulnerable individuals served and/or bring existing housing to decent, safe, and sanitary conditions and in compliance with all applicable construction codes and health and safety standards in disaster impacted areas.

2.2.3 Housing Counseling Program (HCP)

This Program will foster resilience through public education and advocacy delivered by HUD-Approved Housing Counseling Agency (HCA) professionals to explain the options available for Applicants receiving housing counseling services and/or in conjunction with other forms of housing assistance. These services may include a range of approved subjects, including but not limited to, one-on-one counseling and formal training sessions.

2.2.4 CDBG-DR Gap to Low Income Housing Tax Credits Program (LIHTC)

The low-income housing tax credit (LIHTC) program is the federal government's primary policy tool for encouraging the development and rehabilitation of affordable rental housing. The program awards developers federal tax credits to offset construction costs in exchange for agreeing to reserve a certain fraction of units that are rent-restricted for

the R3 Program. Some of the tasks to be performed by the proposer include:

2.2.5.1 Tasks invoiced per hour

1. Administrative Assistance

- **Management Assistance**
 - Performance Metrics
 - Invoice Review
 - Contract Review
 - Goal tracker
 - Follow-up with deadlines
 - Installers Performance Metrics
 - Verify and recommend for payment contractor's invoices
 - Goal tracker
 - Follow-up with deadlines
- Customer Service Assistance with participants

2.2.5.2 Tasks invoiced per unit

1. Programs Technical Assistance

- **QA/QC Pre- Installation Assessments (PIA's)**
 - Validate the information that before arriving to PRDOH goes through a series of QA/QC reviews done by the PM inspectors.
- **QA/QC Finals**
 - The primary focus of the Final Inspection report QA/QC is the review of five documents in total. These records are the commissioning report and submittals that make up the Pre-Inspection Package, Final Inspection Report, Warranty Acknowledgment Document, Program Satisfaction Survey Document, and PREPA Package.
- **QA/QC Intake and Eligibility**
 - Verify that applicants meet all program eligibility requirements by validating their information and the data/documents that have been gathered.
- **QA/QC Environmental Review**
 - Environmental reviews are a process for projects funded by the federal

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The goal of the Program is to help LMI households in Puerto Rico to obtain clear and marketable titles of their properties. Providing marketable titles will promote long term self-sustainability and resilience by improving access to public and private financial resources.

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2.2.7 Homebuyer Assistance Program (HBA)

Applicants may qualify to receive financial assistance in the form of a grant towards purchasing a new or existing home. The Homebuyer Assistance Program grants up to a maximum of fifty-five thousand dollars (\$55,000) to eligible households. Properties located in Urban Centers, as certified by PRDOH, may receive an additional five thousand dollars (\$5,000) to be used towards the purchase price. Additionally, the Program benefits and improves homeownership opportunities to eligible Low-to-Moderate (LMI) and Urgent Need (UN) households. Assistance will be secured with restrictive conditions on the property for the CDBG-DR funds awarded for a five (5) year affordability period.

2.2.8 Tasks to be performed on the overall Housing Programs, which will be invoiced per hour, include the following, but are not limited to:

1. Oversee Housing operations
2. Monitor outcomes and vendor and subrecipients performance.
3. Supervision of Housing management associate, QA/QC PM. Follow up and general program coordination (activities and progress).
4. Review and update program documents, procedures, policies, outcomes, vendor and subrecipients reports,
5. Supervision of QA/QC associates. Follow up, coordination, site visits
6. Review and update thru programmatic stages and related documentation: Intake, eligibility, initial assessments, scoping, award determinations, design, construction, inspections, site visits, temporary or permanent relocation packages, invoices, closeouts, etc.

Task 2.3 Economy Programs

2.3.1 Small Business Financing Program (SBF)

SBF will provide a Recovery Grants phase (grants awards of up to \$150,000) for working capital and moveable equipment for small businesses and microenterprises that suffered physical and/or financial losses due to the Hurricanes. Start-ups created after the Hurricanes are also eligible if they can show their creation was the result of a closure of a

2.3.1.1 Task Invoiced per unit

- **Expenditure Review & Closeout**

- Complete Expenditure Review and Closeout of Grant Awards. Close files of grant awards provided. Verifying compliance with all Grant Agreements, gathering all required documentation, and taking appropriate actions to ensure grant awards closeout.

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2.3.2 Small Business Incubators and Accelerators Program (SBIA)

The Small Business Incubators and Accelerators Program (SBIA) works to strengthen the Island's economy through the incubation and acceleration of small businesses, as well as to facilitate the resources to create and provide infrastructure to support both processes of business development.

Its main objective is to benefit citizens affected by Hurricanes Irma and Maria in the creation of new businesses, through an incubation process or to strengthen existing ones with an acceleration process. This is supported by various entities selected throughout the Island that submitted their projects.

2.3.3 Workforce Training Program (WFT)

This program helps unemployed and underemployed residents find employment by providing job training in skill areas related to recovery efforts. The Workforce Training Program (WFT) supports entities throughout the Island to offer training in job skills related to the reconstruction and economic growth of Puerto Rico and in those skills necessary to situate the Island in the economy of the future.

2.3.4 Economic Development Investment Portfolio for Growth Program

The Investment Portfolio for Growth (IPG) Program seeks to alleviate the exacerbated economic effects of hurricanes Irma and Maria through large-scale development projects that are transformative in nature and create or retain Low-to-Moderate Income (LMI) jobs and cascading economic impacts. The IPG Program intends to award gap funding for large-scale commercial and industrial development for a broad-ranging set of economic revitalization initiatives. This may include but is not limited to the development or redevelopment of commercial, mixed-use and infrastructure projects through a significant investment to support local economy.

- Compilation of the necessary supporting documentation related to the credit request by applicant.

- **Quality Reviews**

- Reviews the grammar and logical financial and sequence of the information presented.

- **Credit Evaluation Committee presentations**

- Compilation of all pertinent information to be presented to the Credit Committee for its evaluation and eventual approval.

- **Legal and Environmental documentation review**

- Reviews all Legal Documentation to be signed including Loan Agreement, Intercreditor Agreement, Collateral Items, Guarantees, covenants and all necessary documentation for the loan disbursements.

- **Negotiation of Loan Terms and Conditions**

- Negotiates all required terms and conditions as needed with applicant and their legal counsel. Seeks to protect PRDOH's interest in the transaction.

- **Review of Collateral Items**

- Reviews the validity, completeness and negotiability of all collateral documents and keeps safekeeping of signed documents.

2.3.5 Re-grow PR Urban and Rural Agriculture Program

Re-Grow PR Urban-Rural Agriculture program develops greater agricultural capacity and addresses the needs created by Hurricanes Irma and María with a substantial investment of CDBG-DR funds for a wide variety of viable and sustainable agricultural activities. Some of the tasks to be performed by the proposer include expenditure review and program closeout.

2.3.5.1 Tasks invoiced per unit

- **Expenditure Review & Closeout**

- **Complete** Expenditure Review and Closeout of Grant Awards. Close files of grant awards provided. Verifying compliance with all Grant Agreements, gathering all required documentation, and taking appropriate actions to ensure grant awards closeout.

- **Supervision - Expenditure Review & Closeout**

- Supervise Program Specialists and ensure completion of their Expenditure

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2.4.1 Non-Federal Match Program

As part of the Government of Puerto Rico's published CDBG-DR Action Plan, and any substantial amendments, the PRDOH has established the Non-Federal Match Program (**NFM**) to accelerate recovery from Hurricanes Irma and María by leveraging CDBG-DR funds to meet the Island's Non-Federal cost-share requirements for federal grant programs.

This Program is designed to assist state agencies, public entities, local non-profit organizations, and other eligible entities by leveraging CDBG-DR funds with Federal Emergency Management Agency (**FEMA**) resources to maximize and ensure recovery efforts. The use of CDBG-DR funds to cover the required Non-Federal share, or local match, will ease the fiscal strain for communities struggling to recover from the catastrophic events of Hurricanes Irma and María. In this Program, PRDOH will use CDBG-DR funds to match the required Non-Federal cost share match portion of FEMA-eligible Project Worksheets (**PWs**).

2.4.1.1 Tasks for Infrastructure Programs invoiced per hour

- Guidance on FEMA regulations and program requirements
- Programmatic audit oversight and management
- Programmatic/contractual oversight and monitoring
- Support the reimbursement requests process
- Duplication of benefit verification
- Training and monitor subrecipient performance
- Support monitoring of Subrecipient compliance with applicable laws and regulations
- Support program oversight and fund distribution
- Provide guidance on HUD regulations and program requirements
- FEMA CDBG-DR Infrastructure programmatic guidance and implementation services
- CDBG-DR eligibility reviews of the FEMA's Public Assistance Program project worksheets to identify Non-Federal cost share match opportunities to maximize federal funding streams in the sub-recipient's recovery efforts.
- Prepare project reconciliations at grant management system, FEMA drawdowns and the state's financial system of record, identifying issues with

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- Budget creation, tracking, reporting, and budget variance monitoring
- Financial compliance (tracking, catalog, and document)
- Project financial controls and reporting
- Coordinate with federal, state, and local financial community
- Procurement and contracting compliance assistance
- Support Legal Division with the preparation and drafting of justification memos, executive memos, among other similar documents
- Fraud, waste and abuse identifications and remediation
- Assists with executive reporting and presentations
- Support with programmatic issues resolution
- Financial data analysis
- Financial performance and projection modeling
- Close out process support

Task 2.5 Multi-Sector Support Programs

2.5.1 City Revitalization Program (CRP)

The City-Rev Program allocates one billion two hundred ninety-eight million dollars (\$1,298,000,000) from CDBG-DR to help shape and implement the future vision of communities that were affected by Hurricanes Irma and María. Through this funding, PRDOH will support the seventy-eight (78) municipal governments and other eligible organizations to undertake a variety of recovery activities aimed at reinvigorating downtown areas, urban centers, and key community corridors. These projects will promote the redevelopment, re-greening and restoration of lost natural resources, and further incentivize private investments in restored urban areas.

Tasks include engineering and constructions management support, which will be invoiced per hour. For additional examples of tasks to be undertaken refer to the NFM Program listed tasks.

Task 2.6 Earthquake program and Tropical Storm Isaias; Earthquake System Enhancement Program

On July 29, 2020, the Governor of Puerto Rico issued Executive Order 2020-059 declaring a state of emergency considering the imminent impact of Tropical Storm Isaias. From July 29-31, 2020, Tropical Storm Isaias passed just south of Puerto Rico impacting the southern

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After also declaring a state of emergency, on September 9, 2020, the President of the U.S. signed the major disaster declaration DR-4560-PR authorizing FEMA to provide IA in the designated areas, and Hazard Mitigation throughout Puerto Rico.

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As per 87 FR 6364, the Municipalities of Guánica, Ponce, Yauco, Guayanilla, Peñuelas, Lajas, and Mayagüez were the HUD-identified MID areas, and these were required to be given funding priority in the recovery from the disasters caused by the 2019-2020 seismic sequence and Tropical Storm Isaias.

Task 2.6.1 reSURge

HUD approved a special allocation with CDBG-DR funds with the purpose of helping in the long-term recovery from the disasters caused by the 2019-2020 earthquakes. (DR-4473-PR). These funds have an approximate total of \$ 36,424,000, of which \$29,139,200 are for the recovery of six municipalities in southern Puerto Rico: Guánica, Guayanilla, Lajas, Peñuelas, Ponce y Yauco.

The Consortium of Southern Municipalities (ConSur) will be the administrator of the Program in direct coordination with the mayors of the municipalities that will receive the assistance. ReSURge Program assists homeowners to repair damage or rebuild affected homes in the disaster area. Houses that have a legal, engineering, or environmental situation may not be rebuilt; however, they can be referred to the Single-Family Mitigation Program under the CDBG-MIT of Puerto Rico.

Task 2.7 Electrical System Enhancement Program

The impact on precious disasters on the power grid remains ever present in the daily lives of Island residents. Power outages are common and unpredictable, electricity prices continue to rise, and rolling blackouts due to insufficient generation have been common. The impact of the hurricanes on the power system was devastating and led to the longest sustained blackout in modern United States (U.S.) history. Without power, residents were unable to gain access to healthcare, communication, refrigeration, water, cooling, and security. With sustained systemic insecurity, residents continue to feel many of the same impacts, economic recovery is hampered, and the cycle of recovery cannot be completed. Energy remains the single most comprehensive and critical factor to the future of the Island.

Central Office for Recovery, Reconstruction and Resiliency (**COR3**), the 2021 Fiscal Plan for PREPA as Certified by the Financial Oversight and Management Board for Puerto Rico, and key studies by the U.S. Department of Energy (**DOE**). This Action Plan seeks to adjust critical findings from these reports and identify the remaining unmet need for communities that stand vulnerable to the impacts of power insecurity. It aims to discern resilience opportunities for long-term system enhancement for the benefit of all residents.

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2.7.1 Energy Grid Rehabilitation and Reconstruction Cost Share Program (ER1)

With a budget of \$500,000,000, the Energy Grid Rehabilitation and Reconstruction Cost Share (**ER1**) Program will benefit Puerto Rican communities by funding projects that enhance the electric system's reliability, affordability, and resiliency. This Program focuses on the development of an improved electrical grid for all residents of Puerto Rico, as approved by the Federal Emergency Management Agency (**FEMA**) FEMA Accelerated Award Strategy (**FAAST**).

To help address these challenges, HUD has granted a special allocation under CDBG-DR funding for Electrical Power System Enhancements and Improvements for Puerto Rico. The allocation's objective is to relieve the financial burden caused by the electrical power system's recovery efforts and address the system's reliability and resiliency needs.

These funds provide a unique and significant opportunity to carry out strategic and high-impact activities that:

- Address necessary electric power system recovery expenses;
- Mitigate the electric power system's risk to future disasters;
- Improve the electric power system's reliability, resiliency, efficiency, and sustainability; and
- Address the electric power system's long-term financial viability.

As described in PRDOH's CDBG-DR Electrical Power System Enhancements & Improvements Action Plan, the funds will be used for the implementation of two programs focused on supporting the Island's electric power system's improvements strategy: Energy Grid Rehabilitation and Reconstruction Cost Share Program (**ER1**) and Electrical Power Reliability and Resilience Program (**ER2**).

or by any federal agency acting as the primary resource of funding to participate in the Program.

2.7.2 Electrical Power Reliability and Resilience Program (ER2)

Energy remains the most critical factor for the Island's long-term recovery and future. The CDBG-DR Energy Electrical Power Reliability and Resilience (**ER2**) Program's objective is to enhance electric system reliability, affordability, and resiliency through the development and interconnection of projects that qualify as electric system enhancements or improvements. Efforts are focused on creating decentralized sources of power generation, distribution, and storage to minimize blackouts, furthering the goals defined by the Puerto Rico Energy Public Act, No. 17-2019, which sets the Island on a path to forty percent (40%) and one hundred percent (100%) renewable energy by 2025 and 2050, respectively.

Task 2.8 Additional tasks and programmatic support

In addition to all the aforementioned tasks for all programmatic areas, the selected proposer must support and assist PRDOH, when applicable and required, with the following, without limitation to:

Environmental Review Level of review:

1. EXEMPT and Categorical Exclusion Not Subject to 58.5 (EXEMPT and CENST)

- Prepare and/or QA/QC environmental reviews under 24 CFR Part 58.6 regulations and related laws and authorities.

This task applies to all active CDBG-DR Programs.

2. Categorical Exclusion Subject to 58.5 (CEST)

- Prepare environmental reviews according to 24 CFR Part 58.5 and 58.6 regulations and related laws and authorities.
- Prepare and/or QA/QC consultation forms for federal agencies (USFWS, CZM Program, among others).
- An SOI Qualified Professional will prepare the Historic Property Architectural Form that addresses the National Register of Historic Places eligibility and the impact the program actions may have on that property SHPO Clearance/Consultation documentation.
- QA/QC Historic Property Architectural Form.

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- QA/QC EA level Tiered reviews.
- An SOI Qualified Professional will prepare the Historic Property Architectural Form that addresses the National Register of Historic Places eligibility and the impact the program actions may have on that property SHPO Clearance/Consultation documentation.
- QA/QC Historic Property Architectural Form.

This task applies to all active CDBG-DR Programs.

4. Environmental Impact Statements pursuant 24 CFR Part 58

- Prepare and/or QA/QC Environmental Impact Statements according to HUD environmental regulations and the National Environmental Policy Act requirements.

5. Technical Assistance (in-person meetings, virtual, emails)

- Provide environmental compliance technical assistance through meeting calls, in-person meetings, and/or via email.

6. Administrative (invoice processes, Requests for Approval, and other related responsibilities)

- Assist in managing administrative documentation related to invoices, and contract management, among other administrative-related activities requested by PRDOH.

In addition, the selected proposer must also support and assist PRDOH with any other programmatic areas within the CDBG-DR current or future allocations, including but not limited to, any and all non-existing programs, as well as any other allocations, including any other disaster recovery management needs operational or otherwise that may emerge. Additionally, the selected proposer must as well support and assist PRDOH with any alliances or joint programs that may emerge, with any and all federal, state or local government agencies, non-profits, or private entities.

FOR EACH OF THE TASKS IDENTIFIED ABOVE, AS TASK 2, PROPOSER MUST PROVIDE THE FOLLOWING DELIVERABLES:³

Deliverable 1 - Project Verification:

- The successful proposer shall work with the PRDOH staff to qualify the proposed projects for the CDBG-DR grant program. It will be the proposer's responsibility to ensure:

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- Proposed projects are feasible and reasonable given the availability of labor and materials at the time the project is expected to be implemented.
- The successful proposer will be responsible for all the public outreach required of the CDBG-DR projects.
- Provide any support, reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.

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Deliverable 2 - Identify the projects to be completed under this program:

- Meet with Stakeholders to help identify projects.
- Proposer shall represent PRDOH in meetings and participate in meetings as required by HUD, the Federal Government and/or the PRDOH, including, but not limited to, meetings with municipalities, partners, subrecipients, subgrantees, contractors, and managers.
- Proposer shall ensure municipalities, partners, subrecipients, subgrantees, contractors, and managers comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Fair Housing and Equal Opportunity Standards and all other applicable federal and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of their respective contracts or agreements.
- Proposer shall assist PRDOH and its procured public relations firm in content preparation for external communications, including, news releases, conferences, and web content in relation to the CDBG-DR.
- Provide any reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.
- Many projects in the CDBG-DR Program have multiple funding sources: CDBG-DR, FEMA, Local or Municipal, etc. The successful proposer will have to research and determine what portions of a proposed project can be funded by the CDBG-DR grant and identify the other funding sources contributing to a project if applicable. In addition, the proposer will assure PRDOH that there is no duplication or overlap of funds.

Deliverable 3 - Application:

- Reviewing applications submitted by Subrecipients or individuals to ensure

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- Applications have the cost reasonableness and level of effort needed to complete a defined scope of work that includes major work tasks, cost estimates, and hours to complete the tasks.
- Applications comply with program procurement requirements.
- Limits of construction, if applicable, are included in applications; and
- Other criteria in applications the PRDOH or another authority deems necessary for review are satisfactorily met.
- Assisting with identifying missing or incomplete information, issuing requests for information to obtain the necessary information, and reconciling results with PRDOH managers and Subrecipients.
- Proposer shall ensure municipalities, partners, subrecipients, subgrantees, contractors, and managers comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Fair Housing and Equal Opportunity Standards and all other applicable federal and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of their respective contracts or agreements.
- Note and report any conflict of interest or duplication of benefits.
 - Proposer shall ensure timely submission and compliance with all required documentation, both for PRDOH and at the municipalities, partners, subrecipients, subgrantees, contractors, and managers' level, for proper submission, dissemination of information, as well as for proper record keeping. Proposer shall then provide, as needed, compliance oversight and technical assistance to PRDOH, municipalities, partners, subrecipients, subgrantees, contractors and managers, and review the documents for proper content and ensure information is complete, accurate, and issued in a timely manner.
- Perform cost benefits and risk assessment.
- Provide any reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.
- Submit application and obtain approval.

Deliverable 4 - Environmental Review (where applicable)

- Proposer will review project descriptions to ascertain and/or verify the level of environmental review required.

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- Proposer will consult and coordinate with oversight/regulatory agencies to facilitate environmental clearance.
- Proposer will perform or contract special studies, additional assessments, or permitting to secure environmental clearance. These may include, but are not limited to biological assessments, wetland delineations, asbestos surveys, lead-based paint assessments, archeology studies, architectural reviews, Phase I & II ESAs, USACE permits, etc.
- Proposer will prepare all responses to comments received during comment phase of the environmental review, including State/Federal Agency requiring further studies and/or comments from public or private entities during public comment period.
- Proposer will complete and submit environmental review into the record system.
- Proposer will conduct, as needed, on site project location visits and completion of a field observation report.
- Proposer will prepare and submit for publication all public notices including, but not limited to the Notice of Finding of No Significant Impact (**FONSI**), Request for Release of Funds floodplain/wetland early and final notices in required order and sequence.
- Proposer shall represent PRDOH in meetings and participate in meetings as required by HUD, the Federal Government and/or the PRDOH, including, but not limited to, meetings with municipalities, partners, subrecipients, subgrantees, contractors, and managers
- Identify the necessary professional services: planners, engineering, specialists.
- Provide any reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.

The 24 CFR 58 Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities is intended for Community Planning and Development (**CPD**) grantees seeking guidance on the requirements that apply to local government recipients of relevant CPD funds. An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse

Proposer shall ensure, monitor and oversee, through qualified personnel or staff: (1) environmental assessments, when and where needed, are completed; (2) environmental compliance; (3) submission of all HUD required forms; (4) monitor all historic projects; (5) oversee all the NEPA required topics for environmental assessments to ensure follow-through and proper completion; (5) ensure that all environmental review requirements, both local and federal, are met for every project; and (6) support PRDOH on monitoring environmental vendor performance, among other oversight issues.

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Deliverable 5 – Planning/Design of Project:

- Assist PRDOH in contracts with design professionals, specialists, etc.
- Develop and monitor a project budget and schedule.
- Screen for any fraud or conflict of interest.
- Support and assist PRDOH in assuring that disaster recovery programs are implemented in a manner to prevent waste, fraud, and abuse and that disaster recovery projects are effectively operated and maintained.
- Review and monitor design for compliance. Support and assist PRDOH in the establishment of a process for promptly identifying and addressing conflicts under PRDOH's Conflict of Interest and Standards of Conduct Policy, including, the preparation of reports regarding conflicts of interest identified and manner in which they were addressed.
- For planning projects: municipalities have planning projects as does PRDOH island wide. It is highly likely that all planning projects will have to interface with existing databases.
- Provide any reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.

Deliverable 6– Bidding Support, Permits, and or Licenses:

- Support and assist PRDOH in the compliance with procurement regulations and policies and in overseeing procurement processes to ensure the award processes are fair and meet applicable rules and regulations.
- The successful proposer will review bids for cost reasonableness and scope compliance. Procurement processes shall be checked for any evidence of collusion or conflict of interest.
- The successful proposer will assure that all the necessary permits have been

Deliverable 7 - Construction Support (Note: this may not apply to planning projects unless there is an installation/implementation period):

- Prepare a monthly budget and schedule update for each program.
- Proposer will prepare and submit monthly status reports regarding environmental services and will participate, as needed, in scheduled progress meetings.
- Proposer shall prepare, monitor, enforce, and oversee work schedules for the CDBG-DR activities, including, but not limited to, construction schedules for all programs approved in the CDBG-DR Action Plan and any subsequent amendments.
- Proposer will monitor any installation of equipment, software in accordance with the approved project.
- Proposer will assist subrecipients in the monitoring, reporting, and evaluation of contractor's performance; and will notify the subrecipient if the contractor(s) fails to meet established scheduled milestones.
- Proposer will receive, review, recommend, and process any change orders as appropriate to the individual projects.
- Proposer will assist subrecipients with project activity draws and closeout, including the submission of all the necessary documentation for draws and to close a project activity.
- Determine and assure that municipalities, partners, subrecipients, subgrantees, contractors, and managers are carrying out their projects, programs, and/or scopes of work or services as described in their respective contracts or agreements; (ii) determine and assure that municipalities, partners, subrecipients, subgrantees, contractors, and managers comply with CDBG-DR, HUD, and other applicable federal and local requirements, rules, and regulations; (iii) determine and assure that municipalities, partners, subrecipients, subgrantees, contractors, and managers are carrying out their projects, programs, and/or scopes of work or services on schedule or in a timely manner and within budget; (iv) determine if municipalities, partners, subrecipients, subgrantees, contractors, and managers are conducting their projects, programs and/or scopes of work or services with adequate control over program and financial performance and in a way that minimizes the opportunity for fraud, waste and abuse; (v) identify problem areas and assist municipalities, partners, subrecipients, subgrantees, contractors, and managers in applicable requirements, and; (vi) provide adequate follow-up

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Deliverable 8 - Project close out:

- Proposer will assist subrecipient in the compilation and review for completeness of contract/closeout packages that meet program requirements for draw requests. If applications do not have the necessary forms, Proposer will assist the subrecipient by coordinating to acquire the necessary documentation.
- Proposer shall assist in all project/program closeout tasks and submissions and ensure that all closeout documents are prepared and submitted as required. Proposer shall ensure that compliant procedures are followed with documents maintained and provided in order to satisfy HUD and other federal audit requirements, resulting in an audit financial report of all CDBG-DR related activities, including electronic copies of all supporting documents.
- Proposer shall perform any other grant management duty or need, when requested, in order to assure compliance with CDBG-DR grant, HUD and/or any other applicable federal and local requirements, rules and regulations and/or HUD requests under the grant. Proposer shall also provide additional resources, as requested, to appropriately and timely respond to any other grant management duty or need.
- Provide any reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.
- The successful proposer shall notify PRDOH should potential duplication of funds arise. During the project close-out process the audit shall demonstrate a clear separation of funding sources if multiple funds contributed to the project.

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ATTACHMENT C

COMPENSATION SCHEDULE

GRANT MANAGEMENT SERVICES UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY FOR PUERTO RICO

HORNE, LLP

The following section provides details on the Compensation Schedule for the Contract. The Compensation Schedule is in accordance with the Cost Proposal submitted by the Contractor as part of the Request for Quotations (RFQ) No. CDBG-DR-RFQ-2023-01. The Compensation Schedule considers:

- **Per Hour Services Costs:** Hourly Rates per year of contract to address the scope of Services depicted in Task 1 and Task 2 of the Scope of Work, excluding tasks paid for as Per Task Services.
- **Per Task Services Cost:** Unit prices for various tasks in the Housing and Economic Development sectors of the Scope of Work's Task 2.
- **Grant Management System Licenses Costs:** Cost of active user licenses for the Grant Management System Platform (Canopy+).

The PRDOH reserves the right to add, modify, or remove any cost cap established in this document. Any modifications to cost caps shall be established in writing by the PRDOH.

I. PER HOUR SERVICES COSTS \$70,009,999.28

Table 1 presents staff positions and Hourly Rates for each Staff Position for each year of contract in accordance with a yearly escalation rate of 2% for the original contract term of five (5) years. The Contractor will be compensated based on hours worked combined with the hourly rates provided for each Staff Position.

Table 1: Per Hour Services Staff Positions & Hourly Rates Per Contract Year

Area / Position	Rates				
	Year 01	Year 02	Year 03	Year 04	Year 05
Grant Compliance					
Grant Compliance Lead	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
Technical Writer	\$169.60	\$172.99	\$176.45	\$179.98	\$183.58
Grant Compliance PM	\$169.60	\$172.99	\$176.45	\$179.98	\$183.58
Grant Compliance Specialist	\$118.36	\$120.73	\$123.14	\$125.60	\$128.12
Grant Compliance Associate	\$86.07	\$87.79	\$89.55	\$91.34	\$93.16
FAU Unit					
FAU Lead	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
FAU Specialist	\$118.36	\$120.73	\$123.14	\$125.60	\$128.12
FAU Associate	\$86.07	\$87.79	\$89.55	\$91.34	\$93.16
Information Technology					
IT/Reporting Lead	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
Developer Lead	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
IT/Reporting PM	\$150.64	\$153.65	\$156.73	\$159.86	\$163.06
Developer	\$150.64	\$153.65	\$156.73	\$159.86	\$163.06
IT/Reporting Specialist	\$118.36	\$120.73	\$123.14	\$125.60	\$128.12
IT/Reporting Associate	\$86.07	\$87.79	\$89.55	\$91.34	\$93.16
Financial Management					
Financial Management Lead	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
Yardi Advisor	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
IT/Reporting Associate (Yardi)	\$86.07	\$87.79	\$89.55	\$91.34	\$93.16
Financial Management PM	\$150.64	\$153.65	\$156.73	\$159.86	\$163.06
Financial Management Specialist	\$100.70	\$102.71	\$104.77	\$106.86	\$109.00
Financial Management Associate	\$57.02	\$58.16	\$59.32	\$60.51	\$61.72
Procurement					
Procurement Lead	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
Procurement PM	\$139.88	\$142.68	\$145.53	\$148.44	\$151.41
Procurement Specialist	\$118.36	\$120.73	\$123.14	\$125.60	\$128.12
Procurement Associate	\$86.07	\$87.79	\$89.55	\$91.34	\$93.16
Environmental/Permitting					
Environmental Lead	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
Historic Preservation Lead	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
Senior Operations Consultant	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98

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Area / Position	Rates				
	Year 01	Year 02	Year 03	Year 04	Year 05
External Relations					
External Relations Lead	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
External Relations Associate	\$100.70	\$102.71	\$104.77	\$106.86	\$109.00
Training					
Training Lead	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
Training Associate	\$100.70	\$102.71	\$104.77	\$106.86	\$109.00
Planning					
Planning Lead	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
Planning PM	\$139.88	\$142.68	\$145.53	\$148.44	\$151.41
GIS PM	\$169.60	\$172.99	\$176.45	\$179.98	\$183.58
Planning Specialist	\$118.36	\$120.73	\$123.14	\$125.60	\$128.12
Planning Associate	\$100.70	\$102.71	\$104.77	\$106.86	\$109.00
Housing					
Housing Lead	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
Senior Programs Consultant (Housing)	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
Housing PM	\$139.88	\$142.68	\$145.53	\$148.44	\$151.41
Housing Specialist	\$118.36	\$120.73	\$123.14	\$125.60	\$128.12
Housing Associate	\$100.70	\$102.71	\$104.77	\$106.86	\$109.00
Economic Development					
Economic Development Lead	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
Economic Development PM	\$139.88	\$142.68	\$145.53	\$148.44	\$151.41
Economic Development Specialist	\$118.36	\$120.73	\$123.14	\$125.60	\$128.12
Economic Development Associate	\$100.70	\$102.71	\$104.77	\$106.86	\$109.00
Infrastructure & Multi-Sector					
Infra/Multi-Sector Lead	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
Infra/Multi-Sector PM	\$150.64	\$153.65	\$156.73	\$159.86	\$163.06
Infra/Multi-Sector Specialist	\$118.36	\$120.73	\$123.14	\$125.60	\$128.12
Infra/Multi-Sector Associate	\$100.70	\$102.71	\$104.77	\$106.86	\$109.00
Energy					
Energy Lead	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
Senior Programs Consultant (Energy)	\$182.90	\$186.56	\$190.29	\$194.09	\$197.98
Energy Advisor	\$215.18	\$219.48	\$223.87	\$228.35	\$232.92
Energy PM	\$150.64	\$153.65	\$156.73	\$159.86	\$163.06

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The following terms and conditions apply to Per Hour Services under the Contract:

- Hourly Rates are fully loaded rates. These include overhead, profit, reimbursable costs, as well as any other administrative cost associated to the provision of the Grant Management Services.
- Total Hours and Total Cost by area, task, or resource in HORNE's Proposal are for budgetary purposes only. These quantities and costs should not be interpreted as caps for the quantity of hours and costs associated to any specific area, task, or resource. HORNE will assign staff to tasks as needed to meet the PRDOH's expectations of the Grant Management Services. However, HORNE will develop its staffing plan according to the total budgetary cap for each program as set in Table 3.
- Projected resources and costs in HORNE's Proposal are in accordance with the work approach, schedule, and staffing plan submitted in response to the RFQ. Any changes by PRDOH to the work approach, schedule, and staffing plan submitted by HORNE may affect the quantity of full-time equivalents to be assigned during the life of the contract and, therefore, the cost of the services. HORNE will attempt to adapt full time equivalents to keep total cost without change in the eventuality of any change to work approach, schedule, and staffing plan by PRDOH. Any changes will be promptly informed to PRDOH.
- HORNE's Proposal considers cost reductions over the life of the contract as key milestones are reached and volume of activities reaches natural break points. This includes knowledge and responsibilities transfer to PRDOH shown as a full-time equivalents reduction over the contract's 5-year performance period.

II. PER TASK SERVICES COST \$8,546,825.00

Table 2 presents per unit tasks with their contracted quantities and unit prices. The Contractor will be compensated based on instances of each task completed combined with the contracted unit price for the task.

Table 2: Per Task Unit Prices & Quantities

Program / Task	Unit Price [A]	Quantity [B]	Total Cost [C = A x B]
CEWRI Program			
QA/QC Pre-Installation Assessments (PIAs)	\$88.62	5,000	\$443,100.00
QA/QC Finals	\$118.15	7,000	\$827,050.00
QC Intake and Eligibility	\$70.89	6,500	\$460,785.00
QA/QC Awards	\$70.89	8,000	\$567,120.00

Program / Task	Unit Price [A]	Quantity [B]	Total Cost [C = A x B]
Review of Collateral Items	\$696.00	75	\$52,200.00
Subtotal:			\$988,620.00
SBF Program			
Expenditure Review and Closeout	\$751.43	5,000	\$3,757,150.00
Subtotal:			\$3,757,150.00
ReGrow Program			
Expenditure Review and Closeout	\$456.00	1,500	\$684,000.00
Subtotal:			\$684,000.00
SBF & ReGrow Programs			
Supervision - Expenditure Review and Closeout	\$126.00	6,500	\$819,000.00
Subtotal:			\$819,000.00

III. GRANT MANAGEMENT SYSTEM LICENSES COST..... \$800,000.00

Horne will provide 1,600 Grant Management System (Canopy+) to PRDOH as part of the CDBG-MIT Grant Management Services at a cost of \$500 per unit for the duration of the contract.

Canopy+ licenses are active-user-based; meaning that licenses are assigned to users when logged into the Grant Management System (Canopy+) Platform.

IV. TOTAL CONTRACT COST..... \$79,356,824.28

The Total Contract Cost Awarded is the Total Sum of amounts shown in the previous sections; which is: \$70,009,999.28 of Per Hour Services Costs, plus \$8,546,825.00 for Per Task Services Cost, plus \$800,000.00 of License Costs; for a **Total Contract Cost of \$79,356,824.28**.

V. BUDGET DISTRIBUTION

The PRDOH reserves the right to re-distribute budgets shown herein in benefit to the CDBG-DR Program's successful execution without modifying the Total Contract Cost Awarded. The PRDOH may evaluate the need for re-distribution, and if determined the re-distribution is in benefit for the Program and the available balance of funds are validated, the PRDOH will provide written confirmation. Until the written confirmation is submitted by the PRDOH, the redistribution cannot be considered as authorized. A re-distribution of funds, as described here, shall be considered binding and will not require an amendment to this contract.

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Task 1.0 - Disaster Recovery Management	26,524,313.06
2.4.1 Non-Federal Match Program	1,665,260.74
2.6.1 ReSURge Program	1,127,525.71
2.7.1 Energy Grid Rehabilitation and Reconstruction Cost Share Program	728,908.03
Planning Programs	
2.1.1 Whole Community Resilience Planning Program	374,172.70
2.1.2 Municipal Recovery Planning Program	605,165.97
2.1.3 Geo Frame	1,964,308.71
2.1.4.1 VPA/VPR	371,142.96
2.1.4.2 Program Design Support	609,111.91
Housing Programs	
2.2.1 Home Repair, Reconstruction, or Relocation Program	8,144,603.66
2.2.2 Social Interest Housing Program	1,016,209.35
2.2.3 Housing Counseling Program	395,017.25
2.2.4 CDBG-DR Gap to Low Income Housing Tax Credits Program	1,093,415.87
2.2.5 Community Energy and Water Resilience Installations Program	6,197,043.77
2.2.6 Title Clearance Program	271,837.80
2.2.7 Homebuyer Assistance Program	1,016,212.90
2.2.8 Tasks to be performed on the overall Housing Program	116,553.23
Economy Programs	
2.3.1 Small Business Financing Program	5,756,994.26
2.3.2 Small Business Incubators and Accelerators Program	599,424.18
2.3.3 Workforce Training Program	475,893.81
2.3.4 Economic Development Investment Portfolio for Growth Program	4,001,723.24
2.3.5 Re-grow PR Urban and Rural Agriculture Program	2,198,844.26
Multi-Sector Support Programs	
2.5.1 City Revitalization Program	9,640,903.50
Electrical Systems Enhancement Programs	
2.7.2 Electrical Power Reliability and Resilience Program	4,462,237.41
	79,356,824.28



INSURANCE REQUIREMENT
GRANT MANAGEMENT SERVICES
Request for Quotations- CDBG-DR-RFQ-2023-01
Community Development Block Grant – Disaster Recovery
Puerto Rico Department of Housing

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**

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

2. **(X) Commercial General Liability (Special Form) with LOC Classification that must include the services and or operations to be realized and including the following insurance limits and Coverages**

COVERAGE	LIMIT
I. Commercial General Liability:	
• Each Occurrence	\$2,000,000
• General Aggregate	\$2,000,000
• Products & Complete Operations	\$2,000,000
• Personal Injury & Advertising	\$2,000,000
• Fire Damage	\$100,000 (Any one Fire)
• Medical payment	\$10,000 (Any one person)
II. Employer's Liability Stop Gap:	



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SPECIAL INSURANCE AND BONDING SPECIFICATIONS

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

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

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

(X) Professional Liability for Grant Management Services and any other professional services related to the services must provide evidence of Professional Liability.

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

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

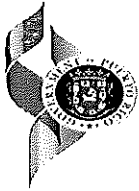
(X) A.2 Limit:

(X) each occurrence \$10,000,000

(X) Aggregate \$10,000,000

(X) Deductible \$ 1,000,000

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



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

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Puerto Rico Department of Housing**

SPECIAL INSURANCE AND BONDING SPECIFICATIONS

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7. (X) Commercial Umbrella

Limit - \$10,000,000

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

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

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

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

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



GOVERNMENT OF PUERTO RICO
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Puerto Rico Department of Housing**

SPECIAL INSURANCE AND BONDING SPECIFICATIONS

5. Avoid any request for cancellation by the contractor prior to the expiration date of the policy, without the consent of the Contract Division of the ***PRDOH**: Discuss any refund of unearned premium.
6. Follow all Federal Bail and Acceptance Insurance Regulations, when applicable.
7. Indicate in the appropriate place of all insurance policies and/or bonds, **the full description of the project, work or service to be rendered.**
8. Not to make any **Endorsement** to insurance policies and bonds issued under the special conditions mentioned above, unless approved by the Insurance Section of the ***PRDOH**. To ensure that all insurance policies or bonds are issued to comply with all of our special insurance conditions with respect to the period of coverage, type of risk coverage, as well as all limits, as specified,
9. Clarify any questions regarding insurance requirements by any means of communication with the Insurance Section of the ***PRDOH** under the Secretary for Legal Affairs.
10. The Contractor shall, throughout the performance of Work under the Contract and until the Final Acceptance of the Program, maintain current, and in effect all the required insurance, except the Builder's Risk, which shall terminate on the date of substantial completion.
11. Insurance coverage in the minimum limit amounts set forth herein shall not be construed to release the Contractor from liability in excess of such coverage limit. Contractor must give thirty (30) calendar days written 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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GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

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SPECIAL INSURANCE AND BONDING SPECIFICATIONS

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

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

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

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

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

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

E. CERTIFICATE OF CONTRACT DIVISION



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

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SPECIAL INSURANCE AND BONDING SPECIFICATIONS

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SERVICE TO BE RENDERED

**GRANT MANAGEMENT SERVICES
Request for Quotations- CDBG-DR-RFQ-2023-01**

December 12, 2023

Sonia Damaris Rodriguez
Insurance Specialist
CDBG-DR/MIT Program



ATTACHMENT E

HUD GENERAL PROVISIONS

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

These terms and conditions must be included in their entirety by the CONTRACTOR in all purchase orders or subcontracts that are directly related to the Agreement, even though some of the terms and conditions might not apply to a particular kind of purchase order or subcontract.

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

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

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

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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 file Form HUD 2516 (Contract and Subcontract Activity) with the PRDOH on a quarterly basis.

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

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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.

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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

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.

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

19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

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

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

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

20. DAVIS-BACON ACT

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

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

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

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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:

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- (i) Recruitment, advertising, and job application procedures;
 - (ii) Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
 - (iii) Rates of pay or any other form of compensation and changes in compensation;
 - (iv) Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
 - (v) Leaves of absence, sick leave, or any other leave;
 - (vi) Fringe benefits available by virtue of employment, whether or not administered by the CONTRACTOR;
 - (vii) Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
 - (viii) Activities sponsored by the CONTRACTOR including social or recreational programs; and
 - (ix) Any other term, condition, or privilege of employment.
- 2) The CONTRACTOR agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.
- 3) In the event of the CONTRACTOR's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.
- 4) The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Deputy Assistant Secretary for Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the CONTRACTOR'S obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The CONTRACTOR must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the CONTRACTOR may have the notice read to a visually disabled individual, or may lower the posted notice

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

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

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24. EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

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

- 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

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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.

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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.

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WATER POLLUTION CONTROL ACT

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- 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.

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

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

- 1) A stipulation by the CONTRACTOR or subcontractors, that any facility to be utilized in the performance of any nonexempt contract or subcontract, is not listed on the Excluded Party Listing System pursuant to 40 C.F.R. Part 32 or on the List of Violating Facilities issued by the Environmental Protection Agency (**EPA**) pursuant to 24 C.F.R. Part 58, as amended.

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.

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.

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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.

- 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.

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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).

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

30. FAIR HOUSING ACT

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

31. ENERGY POLICY AND CONSERVATION ACT

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

32. HATCH ACT

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

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

The CONTRACTOR may not do the following activities: be a candidate in partisan

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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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

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42. RELIGIOUS ACTIVITY

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

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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

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.

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

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

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

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

48. FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA)

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

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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,

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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.

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APPENDIX C
CONTRACTOR CERTIFICATION
FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO
CONTRACTS REVIEW POLICY

HORNE, LLP

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The following is hereby certified to the Oversight Board regarding the request for authorization to execute a contract for Grant Management Services by and between the **Puerto Rico Department of Housing** and **Horne, LLP**:

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

Company Name	Services	Name of individual or firm, including names of principals and principal stakeholders.	Proposed Estimated Contract Amount
C2S Consulting LLC	Software Development	Jesús Colón Contreras Marco Nuñez Nelson Prieto William Villalba Edgardo Gallardo	\$927,2963.46
Disaster Metrics	Data Analysis Services	Christopher Emrich, Vice-President Laurie F. Emrich	\$41,727.71
Enroque LLC	Program Management & Housing Sector Operations Services	Javier Perez Garza, President	\$1,029,994.00
MIP Consulting Group Corp	Financial Technology Services	Edward Mejia, President	\$636,764.39
Rivera Rubio LLC	Appraisal Review Services	Jimmy Rivera Rubio, President	\$5,000.00
Strong Engineering Solutions	Energy Advisor	Justo Gonzalez, President	\$417,277.06

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

There are no exceptions to this statement.

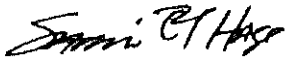
3. To the best knowledge of the signatory (after due investigation), no person has unduly intervened in the procurement, negotiation or execution of the contract, for its own benefit or that of a third person, in contravention of applicable law.

4. To the best knowledge of the signatory (after due investigation), no person has: (i) offered, paid, or promised to pay money to; (ii) offered, given, or promised to give anything of value to; or (iii) otherwise influenced any public official or employee with the purpose of securing any advantages, privileges or favors for the benefit of such person in connection with the contract (such as the execution of a subcontract with 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.

I hereby certify under penalty of perjury that the foregoing is complete, true, and correct on this 20 day of March of 2024.



Signature

March 20, 2024

Date

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GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

ATTACHMENT G NON-CONFLICT OF INTEREST CERTIFICATION

HORNE, LLP

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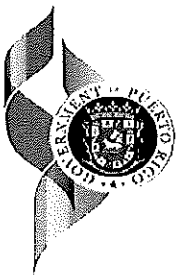
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The CONTRACTOR certifies that:

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."

Samir P. Hase



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

ATTACHMENT H NON-DISCLOSURE AGREEMENT

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This Non-disclosure Agreement (this "**Agreement**") is made effective as of May 2nd, 2024 (the "**Effective Date**"), by and between PRDOH (the "**Owner**"), and HORNE, LLP (the "**Recipient**").

The Owner has requested and the Recipient agrees that the Recipient will protect the confidential material and information which may be disclosed between the Owner and the Recipient. Therefore, the parties agree as follows:

I. CONFIDENTIAL INFORMATION. The term "Confidential Information" means any information or material which is proprietary to the Owner, whether or not owned or developed by the Owner, which is not generally known other than by the Owner, and which the Recipient may obtain through any direct or indirect contact with the Owner. Regardless of whether specifically identified as confidential or proprietary, Confidential Information shall include any information provided by the Owner concerning the business, technology and information of the Owner and any third party with which the Owner deals, including, without limitation, business records and plans, trade secrets, technical data, product ideas, contracts, financial information, pricing structure, discounts, computer programs and listings, source code and/or object code, copyrights and intellectual property, inventions, sales leads, strategic alliances, partners, and customer and client lists. The nature of the information and the manner of disclosure are such that a reasonable person would understand it to be confidential.

A. "Confidential Information" does not include:

- matters of public knowledge that result from disclosure by the Owner;
 - information rightfully received by the Recipient from a third party without a duty of confidentiality;
 - information independently developed by the Recipient;
 - information disclosed by operation of law;
 - information disclosed by the Recipient with the prior written consent of the Owner;
- and any other information that both parties agree in writing is not confidential.

protected from improper disclosure. In consideration for the receipt by the Recipient of the Confidential Information, the Recipient agrees as follows:

A. No Disclosure. The Recipient will hold the Confidential Information in confidence and will not disclose the Confidential Information to any person or entity without the prior written consent of the Owner.

B. No Copying/Modifying. The Recipient will not copy or modify any Confidential Information without the prior written consent of the Owner.

C. Unauthorized Use. The Recipient shall promptly advise the Owner if the Recipient becomes aware of any possible unauthorized disclosure or use of the Confidential Information.

D. Application to Employees. The Recipient shall not disclose any Confidential Information to any employees of the Recipient, except those employees who are required to have the Confidential Information in order to perform their job duties in connection with the limited purposes of this Agreement. Each permitted employee to whom Confidential Information is disclosed shall sign a non-disclosure agreement substantially the same as this Agreement at the request of the Owner.

III. UNAUTHORIZED DISCLOSURE OF INFORMATION - INJUNCTION. If it appears that the Recipient has disclosed (or has threatened to disclose) Confidential Information in violation of this Agreement, the Owner shall be entitled to an injunction to restrain the Recipient from disclosing the Confidential Information in whole or in part. The Owner shall not be prohibited by this provision from pursuing other remedies, including a claim for losses and damages.

IV. NON-CIRCUMVENTION. For a period of five (5) years after the end of the term of this Agreement, the Recipient will not attempt to do business with, or otherwise solicit any business contacts found or otherwise referred by Owner to Recipient for the purpose of circumventing, the result of which shall be to prevent the Owner from realizing or recognizing a profit, fees, or otherwise, without the specific written approval of the Owner. If such circumvention shall occur the Owner shall be entitled to any commissions due pursuant to this Agreement or relating to such transaction.

V. RETURN OF CONFIDENTIAL INFORMATION. Upon the written request of the Owner, the Recipient shall return to the Owner all written materials containing the Confidential Information. The Recipient shall also deliver to the Owner written statements signed by the Recipient certifying that all materials have been returned within five (5) days of receipt of the request.

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VII. NO WARRANTY. The Recipient acknowledges and agrees that the Confidential Information is provided on an "AS IS" basis. THE OWNER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE CONFIDENTIAL INFORMATION AND HEREBY EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL THE OWNER BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THE PERFORMANCE OR USE OF ANY PORTION OF THE CONFIDENTIAL INFORMATION.

The Owner does not represent or warrant that any product or business plans disclosed to the Recipient will be marketed or carried out as disclosed, or at all. Any actions taken by the Recipient in response to the disclosure of the Confidential Information shall be solely at the risk of the Recipient.

VIII. LIMITED LICENSE TO USE. The Recipient shall not acquire any intellectual property rights under this Agreement except the limited right to use as set forth above. The Recipient acknowledges that, as between the Owner and the Recipient, the Confidential Information and all related copyrights and other intellectual property rights, are (and at all times will be) the property of the Owner, even if suggestions, comments, and/or ideas made by the Recipient are incorporated into the Confidential Information or related materials during the period of this Agreement.

IX. INDEMNITY. Each party agrees to defend, indemnify, and hold harmless the other party and its officers, directors, agents, affiliates, distributors, representatives, and employees from any and all third-party claims, demands, liabilities, costs, and expenses, including reasonable attorney's fees, costs, and expenses resulting from the indemnifying party's material breach of any duty, representation, or warranty under this Agreement.

X. ATTORNEY'S FEES. In any legal action between the parties concerning this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

XI. TERM. The obligations of this Agreement shall survive during the contract period and one (1) year after the contract ends or is terminated from the Effective Date, or as long as the surviving obligations of the Agreement remain. After that, the Recipient must continue to protect the Confidential Information that was received during the term of this Agreement from unauthorized use or disclosure for one (1) additional year.

XII. GENERAL PROVISIONS. This Agreement sets forth the entire understanding of the parties regarding confidentiality. Any amendments must be in writing and signed by both parties. This Agreement shall be construed under the laws of the Government of Puerto Rico.

XIII. WHISTLEBLOWER PROTECTION. This Agreement is in compliance with the Defend Trade Secrets Act and provides civil or criminal immunity to any individual for the disclosure of trade secrets: (i) made in confidence to a federal, state, or local government official, or to an attorney when the disclosure is to report suspected violations of the law; or (ii) in a complaint or other document filed in a lawsuit if made under seal.

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XIV. SIGNATORIES. The signatories below represent that they have the authority to make such commitments on behalf of their respective organizations.

OWNER:

By: William O. Rodríguez Rodríguez Date: May 2nd, 2024
William O. Rodríguez Rodríguez (May 2, 2024 17:57 EDT)

William O. Rodríguez Rodríguez, Esq.
Secretary
PRDOH

RECIPIENT:

By: Samir El Hage Date: 5/2/2024
Samir El Hage (May 2, 2024 16:25 EDT)

Samir El Hage-Arocho
Partner
HORNE, LLP