

GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

COMMUNITY DEVELOPMENT BLOCK GRANT – MITIGATION (CDBG-MIT)

**AGREEMENT FOR
GRANT MANAGEMENT SERVICES FOR MITIGATION PROGRAM CDBG-MIT**

**BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND
HORNE, LLP**



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THIS AGREEMENT FOR GRANT MANAGEMENT SERVICES FOR MITIGATION PROGRAM CDBG-MIT, (hereinafter referred to as the "Agreement") is entered into in San Juan, Puerto Rico, this 30 of March, 2022, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (hereinafter, "PRDOH"), a public agency created under Law No. 97 of June 10, 1972, as amended, 3 L.P.R.A. § 441 *et seq.*, known as the Department of Housing Governing Act 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 San Juan, Puerto Rico, in his capacity as Secretary; and **HORNE, LLP** (hereinafter, the "CONTRACTOR"), with principal offices in 269 Ponce de León Avenue, Hato Rey, Puerto Rico 00917-1918, herein represented by Samir El Hage-Arocho, in his capacity as General Partner, of legal age, married, and resident of Canóvanas, Puerto Rico, duly authorized by Resolution by the CONTRACTOR.

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, pursuant to the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act or "Appropriations Act" (Division B, Subdivision 1 of the Bipartisan Budget Act of 2018, Pub. L. 115-123, approved on February 9, 2018), which allocated mitigation funds to grantees recovering from qualifying 2015, 2016, and 2017 disasters. CDBG-MIT funds are aimed to help states or local governments in the implementation of long-term planning, strategic, high impact activities to mitigate disaster risks and reduce future losses.

WHEREAS, on January 27, 2020, a Notice was published in the Federal Register, Vol. 85, No. 17 (85 FR 4676), that allocated approximately \$8.285 billion CDBG-MIT funds to the Commonwealth of Puerto Rico to assist in the implementation of mitigation activities.

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

WHEREAS, on April 19, 2021, HUD approved the CDBG-MIT Action Plan (Action Plan) which, in compliance with HUD requirements, addresses the strategies and mitigation programs aimed for long term planning and risk mitigation activities to be implemented in Puerto Rico.

WHEREAS, on May 12, 2021 the PRDOH and HUD signed the Grant Agreement for Mitigation activities.

WHEREAS, the PRDOH is interested in contracting a grant management services firm to assist PRDOH with the oversight and management of CDBG-MIT funds allocated to Puerto Rico. This firm will support PRDOH's goal of ensuring compliance with all CDBG-MIT U.S. Department of Housing and Urban Development (HUD), and applicable federal and

local requirements, rules, and regulations to assure that mitigation projects or programs detailed in the Action Plan, as amended, are effectively operated and maintained.

WHEREAS, on September 9, 2021 the PRDOH issued the Request for Quotations "No. CDBG-MIT-RFQ-2021-01" for Grant Management Services under the Community Development Block Grant-Mitigation (CDBG-MIT) Program. This request was placed through The General Services Administration (GSA) system. Afterwards, PRDOH requested Quotations or Proposals from qualified Proposers therein registered. Through this procurement process, PRDOH was able to reach six (6) qualified firms listed for their capacity and experience with federal grants to deliver qualified services.

WHEREAS, on November 21, 2021, the CONTRACTOR submitted a proposal (hereinafter referred to as the "Proposal"), which fully complied with the requirements set forth by the PRDOH.

WHEREAS, the Evaluation Committee recommended Horne, LLP to perform the required services at a reasonable proposed cost to assist PRDOH in the Puerto Rico's recovery efforts according to the award criteria established in the RFQ.

WHEREAS, the PRDOH desires to enter into an agreement with **Horne, LLP** to secure its services and accepts the CONTRACTOR's Proposal and 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, CONTRACTOR shall submit monthly invoices to the PRDOH based on the Compensation Schedule (**Attachment C**) and as the services are rendered. Any and all changes and/or modifications to this Agreement shall be in writing and must be signed by both parties.

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

| | |
|---------------------|--------------------------|
| Attachment A | Notice of Award |
| Attachment B | Scope of Services |
| Attachment C | Compensation Schedule |
| Attachment D | Insurance Requirements |
| Attachment E | HUD General Provision |
| Attachment F | Contractor Certification |

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

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II. TERM OF AGREEMENT

- A.** This Agreement shall be in effect and enforceable between the parties from the date of its execution. The Term of this Agreement will be for a performance period of **thirty six (36) months**, ending on March, 29, 20²⁵.
- B. Contract Extensions:** PRDOH may, at its sole discretion, extend the Agreement's term for an additional term of **twenty four (24) months**, or expressed in days, **seven hundred and thirty (730) days** upon mutual written agreement of the parties.
- C.** The term of this Agreement shall not exceed the lifetime of the initial Grant Agreement between PRDOH and HUD, unless the term of the initial Grant Agreement is extended by HUD, in which case the Agreement shall not exceed said extended period.

III. SCOPE OF SERVICES

The CONTRACTOR will provide the services described in **Attachment B** 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 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** of this Agreement.
- B.** The PRDOH will pay the CONTRACTOR, for allowable services performed during the term of this Agreement, a maximum amount not to exceed **EIGHTY MILLION NINE HUNDRED TWENTY-THREE THOUSAND NINE HUNDRED NINETY DOLLARS AND THIRTEEN CENTS (\$80,923,990.13)**; Account Numbers: 4190-10-000; 4190-13-000; 4190-22-000;
- C.** Such payment shall be compensation for all allowable services required, performed and accepted under this Agreement included in **Attachment C**.
- D.** Any additional funds to complete the services requested by the PRDOH to the CONTRACTOR will be subject to evaluation before acceptance as well as funds availability and will require an amendment to this Agreement.
- E.** The CONTRACTOR shall submit an invoice to PRDOH on a monthly basis. Said invoice must be submitted including all required invoice supporting documents, including but not limited to monthly reports, timesheets, invoice and photos evidence, expense plan and/or work projections. If PRDOH determines that the submitted invoice and supporting documents are acceptable, then the invoice will be approved for payment.
- F.** The services rendered under the Agreement, shall be payable within thirty (30) 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 thirty (30) business days.

- G.** An authorized representative of the PRDOH will review each invoice and, if adequate, will approve and process its payment. Payments to the CONTRACTOR shall be made by electronic funds transfer (EFT). PRDOH reserves the right to conduct any audits it deems necessary. The CONTRACTOR agrees to cooperate fully with any such audit or audits.
- H.** While providing the services under this Agreement, the CONTRACTOR must adhere to applicable requirements of the CDBG-MIT grant. If the CONTRACTOR performs ineligible activities under the CDBG-MIT grant or program, the CONTRACTOR cannot include them in the invoice for payment to the CONTRACTOR.
- I.** CONTRACTOR shall be liable to the PRDOH for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Agreement 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.
- J.** The CONTRACTOR acknowledges and agrees to repay any CDBG-MIT funds used for ineligible costs.
- K.** In order for the CONTRACTOR to receive payment for any work performed hereunder, the following certification must be included in each application for payment or invoice submitted to the PRDOH for payment:

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

V. REIMBURSABLE EXPENSES

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

VI. ADDITIONAL SERVICES

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

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VII. OWNERSHIP AND USE OF DOCUMENTS

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- 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, 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.
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- B. Proof of expenditures incurred by the CONTRACTOR on behalf of PRDOH shall 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 closeout of the grant to the state, or the period required by other local applicable laws and regulations.

VIII. DOCUMENTATION AND RECORDKEEPING

- A. **Records to be Maintained:** The CONTRACTOR shall maintain records of the state and units of general local government, including supporting documentation, which shall be retained for the greater of **five (5) years** from closeout of the grant to the state, or the period required by other local applicable laws and regulations. Such records include but are not limited to: Records providing a full description of each activity undertaken; Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-MIT program; Records required to determine the eligibility of activities; Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG-MIT assistance; Records documenting compliance with the fair housing and equal opportunity requirements of the CDBG-MIT program regulations; Financial records as required by 24 C.F.R. § 570.502, 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 close out of this Agreement, the CONTRACTOR must transmit to the PRDOH records sufficient for the PRDOH to demonstrate that all costs under this Agreement met the requirements of the Federal award.
- D. **CONTRACTOR's Data and Privileged Information:** The CONTRACTOR is required to maintain confidential data demonstrating client eligibility for activities provided under this Agreement. Such data may include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of activities provided.

- E. PII Policy:** The CONTRACTOR must comply with the PRDOH CDBG-MIT Personal Identifiable Information Policy, as found in the CDBG-MIT Website (www.cdbg-dr.pr.gov), which is herein included and made integral part of this Agreement, as it may be updated from time to time.

IX. ACCESS TO RECORDS

- A.** The CONTRACTOR agrees to provide the Government of Puerto Rico, PRDOH, HUD's Secretary, the Comptroller General of the United States, or any of their authorized representative's access to any books, documents, papers, and records of the CONTRACTOR which are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions.
- 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.

X. NON-DISCLOSURE AND CONFIDENTIALITY

- A. Confidential Information; Definition:** The term Confidential Information as used throughout this Section, means any information concerning PRDOH operations and that of its CONTRACTOR (e.g., the projects, computer processing systems, object and source codes and other PRDOH business and financial affairs). The term Confidential Information shall also deem to include all notes, analysis, compilation, studies and interpretation or other documents prepared by CONTRACTOR, its agents or representatives, in connection with PRDOH operations.
- B. Non-Disclosure:** CONTRACTOR agrees to take all reasonable steps or measures to keep confidential all Confidential Information and will not, at any time, present or future, without PRDOH express written authorization, signed by the Secretary of the PRDOH, use or sell, market or disclose any Confidential Information to any third party, contractor, corporation, or association for any purpose whatsoever. CONTRACTOR further agrees that, except as they relate to the normal course of the service, the CONTRACTOR will not make copies of the Confidential Information except upon PRDOH express written authorization, signed by an authorized representative of PRDOH, and will not remove any copy or sample of Confidential Information without prior written authorization from PRDOH. CONTRACTOR retains the right to control its work papers subject to these confidentiality provisions.
- C. Return Documents:** Upon receipt of written request from the PRDOH, CONTRACTOR will return to PRDOH all copies or samples of Confidential Information which, at the time of the notice are in CONTRACTOR's or its agent's possession. CONTRACTOR reserves the right to retain a set of its work papers.
- D. Equitable Relief:** The CONTRACTOR acknowledges and agrees that a breach of the provision of subparagraph B and C of this Section will cause PRDOH to suffer irreparable damage that could not be remedied or compensated adequately only by mere monetary retribution. The CONTRACTOR further agrees that money damages may not be a sufficient remedy for any breach of this Section. Accordingly, the CONTRACTOR agrees that PRDOH shall have the right to seek injunctive relief and the specific performance of the provisions of this Section to enjoin a breach or attempted breach of the provision hereof, such right being in addition to any and all other rights and remedies that are available to PRDOH by law, equity, or otherwise.

XI. PERFORMANCE WARRANTY

- (a) CONTRACTOR warrants that it will perform all work and provide all Deliverables under this Contract in a manner consistent with the degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances.
- (b) CONTRACTOR warrants that all Deliverables it completes under this Contract shall: meet or exceed the standards of CONTRACTOR's trade, profession, or industry; meet or exceed the specifications set forth in the Attachments to this Agreement; and be fit for ordinary use, of good quality, and with no material defects.
- (c) If CONTRACTOR submits Deliverables that do not meet specifications, fails to complete Deliverables timely, or fails to perform its obligation under this Contract, PRDOH may require CONTRACTOR, at its sole expense, 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.

XII. TERMINATION

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

make payment, in accordance with the terms of this Agreement, of any amounts due to CONTRACTOR for allowable services rendered prior to the termination notice.

- C. Termination by Unilateral Abandonment:** The PRDOH will consider this Agreement immediately terminated, in the event that the CONTRACTOR unilaterally and without prior notice, chooses to abandon (in any shape, form or fashion) 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 the Agreement, should the CONTRACTOR breach the Agreement by unilateral abandonment. For the purposes of this Section, Abandonment shall mean that CONTRACTOR voluntarily and intentionally disavows its contractual duties in a manner that is overt and without question a relinquishment of said contractual duties.
- D. Unilateral Termination:** The PRDOH may terminate this Agreement, in whole or in part, at PRDOH's sole discretion, with or without cause, at any time. The PRDOH will terminate this Agreement by delivering to the CONTRACTOR a **thirty (30) calendar day** notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the effective date of termination. Upon receipt of such notice, the 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 a termination by Notice, the PRDOH shall be liable only for payment of services rendered up to and including the effective date of termination.
- E. Suspension:** The PRDOH may suspend this Agreement in whole or in part at any time for the PRDOH's convenience. The PRDOH shall give the CONTRACTOR **five (5) business days'** written notice of such suspension. Upon receipt of said notice the CONTRACTOR shall immediately discontinue all Services affected.
- F. Immediate Termination:** In the event the CONTRACTOR is subjected to a criminal or civil action, suit, proceeding, inquiry or court of applicable jurisdiction, or any governmental agency, or the CONTRACTOR shall be subject to an order, judgment, or opinion, issued by any federal or local authority, a court of applicable jurisdiction, or any governmental agency, in connection with the execution, delivery, and performance by the CONTRACTOR of this Agreement or the CONTRACTOR of this Agreement has been noncompliant, breach, inaccuracy of any representation, warranties, covenants, or the certifications provided herein, whether the noncompliance, breach or inaccuracy takes place before or after the execution of this Agreement, the PRDOH shall have the right to the immediate termination of this Agreement notwithstanding, any provisions to the contrary herein. This Section will apply in the event of any judgment that may obligate the PRDOH to terminate the Agreement pursuant to Act Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico.
- G. Period of Transition:** Upon termination of this Agreement, and for **ninety (90) consecutive calendar days** thereafter (the Transition Period), CONTRACTOR agrees to make himself available to assist the PRDOH with the transition of services assigned to CONTRACTOR by the PRDOH. CONTRACTOR shall provide to the PRDOH the assistance reasonably requested to facilitate the orderly transfer of responsibility for performance of the Services to the PRDOH or a third party designated by the PRDOH. PRDOH reserves the right to provide for the execution of a Transition Services Agreement for the Transition Period. In such instance, the CONTRACTOR will be paid

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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.

XIII. 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** 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), and the Contract and Subrecipient Agreement Manual CDBG-DR , Section 2, Subsection 2.4.1(a), as found in the CDBG-MIT Website (www.cdbg-dr.pr.gov) which is herein included and made integral part of this Agreement, as it may be updated from time to time.
2. If the CONTRACTOR fails to comply with federal 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.

XIV. 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 contract or tort, even if the other party or any person has been advised of the possibility of such damages. Third parties operating under this program, with their agency, will have their own general civil and criminal liability imposed by law towards the PRDOH, the CONTRACTOR and any citizen.

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

XV. INSURANCE

A. Required Coverage

The CONTRACTOR shall keep in force and effect for the period beginning from the execution of the Agreement and ending at the completion of all services to be provided hereunder, insurance policies in compliance with the Insurance Requirements, attached hereto and made an integral part hereof as **Attachment D**. 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** 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.

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

B. Endorsements

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

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

C. Related Requirements

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

Renewal Certificates of Insurance or such similar evidence is to be received by the Contract Administration of the Legal Division and/or the Finance area of the CDBG-MIT program prior to expiration of insurance coverage. At PRDOH's option, non-compliance will result in one or more of the following actions: (1) The PRDOH will purchase insurance on behalf of the CONTRACTOR and will charge back all cost to the CONTRACTOR; (2) all

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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) days** written notice to be given to PRDOH in the event coverage is substantially changed, cancelled or non-renewed.

The CONTRACTOR shall require all subcontractors or consultants to carry the insurance required herein or 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.

XVI. HOLD HARMLESS

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

XVII. FORCE MAJEURE

In the event of a fire, flood, earthquake, natural disaster, hurricane, riot, act of governmental authority in its sovereign capacity, pandemic officially declared by the Government of Puerto Rico, strike, labor dispute or unrest, embargo, war, insurrection or civil unrest, any *Force Majeure* including inclement weather, herein collectively referred to as *Force Majeure* during the term of this Agreement, neither the PRDOH nor the CONTRACTOR shall be liable to the other party for nonperformance during the conditions created by such event.

The CONTRACTOR shall notify, as soon as possible, the PRDOH of the occurrence of the *Force Majeure* event and describe in reasonable detail, the nature of the *Force Majeure* event.

XVIII. CONFLICTS OF INTEREST

The CONTRACTOR shall comply with the ethics requirements set forth herein 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 award he or she discovers an organizational conflict of interest with respect to this Agreement, it shall make an immediate (within the next **seventy-two (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 contract 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 award 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.

XIX. 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 contracts 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.

XX. 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 or sent by registered or certified mail, return receipt requested, to the address as follows:

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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

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To: CONTRACTOR

Samir El Hage-Arocho
General Partner
269 Ponce de León Avenue
Hato Rey, PR 00917-1918

XXI. 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.

XXII. 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. The PRDOH shall review subcontracts as part of the compliance, monitoring, and oversight process performed by PRDOH or upon request.

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

- i. That the work performed by the subcontractor be in accordance with the applicable terms of this Agreement between the PRDOH and CONTRACTOR;
- ii. That nothing contained in such subcontract agreement shall impair the rights of the PRDOH;
- iii. That nothing contained herein, or under this Agreement will create any contractual relation between the subcontractor and the PRDOH;
- iv. That the subcontractor specifically agrees to be bound by the confidentiality provision regarding Personal Identifiable Information set forth in this Agreement;
- v. That CONTRACTOR will be responsible for ensuring all subcontract work is performed consistent with federal and state regulations and/or policies to be eligible for reimbursement of the approved work; and
- vi. All Federal flow down provisions are included in the subcontract agreement per Federal guidelines.

C. Monitoring: CONTRACTOR shall diligently monitor all subcontracted services. If CONTRACTOR discovers any areas of noncompliance, CONTRACTOR shall provide

the 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:** CONTRACTOR shall notify and provide a copy of any and all subcontracts related to this Agreement and CDBG-MIT funds to the Contract Administration Area of the PRDOH CDBG-DR Legal Division within **three (3) business days** of its execution.

XXIII. 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 the following provisions:

- A. Compliance with Executive Order 24:** Pursuant to Executive Order 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 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 52 of August 28, 1992, amending EO-1991-24, the CONTRACTOR certifies and warrants that 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 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. 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.
- D. 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

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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.

- E. 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.
- F. Compliance with Act No. 45 of April 18, 1935, as amended, 11 L.P.R.A. § 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".
- G. 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.
- H. Compliance with Act No. 168-2000, as amended, 8 L.P.R.A. § 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."
- I. Compliance with Act No. 1-2012, as amended, 3 L.P.R.A. § 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 "Puerto Rico Government Ethics Act of 2011", in connection with the possibility of a conflict of interest.
- J. 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

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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.

K. Ethics. CONTRACTOR also acknowledges receipt and agrees to obey with the Anticorruption Code for the New Puerto Rico known in Spanish as "Código Anticorrupción para el Nuevo Puerto Rico".

L. 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 Number 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 Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico, which prohibits awarding Offers for government contracts, to those convicted of fraud, embezzlement or misappropriation of public funds.
4. The CONTRACTOR represents and guarantees that none of its employees, officials or agents have been convicted of a felony or misdemeanor as described in this sub-section. Moreover, the CONTRACTOR agrees to notify PRDOH should any employee, official, or agent is convicted of a felony or misdemeanor as described in this sub-section after the date of this Agreement. Said notice shall be made within **ten (10) business days** from the time of the conviction.

M. 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.

N. 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 moneys received under this Agreement.

CONTINUES ON THE FOLLOWING PAGE

XXIV. ACT NO. 18 OF OCTOBER 30, 1975, as amended, 2 L.P.R.A. secs. 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 effective 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*.

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

- A. Interagency Services Clause:** Both contracting parties acknowledge and agree that services retained may be provided to any entity of the Executive Branch with which the contracting entity makes an interagency agreement or by direct provision of the Office of the Chief of Staff of the Governor (*Secretaría de la Gobernación*). These services will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Agreement. For purposes of this clause, the term "Executive Branch entity" includes all agencies of the Government of Puerto Rico, as well as public instrumentalities and corporations and the Office of the Governor.
- B. Termination Clause:** The Chief of Staff (*Secretario de la Gobernación*) of the Governor shall have the power to terminate this Agreement at any time.
- C. Contract Review Policy of the Financial Supervision and Administration Board for Puerto Rico:** The parties acknowledge that the contractor has submitted the certification entitled "Contractor Certification Requirement" required in accordance with the Contract Review Policy of the Financial Oversight and Management Board (FOMB) for Puerto Rico, effective as of November 6, 2017 as amended on October 30, 2020, signed by the Contractor's Executive Director (or another official with an equivalent position or authority to issue such certifications). A signed copy of the "Contractor's Certification Requirement" is included as **Attachment F** to this contract.

XXVI. 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 OE 2021-029.
- B.** The Parties certify that they acknowledge the provisions stated in OE 2021-029 and CC 013-2021. Any failure to comply with the requirements set forth in OE 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. The CONTRACTOR 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 the 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.

XXVII. 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 which contemplate non-recurring professional services or specialized professional services that may not be performed by existing staff at the applicable governmental entity, including as a result of independence requirements.

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

As mentioned before, HUD allocated funds for disaster recovery assistance to the Government of Puerto Rico under the CDBG-MIT Program. These funds are intended to provide financial assistance to address unmet needs that arise and that are not covered by other sources of financial aid. In addition, with these allocations of funding under the Grant Agreement, the PRDOH will conduct a comprehensive recovery to benefit the residents of Puerto Rico.

XVIII. 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 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.

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

The CONTRACTOR acknowledges that HUD financial assistance will be used to fund the Agreement only. Also, the CONTRACTOR shall comply with all applicable Federal, state and local laws, rules, regulations, and policies relating to CDBG-MIT and CDBG Program services. This includes without limitation, applicable Federal Registers; 2 C.F.R. part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 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, CONTRACTOR shall comply, without limitation, those set forth in **Attachment E** and in compliance with all the requirements described in **Attachment F**.

XXVIII. CDBG-MIT POLICIES AND PROCEDURES

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

XXIX. 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 impediment 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 minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. part 75 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. part 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. part 75.

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

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

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

H. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (46 U.S.C. § 5307) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and sub contracts 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.

XXX.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.

XXXI. 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 considerations 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 Executive Order 11246 of September 24, 1965, as amended by Executive Order 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 Executive Order 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 Executive Order 11246 of September 24, 1965, as amended, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 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 Executive Order 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.

XXXII.CLEAN AIR ACT

- A.-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.*
- B.--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.
- C.-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.

XXXIII.SOLID WASTE DISPOSAL ACT

- 1) In the performance of this contract, the CONTRACTOR shall make maximum use of products containing recovered materials that are Environmental Protection Agency (EPA)- designated items unless the product cannot be acquired:
- Competitively within a timeframe providing for compliance with the contract performance schedule;
 - 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 web site, <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.

XXXIV. WATER POLLUTION CONTROL ACT

- A. -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.*
- B.--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.
- C.-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.

XXXV. 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 is convicted of a criminal drug offense in the workplace no later than **ten (10) days** after such conviction.

XXXVI. SUSPENSION AND DEBARMENT

- A. -This Agreement is a covered transaction for purposes of 2 C.F.R. part 180 and 2 C.F.R. part 2424. As such, the CONTRACTOR is required to verify that none of the CONTRACTOR, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. §180.905) are excluded (defined at 2 C.F.R. §180.940) or disqualified (defined at 2 C.F.R. §180.935).
- B.--The CONTRACTOR must comply with 2 C.F.R. part 180, subpart C and 2 C.F.R. part 2424, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

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

D.-The CONTRACTOR agrees to comply with the requirements of 2 C.F.R. part 180, subpart C and 2 C.F.R. part 2424, while this Agreement is valid. The CONTRACTOR further agrees to include a provision requiring such compliance in its lower tier covered transactions.

XXXVII. NO OBLIGATION BY THE FEDERAL GOVERNMENT

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

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

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

XXXIX. BANKRUPTCY

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

XL. ENTIRE AGREEMENT

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

XLI. MODIFICATION OF AGREEMENT

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

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

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XLII. BINDING EFFECT

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

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

XLIII. ASSIGNMENT OF RIGHTS

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

XLIV. NON-WAIVER

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

XLV. ORDER OF PRECEDENCE

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

XLVI. GOVERNING LAW JURISDICTION

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

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

A. Consolidation or Merger

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

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

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

B. Change of Name

In the event that the signing party (e.g. Subrecipient, Contractor, or Subcontractor) of the Agreement with the PRDOH initiates a change of name process, written notice of such decision or event shall be delivered to the PRDOH **at least fifteen (15) 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.

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

C. Dissolution

In the event that the signing party (e.g. Subrecipient, Contractor, or Subcontractor) of the Agreement with the PRDOH moves for dissolution of the entity, written notice of such decision or event shall be delivered to the PRDOH **at least fifteen (15) 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 termination of the Agreement, the assistance reasonably requested to facilitate the orderly transfer of responsibility for performance of the tasks or services to the PRDOH or a third party designated by the PRDOH. Moreover, all finished or unfinished records (files, data, work product) connected with this Agreement will be turned over to PRDOH following the Agreement termination.

XLVIII. 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.

XLIX. FEDERAL FUNDING

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

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L. 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.

LI. 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 an ineligible cost.

LII. 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.

LIII. 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.

LIV. SURVIVAL OF TERMS AND CONDITIONS

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

SIGNATURES ON THE FOLLOWING PAGE

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

DEPARTMENT OF HOUSING

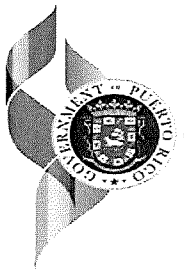
HORNE, LLP

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William O. Rodriguez Rodriguez
William O. Rodriguez Rodriguez (Mar 30, 2022 10:13 EDT)
William O. Rodríguez Rodríguez, Esq.,
Secretary

Samir El Hage
Samir El Hage (Mar 29, 2022 16:14 EDT)
Samir El Hage-Arocho
General Partner
DUNS No. 075071548

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GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

ATTACHMENT A

NOTICE OF AWARD

Request for Quotation
Grant Management Services for Mitigation Program CDBG-MIT
CDBG-MIT-RFQ-2021-01
(GSA RFQ. No. 1520207)

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January 25, 2022

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HORNE, LLP

Samir El Hage-Arocho
269 AVE PONCE DE LEON
HATO REY PR 00917-1918

Samir.elhage@hornepr.com

Re: Request for Quotations No. CDBG-MIT-RFQ-2021-01
Grant Management Services for Mitigation Program CDBG-MIT

Dear Proposer,

On September 9, 2021, the Puerto Rico Department of Housing (**PRDOH**) issued the Request for Quotations No. CDBG-MIT-RFQ-2021-01 (**RFQ**) for Grant Management Services under the Community Development Block Grant-Mitigation (**CDBG-MIT**) Program. CDBG-MIT funds are aimed to help states or local governments in the implementation of long-term planning, strategic, high-impact activities to mitigate disaster risks and reduce future losses. This RFQ seeks to procure a grant management services firm to assist the PRDOH with the oversight and management of CDBG-MIT funds allocated to Puerto Rico. This firm will support PRDOH's goal of ensuring compliance with all CDBG-MIT, U.S. Department of Housing and Urban Development (**HUD**), and applicable federal and local requirements, rules, and regulations to assure that mitigation projects or programs detailed in the Action Plan are effectively operated and maintained. Likewise, it will support the achievement of PRDOH's objectives of implementing staff augmentation strategies and adequately coordinating and monitoring all CDBG-MIT related activities. The contract will be awarded for a term of three (3) years with two (2) optional extensions of one (1) year, for a total of five (5) years.

The following is a summary of the Bid Board Resolution, notified on January 25, 2022 to the CDBG-DR Program Procurement Division, which is appended hereto and made an

integral part of this Notice of Award. In the event of any discrepancy between the Bid Board Resolution and this Notice of Award, the Bid Board Resolution shall prevail. (**Exhibit I**)

On January 24, 2022, the Bid Board of the Puerto Rico Department of Housing (**Board**) with quorum duly constituted, pursuant Article 2, Section 2.8, 1 of the Regulation No. 6106 of February 25, 2000, known as the Regulation for Bids of the Department of Housing and its Components (**Regulation 6106**), as amended and Article II, Section 2.1 (e) of the Procurement Manual for the CDBG-DR Program, Regulation No. 9205, of August 4, 2020, effective on September 5, 2020 (**Regulation 9205**), upon evaluation of the recommendation issued by the CDBG-MIT Program Procurement Division regarding the process for Grant Management Services for Mitigation Program CDBG-MIT under the Proposal No. CDBG-MIT-RFQ-2021-01 (**RFQ-2021-01**) and the EC Report dated January 18, 2022, recommended that PRDOH enter into an **\$81,316,823.66** contract with **Horne, LLP (Horne)**, a responsible firm whose technical evaluation and price are most advantageous to the PRDOH and the cost provided is reasonable for the services.

The PRDOH received six (6) proposals in response to RFQ-2021-01

1. ICF Incorporated, LLC (**ICF**)
2. Tetra Tech, Inc. (**TETRA**)
3. Guidehouse, LLP (**GUIDEHOUSE**)
4. Horne, LLP (**HORNE**)
5. Innovative Emergency Management, Inc. (**IEM**)
6. GP Strategies Corporation (**GP**)

The proposals were evaluated by an Evaluation Committee(**EC**) appointed by virtue of Administrative Order No. 21-61 dated December 7, 2021 (**AO 21-61**). The EC performed an evaluation of the proposals based on the criteria stated in the RFQ-2021-01. The EC evaluated the Proposals in accordance with the criteria listed below.

- a. Qualifications of the firm/team to successfully perform the project as evidenced by its experience and quality of performance in comparable projects performed, preferably of similar scope and magnitude to the project described in this RFQ.
- b. Qualifications and specialized experience of key personnel as evidenced by comparable experience performing services similar to the role proposed.
- c. Quality of the proposed project plan (understanding and approach and overall capacity of the team members to successfully perform and complete the project.
- d. Capacity of key personnel and the team members to provide the services within the required schedule based on other project commitments.
- e. Financial stability of the Proposer to successfully undertake the project.
- f. Compliance with other requirements and its ability to enter into a contract with

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Following these guidelines, the EC evaluated all proposals. Those proposals that demonstrated to meet or exceed the qualifications and requirements first in the critical criteria, then the important criteria were shortlisted.

On November 30, 2021, the EC began its evaluation of the proposals. As part of the evaluation of the qualifications of the firms and their personnel, the work approach, and the capacity of the proponents to perform the services to be delegated to them, the EC received technical assistance from consultants Toscano Clements Taylor (**TCT**).

In this preliminary phase, a firm is categorized as qualified because it has obtained a combination of excellent and good ratings in criteria considered **Critical**, a rating of fair or higher for all other criteria, and met all other requirements. Based on the results of the EC's preliminary evaluation, the proposers were classified as qualified and not qualified as follows:

1. Qualified:
 - a. ICF Incorporated, LLC
 - b. Horne LLP
 - c. Tetra Tech, Inc.
2. Not qualified:
 - a. Innovative Emergency Management, Inc.
 - b. Guidehouse, LLP
 - c. GP Strategies Corporation

A summary of the preliminary evaluation is illustrated in the following **Table 1**.

Table 1: Summary of preliminary evaluation

| CRITERIA | ICF | HORNE | Tetra | Guidehouse | IEM | GP Strategies |
|---|-----------|-------|-------|------------|------|---------------|
| Responsiveness of Proposal. Compliance with all the submission requirements of the RFQ. | Pass | Pass | Pass | Pass | Pass | Pass |
| Technical Evaluation | | | | | | |
| Qualifications of the firm/team to successfully perform the project as evidenced by its experience and quality of performance in comparable projects performed, preferably of similar scope | Excellent | Good | Good | Fair | Fair | Poor |

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|---|------|------|------|------|------|------|
| and magnitude to the project described in this RFQ. (Critical) | | | | | | |
| Qualifications and specialized experience of key personnel as evidenced by comparable experience performing services like the role proposed. (Critical) | Good | Good | Good | Good | Fair | Poor |
| Quality of the proposed project plan and overall capacity of the team to successfully perform and complete the project. (Critical) | Good | Good | Good | Fair | Fair | Poor |
| Capacity of key personnel and the team to provide the services within the required schedule based on other project commitments. (Important) | Fair | Fair | Good | Fair | Fair | Poor |

Oral Presentations:

On January 10, 2022, the Procurement Division scheduled oral presentations with all Qualified Proposers. After the evaluation of the proposals by the EC, it was determined that ICF, Tetra, and Horne were ranked as Qualified proposers. After the evaluations, the EC found that these proposers were qualified to successfully perform the grant management services. As this, the EC decided to create a shortlist with the aforementioned proposers and invite the three (3) firms to oral presentations of their work approach.

After the oral presentations, the EC rated them and adjusted the preliminary results using the information offered by the Proposers. A summary of the EC's rates after the oral presentations is presented below.

Table 2. Summary of Shortlisted Proposers

| CRITERIA | ICF | Horne | Tetra |
|---|-----------|-----------|-------|
| Responsiveness of Proposal. Compliance with all the submission requirements of the RFQ. | Pass | Pass | Pass |
| Technical Evaluation | | | |
| 1. Qualifications of the firm/team to successfully perform the project as evidenced by its experience and quality of performance in comparable projects performed, preferably of similar scope and magnitude to the project described in this RFQ. (Critical) | Excellent | Excellent | Good |

| | | | |
|--|-----------------|-----------------|-----------------|
| 2. Qualifications and specialized experience of key personnel as evidenced by comparable experience performing services like the role proposed. (Critical) | Good | Good | Good |
| 3. Quality of the proposed project plan and overall capacity of the team to successfully perform and complete the project. (Critical) | Good | Good | Fair |
| 4. Capacity of key personnel and the team to provide the services within the required schedule based on other project commitments. (Important) | Fair | Fair | Good |
| Financial stability of the Proposer to successfully undertake the project. | Pass | Pass | Pass |
| Compliance with other requirements and its ability to enter into a contract with PRDOH. | Pass | Pass | Pass |
| Proposed plan to comply with the M/WBE and Section 3. | Yes | Yes | Yes |
| Price Proposal | | | |
| Reasonableness of the overall price and value offered. | \$83,632,215.82 | \$81,316,823.66 | \$89,975,296.58 |

The EC determined that ICF and Horne were deemed equally qualified to perform the services required. As the qualifications of both firms are similar, a final determination was made in terms of price. The EC considered the cost proposal for the grant management services submitted by both firms. Specifically, Horne submitted a cost proposal amounting to \$81,316,823.66; while ICF's costs were \$83,632,215.82. Horne's cost proposal represents a lower and more beneficial price for PRDOH. Therefore, pursuant to Section 8.8(d) of the Manual, **the EC recommended Horne as the best-qualified firm to provide grant administrator services for the CDBG-MIT Program, since the proposal is the best value, provides the greatest overall benefit in response to the requirements and results in the lowest cost alternative (considering price special requirements and administrative costs, etc.) to meet the PRDOH's needs.**

As part of the prices offered by the Proposers, Exhibit N (**Price Form**) included an Escalation Rate, which is a percent of annual price increase offered by the proposers considered reasonable by GSA.

Pursuant to Section 9.1, the PRDOH reserved the right, without limitations, to request correction of any errors or omissions and/or to request any clarification or additional information from any Proposer, without opening clarifications for all Proposers. On January 18, 2022, the Procurement Division sent a request for clarification to Horne. The Proposer was requested to adjust the escalation rate based on the 2% that was pre negotiated for all GSA Supply Schedule contracts. On January 19, 2022, Horne replied by

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sending an updated Cost Form reflecting the contractual GSA rates, a 2% escalation rate Horne also clarified that there was no other negotiation with GSA regarding the escalation rate.

In comparison, Horne's total price was reduced by **\$392,833.53** after the escalation rate clarification. The initial price offered was for \$81,316,823.66, and after clarification it is \$80,923,990.13 for a term of three (3) years. Since the ICE total price was for \$129,887,285.00 for a three (3)-year contract, the price offered by the Proposer is deemed reasonable.

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In conclusion, the Procurement Division stated that the award shall be made to the responsible firms whose technical approach to the project, qualifications, price and/or any other factors considered, are most advantageous to the PRDOH, provided that the cost is reasonable by GSA. Pursuant to the terms of the RFQ, the EC's recommendation, the evaluation of the Price Proposal submitted, and after the determination of the reasonableness of the price, the Procurement Division recommended the award to be issued to **Horne, LLP**.

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The list of proposers, which is attached hereto and made an integral part hereof as **Exhibit II**, details the names, addresses, and contact information of all proposers that submitted a proposal in response to RFQ-2021-01.

Any person, party or entity that considers itself having been adversely affected by an award determination of the Board made under the provisions of the Regulation 9205, may file a petition for reconsideration with the Bid Review Board (Request for Reconsideration) within twenty (20) days from the date on which a copy of the Notice of Award was duly notified in accordance with Section 3.19 of Act 38-2017, Uniform Administrative Procedures Act of the Government of Puerto Rico. Simultaneously, with the filing of the Request for Reconsideration, said person, party or entity shall submit a copy of the Request for Reconsideration to all the parties in the process and to the PRDOH. Alternatively, a petition for review may be filed before the Court of Appeals of Puerto Rico.

The Bid Review Board shall consider the motion for reconsideration within thirty (30) calendar days from the date of filing thereof, which term the Review Board may extend once for just cause for an additional period of fifteen (15) calendar days. If the Review Board issues a decision on the motion for reconsideration, the term to file a request for judicial review before the Court of Appeals will begin as of the date of deposit of a copy of the corresponding notice with the U.S. Postal Service. If the Review Board does not issue a decision on the motion for reconsideration within the term allowed by law, the

motion will be deemed denied as of right, and the term to file a request for judicial review will begin to run as of the date thereof, as provided in Section 3.19 of Act 38-2017.

An original and two copies of the motion for reconsideration shall be filed to the Secretary of the Review Board, and a copy thereof shall be filed with the Board.

Any proposer that considers itself adversely affected by this Notice of Award or the determination of the Review Board on a request for reconsideration, may file a request for judicial review before the Court of Appeals within twenty (20) calendar days from the date of deposit of the corresponding notice with the U.S. Postal Service, or within twenty (20) days from the date of expiration of the term, hence deemed denied as of right, set forth in Section 4.2 of Act 38-2017.

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The mere presentation of a Request for Reconsideration will not have the effect of halting the contested award. This Notice of Award does not represent a contract or constitute a contractual relationship between the PRDOH and your firm.

Sincerely,



Melissa Almodóvar Suárez, Esq.
Interim Procurement Division Director
CDBG-DR Program

Attachments

cc:
Mr. Ricardo Vázquez Morales, CPA, Chairman
Mr. Pedro J. Cintrón Vázquez, Esq.
Mr. Jose M. Urrutia Vélez, Esq.
Eng. Germán Acevedo Miranda, PE
Mrs. Neshlee Soldevila Guzmán
Mrs. Adalgisa Polanco Reyes, Secretary

I hereby certify that this Notice of Award was delivered to all proposers listed in **Exhibit II**.
Receipt Number: 7019 1640 0001 1241 9352



ATTACHMENT 2
SCOPE OF WORK
(Amended for Addendum 6/Mod 7))
Request for Quotations
Grant Management Services
Community Development Block Grant – Mitigation (CDBG-MIT)

1. Scope of Work:

The Puerto Rico Department of Housing (**PRDOH**) is seeking to select a qualified firm to provide grant management services to assist in ensuring compliance with applicable CDBG-MIT requirements and regulations and adequate coordination and implementation of staff augmentation strategies and of all activities related to Puerto Rico's mitigation efforts in accordance with Federal Government requirements in connection with the allocation granted to the Commonwealth of Puerto Rico under the CDBG-MIT Program.

The Grant Manager (also identified in this document as "**Proposer**" or "**Successful Proposer**") must assist PRDOH in the administration and activity delivery of planning, housing, infrastructure, and multi-sector eligible projects approved for CDBG-MIT funding.

Tasks are divided in two (2) sections to address the needs of the PRDOH. In summary, "Mitigation Grant Management" and "Action Plan Implementation".

In general, the Selected Proposer shall assist with the PRDOH's implementation and oversight of CDBG-MIT programs outlined in the applicable Action Plans, as they may be amended. Support and assist PRDOH in the establishment of CDBG-MIT objectives, performance, compliance, and monitoring standards and procedures for all CDBG-MIT related activities, in accordance with the Action Plan and CDBG-MIT, 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-MIT. Grant Manager must be prepared to provide full time staff support as needed. It is assumed that some of this staff will need to be based on island. Spanish/English staff is preferred but not required. 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.

The tasks included in this contract are as follows:

Task 1 – Mitigation Management

- Task 1.1 Establish Mitigation Guidelines
- Task 1.2 Mitigation Action Plan
- Task 1.3 Overall Project Plan & Implementation Strategies
- Task 1.4 Procurement
- Task 1.5 Financial Management
- Task 1.6 Risk Management
- Task 1.7 Monitoring and Compliance
- Task 1.8 Training and Knowledge Transfer

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Task 1.9 Information Technology
Task 1.10 Meetings and Reports
Task 1.11 Subrecipient Coordination

Task 2 - Action Plan Implementation

Task 2.1 Planning Programs

- 2.1.1 Risk and Asset Data Collection Program
- 2.1.2 Mitigation and Adaptation Policy Support Program
- 2.1.3 Planning and Capacity Building Program

Task 2.2 Infrastructure Programs

- 2.2.1 Infrastructure Mitigation Program
- 2.2.2 HMGP Match Set Aside
- 2.2.3 Healthcare Facilities Set Aside

Task 2.3 Housing Programs

- 2.3.1 Single Family Housing Mitigation Program
- 2.3.2 Social Interest Housing Mitigation Program
- 2.3.3 Multi-Sector Community Mitigation Program

Task 2.4 Multi-Sector Support Programs

- 2.4.1 Economic Development Investment Portfolio Program
- 2.4.2 Community Energy and Water Resilience Installations Program

Task 1 – Mitigation Management

Task 1.1 Establish Mitigation Guidelines

Grant Manager must assist the PRDOH in the development of program policies and procedures, and, once approved by the PRDOH, their dissemination among all involved parties. Support and assist PRDOH in the establishment of preparedness and mitigation measures and development of best practices, for all CDBG-MIT related activities, in accordance with the Action Plan and CDBG-MIT, HUD, and other applicable federal and local requirements rules and regulations. CDBG-MIT Action Plan are available at <https://cdbg-dr.pr.gov/en/download/cdbg-mit-action-plan-effective-on-april-19th-2021/>.

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 an existing implementation plan for the administration of CDBG-MIT 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 Provider throughout the Contract Period.

Deliverables:

- A. Create Program Guideline Document 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

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benefits), reconsideration and administrative review process, and HUD general provisions. This 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 Section II.B.6. of the Federal Register Notice (85 FR 4676), and preparation of reports regarding such monitoring

- B. Create Required Program Documents and Forms: To be used as part of the implementation of the Program for both applicants and Program staff.
- C. Create Standard Operating Procedures (**SOPs**): This document will detail the procedure specific to CDBG-MIT Program operation that describes 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.

Task 1.2 Mitigation Action Plan

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

- Periodic review of Federal Register Notices and new federal regulations applicable to CDBG-MIT allocations.
- Prepare Action Plan Amendments and Benefit Cost Analyses, as required.
- Assists PRDOH in the submission of clarifications, certifications, and other information and/or documentation required by HUD.
- 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 amendment in the CDBG-MIT website and other means of outreach.
- Development of processes to address Action Plan amendment requests from CDBG-MIT Program staff.
- Provide programmatic coordination for implementation of federal and local requirements as outlined in the Action Plan and projects identified as needed.

Deliverables:

- A. Schedule of public hearings within the time granted by the applicable federal regulation.
- B. Log of projects suggested as part of the citizen participation program.
- C. Record of responses to public comments.

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- D. Data collection of information needed for the Action Plan Amendments.
- E. Action Plan Amendment (APA) draft package to be submitted for approval to the PRDOH CDBG-MIT 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 PRDOH Staff in the evaluation of needs related to these amendments. As such, the Grant Manager shall provide Subject Matter Experts to clarify policy issues and compliance with MIT regulations.
- H. Drafting of communications with stakeholders, HUD, and any other entity needed to complete the process of the amendments.
- I. Support and advice the PRDOH in any matter related to the amendment of the Action Plan, 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.

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Task 1.3 - Overall Project Plan and Implementation Strategies

Grant Manager must assist the PRDOH in the development 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:

- Strategic procurement plan to ensure a timely supply of goods and services that are critical to CDBG-MIT Program's ability to meet its core objectives.
- It should include information such as the planned delivery or implementation dates.
- Explanation of how the procurement process should be performed.
- Proposer will engage with subrecipients and organizations, within and outside PRDOH for data collection and review information on the Island hazard mitigation capabilities.
- Support and assist PRDOH in developing, monitoring, and recommending modifications of the CDBG-MIT grant master management and operations plan and schedule.
- Support PRDOH to maintain a comprehensive website regarding all disaster recovery and mitigation activities under any HUD notice applicable to the CDBG-MIT grant.
- 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; (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 and/or the Government of Puerto Rico reporting obligations under the CDBG-MIT grant.

Deliverables:

- A. Management and Operations Plan and Schedule. The operations plan should, at least, identify training needs, IT needs, and advise of hiring plan for future PRDOH staff. 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-MIT.
- F. 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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Task 1.4 - Procurement

- Support and assist PRDOH in the procurement process from developing need to 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 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.
- Support and assist PRDOH in assuring that mitigation programs are implemented in a manner to prevent waste, fraud, and abuse and that mitigation projects are effectively operated and maintained.

Deliverables

- A. Prepare expert advice in a variety of subject matter areas so to assist with PRDOH with the technical aspects of developing Scopes of Work and all necessary procurement documents (RFP, RFQ, Evaluation Criteria sealed bids, etc.) using information obtained from Programmatic Areas.
- B. Create an outreach plan to build a list of prequalified firms which will be needed based on the Program plan identified in Task 1.3
- C. Provide an internet portal by which firms can be a self-service vendor registration. The self-registration provides a vehicle for disseminating future procurement opportunities.
- D. Assist PRDOH with proposer outreach including Industry Day Events, Pre proposal conferences, and other outreach efforts.
- E. 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

- Monitor and oversee financial metrics of the Overall project plan developed in Task 1.3.
- Monitor and document all mitigation financial needs on a continuing basis.
- Monthly report that provides 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.
- Submitting a written monthly high-level financial report for senior management that displays expenditures, budgets by cost types, and projections.
- Cash flow analysis and project Schedules

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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.
- Providing support to PRDOH for the initial review and approval of Subrecipient draw requests submitted to the PRDOH.
- Assisting the PRDOH with establishing, maintaining, and improving financial processes.
- Coordinating with the PRDOH, its contractors, Subrecipients, and Subrecipients' contractors on Safe-and Subrecipient-run programs to ensure proper documentation prior to disbursement of funds.
Assisting the PRDOH with applicable financial duties, reporting, reconciliation, and certifications.
- Reporting, in writing, suspected fraudulent acts to the PRDOH.
- Provider shall perform any other reporting services, at the PRDOH's request.

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Deliverables:

- A. Grant Manager shall review, process, track and monitor all invoices and/or requests for payments for Subrecipients and contractors under CDBG-MIT 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. Submitting 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. Providing 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 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 provide risk management assessments in relation to the CDBG-MIT grant.

- Identify processes and situations that may cause harm, particularly to the financial management of the CDBG-MIT Grant. Determine how likely it is that each hazard will occur

and how severe the consequences would be. Decide what steps the PRDOH can take to stop these hazards from occurring or to control the risk.

- Increase consistency and pro-activeness in risk management activities including: risk identification and assessment, risk prevention and mitigation, reporting and monitoring, risk response and corrective action.
- Support and assist PRDOH to increase capacity for effective grant management and greater openness, transparency, and accountability in decision-making between all actors in the grant management process.
- Support and assist PRDOH in creating stronger communication channels between stakeholders, partners, and local governments in dealing with and prioritizing risks. This will significantly impact and improve programming.
- Support and assist PRDOH in the creation of more effective strategic planning as a result 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-MIT Grant Agreement.
- Support and assist PRDOH CDBG-DR Monitoring Division 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.

Deliverables:

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

Task 1.7- Monitoring & Compliance

- Support and assist PRDOH in all phases of the CDBG-MIT grant management process, which includes, 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-MIT funds are not being comingled with CDBG-DR funds or non CDBG-MIT funds; (iv) ensuring transparent and authorized use of all CDBG-MIT funds; (v) 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-MIT grant, and; (xi) assisting in grant close-out procedures.

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- Support and assist PRDOH in the CDBG-MIT 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-MIT, 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.
- Support and assist PRDOH in oversight and monitoring of the distribution of funds, including, documentation compliance. Proposer shall work with the PRDOH in order 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 the sufficient and appropriate document control and management initiatives and programs to meet financial management and all other documentation requirements for CDBG-MIT grants. Proposer shall implement such document control initiatives and programs.
- Support and assist PRDOH in review and revision of any CDBG-MIT related contracts for CDBG-MIT 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-MIT program, as specified in the CDBG-MIT Notice (85 FR 4676), the Grant Agreement, the Action Plan, and any other applicable law, rules or regulations.
- Proposer shall monitor and report any identified or suspected instances of non-compliance with CDBG-MIT, 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 needs 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-MIT 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-MIT 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.
- 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

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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-MIT 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-MIT 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.

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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-MIT 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.
 - i. Supporting PRDOH's employees as they transition to roles that were done previously by the Grant Manager;
 - ii. Shortening ramp-up times for new hires or interns in their roles;
 - iii. 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

- Proposer shall ensure that all CDBG-MIT 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-MIT funds drawn to date, and CDBG-MIT 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 should 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-MIT allocation for Puerto Rico for a minimum period of five (5) years following grant closeout.
 - Proposer shall provide protective storage and provide reports and electronic copies to the federal and local government, as required and/or requested.
 - Ensuring that Project documentation is designed and maintained in a way that will satisfy the compliance requirements for all funding sources.
 - Ensuring that all records are permanently stored, not duplicative, and easily accessible.
 - Assisting 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 300 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. Tracking 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

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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-MIT grant.

Deliverables:

- 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 hurricane ravaged Island of Puerto Rico. CDBG-MIT funds invested in the Puerto Rican communities have to be meticulously managed through practices that ensure federal and local compliance. An inadequate administration of CDBG-MIT funds may result in wasted Program funds, lost opportunities, grant reduction, and an adverse effects in 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 communications between Program Areas and Operational Areas such as, but no 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.

Task 2 – Action Plan Implementation

The scope of services under "Action Plan Implementation" is based on the programs identified in the original HUD-approved CDBG-MIT Action Plan. 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 Plan.

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Task 2.1 **Planning Programs**

- 2.1.1 Risk and Asset Data Collection Program
- 2.1.2 Mitigation and Adaptation Policy Support Program
- 2.1.3 Planning and Capacity Building Program

Task 2.2 **Infrastructure Programs**

- 2.2.1 Infrastructure Mitigation Program
- 2.2.2 HMGP Match Set Aside
- 2.2.3 Healthcare Facilities Set Aside

Task 2.3 **Housing Programs**

- 2.3.1 Single Family Housing Mitigation Program
- 2.3.2 Social Interest Housing Mitigation Program
- 2.3.3 Multi-Sector Community Mitigation Program

Task 2.4 **Multi-Sector Support Programs**

- 2.4.1 Economic Development Investment Portfolio Program
- 2.4.2 Community Energy and Water Resilience Installations Program

Task 2.1 Planning Programs

Project Background

The planning programs consist of Risk and Asset Data Collection, Mitigation and Adaptation Policy Support and Planning and Capacity Building Program.

2.1.1 Risk and Asset Data Collection Program

The Risk and Asset Data (**RAD**) Collection Program will build on the foundation of the spatial data infrastructure created under the GeoFrame Program. This program will produce layers of hazard, asset, and risk data intended to complement the cadastral and land use data produced under the GeoFrame Program. It is intended to enhance the ability of citizens, private sector business and industry, mayors, governors and other leaders to make data-driven decisions that are rooted in an up-to-date comprehensive understanding of hazards, risks, and assets on the Island. This Program encourages a common understanding of how mitigation investments reduce risks to people, homes, neighborhoods, cultural and historic resources, ecosystems, and lifelines. HUD encourages grantees in 84 FR 45838, 45849, to use CDBG-MIT funds to upgrade mapping, data, and other capabilities to better understand evolving potential disaster risk.

2.1.2 Mitigation and Adaptation Policy Support Program

The Mitigation and Adaptation Policy Support Program builds on information related to policy needs across the island collected through the stakeholder engagement process for the Action Plan, the Disaster Recovery Planning Programs including the MRP Program, WCRP Program and the Geo Frame Program. It shall also utilize, as it becomes available, the information collected under the CDBG-MIT Planning and Capacity Building and RAD Collection Programs. Adaptation and policy support refer to the use of policy, building code, land use plans, zoning, and planning and capacity building interventions to enhance local jurisdictional and community ability to plan for, avoid, absorb, recover from and more successfully adapt to potential risk from hazardous events. This program will further the policy-related goals identified by HUD in 84 FR 45838. To better position jurisdictions to be more resilient in the face of future disasters. This policy support will focus on:

- Limiting and preventing development in high hazard areas
- Adopting development regulations in hazard areas
- Limiting density development in hazard areas

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- Strengthening land use regulations to reduce hazard risk
- Supporting local adaptation and enforcement of building code
- Creating local funding mechanisms to leverage resources
- Utilize incentives and disincentives to promote hazard mitigation

2.1.3 Planning and Capacity Building Program

The Planning and Capacity Building Program will build on information and progress made through the CDBG-DR Planning Programs including the Municipal Recovery Planning (**MRP**) Program, Whole Community Resilience Planning (**WCRP**) Program, and the GeoFrame Program.¹ It will also utilize, as it becomes available, information collected under the CDBG-MIT RAD Collection Program. Finally, the program will continue and expand on stakeholder engagement to develop and implement a regional approach to planning, permitting, and enforcement that supports risk identification and mitigation.

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The Planning and Capacity Building Program is intended to strengthen the capacity of state agencies, municipalities, NGOs and existing regional partnerships by assisting in the formation and/or strengthening and formalizing existing, regional consortia to conduct mitigation enhancing activities. These activities will range from narrow to broad. Some activities may include mitigation planning, green infrastructure education programs, emergency management training and demonstrations for building code compliance. Additional activities may include broad-based mandates such as furthering regional economic development planning, promoting safe and affordable housing, and assisting in access to private, state, and federal funding for activities that benefit the lifeline sectors, among others.

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HUD emphasizes capacity building in 84 FR 45838 for multiple levels of government and the benefits of regional (multi-jurisdictional) planning and cooperation as a means for increasing capacity. The Planning and Capacity Building Program seeks to further those goals by supporting regional and multi-jurisdictional approaches to planning that enhances assessment and mitigation of risk.

Task 2.2 Infrastructure Program

- 2.2.1 Infrastructure Mitigation Program
- 2.2.2 HMGP Match Set Aside
- 2.2.3 Healthcare Facilities Set Aside

Project Background

2.2.1 Infrastructure Mitigation Program

¹ <https://cdbg-dr.pr.gov/en/download/cdbg-dr-action-plan-amendment-7-substantial/>

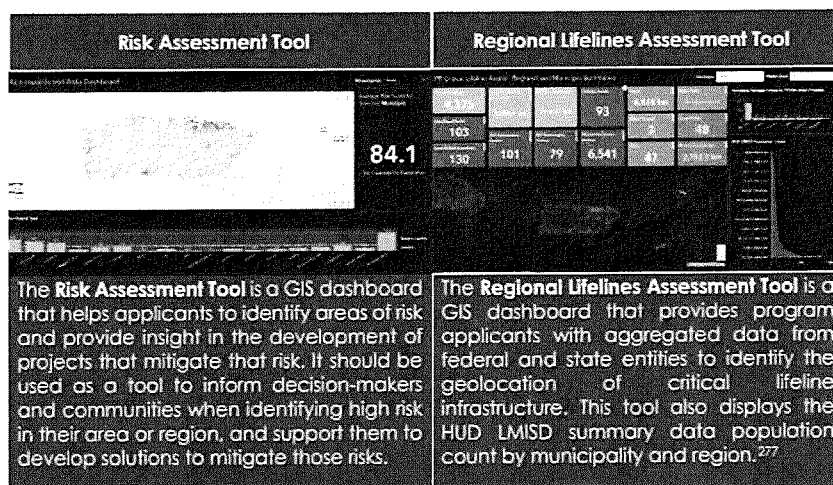
The PRDOH Risk Assessment revealed the top ten (10) risk from an Island-wide perspective as the following:

| | |
|----|-----------------------|
| 1 | Hurricane Wind |
| 2 | Flood 100 |
| 3 | Earthquake |
| 4 | Landslide |
| 5 | Liquefaction |
| 6 | Drought |
| 7 | Severe Storm |
| 8 | Sea Level Rise (10ft) |
| 9 | Wildfire |
| 10 | Human-Caused Hazard |

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Municipal, neighborhood, community, and regional threats differ greatly when local geography and geographic susceptibility to hazards is considered. It is for this reason that the Infrastructure Mitigation Program promotes data-informed decision making for all eligible applicant entities by launching the publicly transparent Risk Assessment and Regional Lifeline Assessment tools.



PRDOH will administer one (1) Mitigation Infrastructure Program intended to fund projects within the full range of eligible public facilities improvement activities so long as the project mitigates identified risk(s). Projects must demonstrate risk mitigation properties that benefit the population under the urgent need or LMI national objective, and LMI beneficiaries must be prioritized. The greater number of hazards mitigated by one project, the better. Smaller-scale projects that mitigate the most risk for specific neighborhoods, municipalities, or regions shall be considered if they are an established priority project and supported by a sound feasibility analysis and justification. The most competitive projects, however, will be those that leverage regional solutions and partnerships, provide a greater risk reduction benefit to the critical lifelines, and benefit more citizens.

Due to the varying and localized need for mitigation against a number of hazardous threats, PRDOH does not want to limit projects based on the top risks at the Island-wide level, nor by an assumption of need in a generalized way. The ultimate goal of this Program is to strategically identify areas of risk and mitigate the most risk for the greatest amount of people in a cost-effective manner. This is best accomplished through planning, design, and innovation realized through the implementation of public facilities improvement eligible under this Program. Projects eligible for funding are intended to serve the needs of the people by allowing for scaled investments that make critical mitigation dollars accessible to all communities on the Island: municipal, regional, or Island-wide.

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2.2.2 HMGP Match Set Aside

The Infrastructure Mitigation Program includes a one (\$1) billion dollars set-aside for FEMA Hazard Mitigation Grant Program (**HMGP**) match to provide the required twenty-five percent (25%) non-federal match funding for projects through a Global Match Program. Projects funded by FEMA HMGP must comply with HMGP resilience standards and meet the mitigation standards of this Program according to the project evaluation criteria. By working with COR3 to execute dually funded resilience projects, PRDOH will advance long-term resilience to hazard risk identified in the Risk Assessment.

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2.2.3 Healthcare Facilities Set Aside

The Infrastructure Mitigation Program also includes a one (\$1) billion dollar set aside to strengthen healthcare facilities for the benefit of medically underserved Ricans, and to minimize, through accessible healthcare, the fatalities likely from a disaster event. This can include improvements, expansions, and construction of new facilities to fortify and innovate buildings and permanent equipment. Improved and new facilities should demonstrably increase the capacity of Puerto Rico's healthcare system to mitigate the impacts of future disasters, both natural and human-caused, such as the COVID-19 pandemic. Building architecture for new construction must incorporate disaster-resistant building elements and self-sustaining power, water, and data communication features.

Task 2.3 Housing Program Housing Programs

- 2.3.1 Single Family Housing Mitigation Program
- 2.3.2 Social Interest Housing Mitigation Program
- 2.3.3 Multi-Sector Community Mitigation Program

Task 2.3.1 Single-Family Housing Mitigation Program

PRDOH recognizes that many homes in Puerto Rico also face an undeniable risk of immediate threat, defined by FEMA as the threat of additional damage or destruction from an event, which can reasonably be expected to occur within five (5) years. This immediate threat is evident in the many homes in Puerto Rico that are uninhabitable or substantially damaged due to recent disaster or hazardous events as referenced in the section above. These conditions have left many households with not only a formulaic estimation of risk, but an immediate threat. Anecdotal public comments that were provided during public engagement for the CDBG-MIT Action Plan indicate individual homes remain under immediate threat of landslides, seismic activity, sea-level rise, and other risks.

PRDOH also performed preliminary geospatial analysis utilizing aerial imagery to locate homes impacted by Hurricanes Irma and María that still have a blue tarp as a partial or whole roof. Preliminary results estimate the number to be between fifteen (15) to eighteen (18) thousand properties with blue tarps as of February 2020.

The Single-Family Housing Mitigation Program is available to all households in Puerto Rico that face risk as calculated in the Puerto Rico Risk Assessment. Due to limited resources, however, PRDOH has designed this Program to prioritize mitigation assistance to those households with an immediate threat that are uninhabitable due to damages from recent disaster or hazardous events, are under immediate threat due to damage from recent events, are applicants in the CDBG-DR R3 Program that are seeking mitigation (alternative solutions to relocation in the form of elevation, where feasible), are certified as a Substantially Damaged property under local regulations, and/or are located in a high risk area in Puerto Rico.

The Single-Family Housing Mitigation Program has been designed to prioritize mitigation solutions according to the housing structure conditions, location and risk level for homeowners categorized under the priority applicants' classifications, interested in repairs, rehabilitation, voluntary relocation or elevation as means to reduce the risk of loss of life and property. This Program offers individual flood and landslide threatened homeowners with the option to investigate the feasibility of elevation of their home, the feasibility of reinforcing the property foundation, or the alternative option for voluntary relocation.

Mitigation Assistance for R3 applicants

R3 Program participants interested in this Program are being offered the chance to go on hold under CDBG-DR in favor of pursuing mitigation options through a participatory mitigation planning process that may allow them to reconstruct and elevate their home in place, contingent upon a feasibility analysis. This planning process shall be conducted in collaboration with the Citizen Advisory Committee in the role of the CDBG-MIT Citizen Advisory Committee. R3 applicants will be given the chance to decide if they would like to apply to the Single-family Housing Program or accept the relocation award from the R3 Program. Should they choose the former, eligibility acceptance can be expected because eligibility requirements can be designed to be substantially similar to those for R3.

Task 2.3.2 Social Interest Housing Mitigation Program

The Social Interest Housing Mitigation Program (**SIHM**) will be available for eligible organizations that have demonstrated experience working with populations to be served under this housing program, such as: homeless, senior citizens, domestic violence victims, persons with intellectual disability, persons with developmental and/ or physical disability, persons living with HIV/AIDS, individuals recovering from addiction and individuals with other functional or access needs.

The SIHM Program is intended to address the varying and localized need for mitigation against a number of hazardous threats, and not to limit projects based on the top risks at the Island-wide level, nor by an assumption of need in a generalized way. Community threats differ greatly when local geography and geographic susceptibility to hazards is considered. It is for this reason that the Program promotes data-informed decision making for all eligible applicant entities by launching the publicly transparent Risk and Critical Assets Assessment tools. The goal for the Program is to address the mitigation needs by funding projects with high quality, modern, resilient housing solutions for vulnerable populations and protected classes.

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Task 2.3.3 Multi-sector Community Mitigation Program

Puerto Rican communities face a pressing need to reduce risk from a multitude of threats, which are most effectively addressed at the local level. This Program considers mitigation needs on a community-scale in an effort to address local risks while keeping communities together. By addressing these needs on a community rather than individual level, this Program promotes relocating or rebuilding neighborhoods and communities to lower the risk posed to its residents, enabling them to thrive in a lower risk environment.

This Program addresses the need to reduce loss of life and property by offering a community-based mitigation approach for self-defined neighborhoods and communities located in an area identified in the Risk Assessment as medium, medium high, or high. This approach to risk reduction allows for mitigation to take place on a more comprehensive scale and to address the range of known risks that threaten Puerto Rican communities, not just the risk of those disasters that have affected the Island in recent years such as hurricanes, earthquakes, and localized flood events.

In order to support community preservation, this Program considers a multi-sector approach to community need, based on the fact that Puerto Rican communities include single family housing, multi-family housing, infrastructure, and businesses. A multi-sector approach also addresses the need for risk reduction for condo owners and renters through the voluntary buyout or acquisition of multi-family condo and rental buildings.

This reduction of risk is furthered by PRDOH through the assistance to public housing units that is part of the Infrastructure HMGP match, which includes fifty-nine (59) potential public and multi-family housing projects with mitigative activities that stand to serve vulnerable communities.

Task 2.4 Multi-Sector Support Programs

2.4.1 Economic Development Investment Portfolio Program

2.4.2 Community Energy and Water Resilience Installations Program

2.4.1 Economic Development Investment Portfolio for Growth -Lifeline Mitigation Program

The Economic Development Investment Portfolio for Growth – Lifeline Mitigation Program, is a mitigation-focused extension of the CDBG-DR Program that will target funding for privately owned lifeline infrastructure to support Risk-Based Mitigation Needs. The launch of this program shall also take into account the changing economic landscape, as benefits of economic recovery efforts tied to the hurricanes are realized.

Revitalizing Puerto Rico through economic investment is more than a program. It is a commitment to the renewal and expansion of quality-of-life opportunities for Puerto Rican citizens, empowering them to own their own recovery from future hazard events. The means to accomplish such a goal are not found in a one-dimensional approach to economic funding, but rather in laying the foundation for ongoing evaluation, planning, and formulation of adaptive investment strategies that take into consideration the economic constraints and opportunities at that time.

Much like CDBG-DR, this mitigation-focused extension of the program is intended to fund large-scale redevelopment projects that are transformative in nature and create jobs as well as

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cascading economic impacts. Projects under this program are key to a comprehensive mitigation strategy to enable and nurture strategic growth nodes and strengthen economic vitality. The Program also seeks to maximize and bring private development to projects by leveraging Opportunity Zones where possible.

Task 2.4.2 Community Energy and Water Resilience Installations Program

Historically, it's been proven that the legacy energy infrastructure in Puerto Rico is unreliable and does not meet the needs of citizens. This reality is made clear when a disaster event occurs and prolonged power outages pose health and safety threats that increase every day as the power and the services it fuels, remain unavailable to households, hospitals, and critical services facilities. Citizens must have additional options to meet this critical need.

There are three (3) subprograms within the Community Energy and Water Resilience Installations Program:

I. HOME ENERGY AND WATER RESILIENCE IMPROVEMENTS. Homes unprepared for the natural threats on the power grid were left vulnerable in the aftermath of Hurricanes Irma and María. Rebuilding to protect federal investment and to sustain recovery efforts requires resilient design and improvements that incorporate modern technology for life-sustaining purposes during off-grid events. Energy and water resilience efforts may include conducting a home energy evaluation and the promotion of energy efficiency and stability. Resilient design and improvements include things such as the installation of photovoltaic systems, solar generators, and battery storage at capacities aligned with household needs, including the consideration of critical medical needs.

II. COMMUNITY INSTALLATIONS. Community installations of energy production and storage, water catchment systems, and sanitary sewer system solutions may be offered in order to complement home-based improvements or reduce household barriers to mitigation. Community installations may include larger kilowatt, bimodal systems that can support health, lighting, communication, and other backup energy needs of area residents. Community-based systems may also include public microgrids. Community-based water security interventions may be introduced, similarly, where a greater community need may be met, where more localized interventions are less feasible or cost-efficient, and in particular where the community is not part of the Island-wide water supply system (e.g. non-PRASA communities). For both energy and water resilience efforts, these installations may be introduced in areas where housing typologies or existing structures cannot accommodate solar panels or water systems, or where a larger scale typology is more cost-efficient to serve the community.

III. INCENTIVE PROGRAM. An incentive program covering up to \$20,000 or a designated percentage of household project costs will be offered to enable the installation of renewable energy systems, including storage, which provide electricity to the building during times of electric grid failure. This Program is available to residents and small to mid-sized businesses. This Program in particular is a viable option for assistance to the telecommunications sector in that privately-owned utilities of the Communications lifeline depend on energy to function.

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

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Deliverable 1 - Project Verification:

- The successful proposer shall work with the PRDOH staff to qualify the proposed projects for the CDBG-MIT grant program. It will be the proposer's responsibility to ensure:
 1. Proposed projects are compliant and not funded by other sources such as CDBG-DR, FEMA, FEMA-HMP, federal, local, commonwealth or other funds.
 2. Proposed projects identified in the action plan are feasible within the allocated program funding.
 3. 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-MIT 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-MIT.
- 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-MIT 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-MIT 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 the following:
 - Applicable documentation, forms, funding sources, and national objectives information are present and accurate in accordance with a program checklist
 - Ensure draft scopes (performance statements) and budgets are present and accurate; Applications generally conform to performance statements.
 - 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.

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- 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.
- Proposer will, if necessary, conduct tiered environmental review and submit broad and site-specific environmental reviews, as required by federal regulations.
- Proposer will prepare, complete, and submit HUD required forms for environmental review and provide all documentation to support environmental findings.
- 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.

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- 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 environmental or health effect on end users. Not every project is subject to a full environmental review (i.e., every project's environmental impact must be examined, but the extent of this examination varies), but every project must be in compliance with the National Environmental Policy Act (NEPA) and other related federal and state environmental laws.

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.

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 mitigation programs are implemented in a manner to prevent waste, fraud, and abuse and that mitigation projects are effectively operated and maintained.
- Review and monitor design for MIT 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.

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- 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 should be checked for any evidence of collusion or conflict of interest.
- The successful proposer will assure that all the necessary permits have been issued.
- For all planning projects the Proposer shall ensure that any required licenses, certifications, etc. are properly obtained.
- Provide any reports, research, analysis, or advice, as required by PRDOH, for the proper and successful execution of the Program.

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-MIT activities, including, but not limited to, construction schedules for all programs approved in the CDBG-MIT 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-MIT, 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

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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.

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

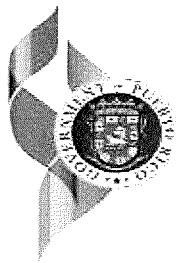
Deliverable 8 - Project close out:

- 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-MIT 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-MIT 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 should 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 – MITIGATION 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-MIT-RQ-2021-01 (GSA No. RFQ1520207). The Compensation Schedule considers:

- **Staff 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.
- **Grant Management System Licenses Costs:** Cost of active user licenses for the Grant Management System Platform (Canopy+).
- **Allowance for Benefit-Cost Analyses:** Allowance for Benefit-Cost Analyses (BCAs) to be performed by the Contractor upon request from PRDOH.

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. STAFF COSTS \$80,223,990.13

Table 1 presents staff positions, estimated quantity of resources per position, 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 thirty-six (36) months. The Contractor will be compensated based on hours worked combined with the hourly rates provided for each Staff Position.

Table 1: Staff Positions Estimated Quantity & Hourly Rates Per Year of Contract

| Area / Position | Estimated Qty. | Hourly Rate (Year 1) | Hourly Rate (Year 2) | Hourly Rate (Year 3) |
|--------------------------------------|----------------|----------------------|----------------------|----------------------|
| Grant Execution Leadership | | | | |
| Grants Integration Director | 1 | \$195.12 | \$199.02 | \$203.00 |
| Advisor | 4 | \$195.12 | \$199.02 | \$203.00 |
| Deputy Director | 2 | \$180.49 | \$184.10 | \$187.78 |
| Assistant Deputy Director | 2 | \$151.22 | \$154.24 | \$157.32 |
| Grant Execution Specialist | 2 | \$78.05 | \$79.61 | \$81.20 |
| Grant Execution Leadership Associate | 1 | \$51.71 | \$52.74 | \$53.79 |

| Area / Position | Estimated Qty. | Hourly Rate (Year 1) | Hourly Rate (Year 2) | Hourly Rate (Year 3) |
|--|----------------|----------------------|----------------------|----------------------|
| Information Technology | | | | |
| Information Technology Lead | 1 | \$165.85 | \$169.17 | \$172.55 |
| Information Technology Assistant Lead | 1 | \$126.83 | \$129.37 | \$131.96 |
| SME - Systems | 2 | \$136.59 | \$139.32 | \$142.11 |
| IT POC | 3 | \$126.83 | \$129.37 | \$131.96 |
| System Developer | 5 | \$126.83 | \$129.37 | \$131.96 |
| IT/Reporting Specialist | 3 | \$107.32 | \$109.47 | \$111.66 |
| IT/Reporting Technician | 3 | \$78.05 | \$79.61 | \$81.20 |
| Financial Management | | | | |
| Financial Management Lead | 1 | \$165.85 | \$169.17 | \$172.55 |
| Financial Management Assistant Lead | 1 | \$126.83 | \$129.37 | \$131.96 |
| SME - Yardi, DRGR, Financial Compliance | 3 | \$165.85 | \$169.17 | \$172.55 |
| Financial POC | 2 | \$136.59 | \$139.32 | \$142.11 |
| Financial Specialist | 5 | \$78.05 | \$79.61 | \$81.20 |
| Financial Management Associate | 1 | \$51.71 | \$52.74 | \$53.79 |
| Procurement & Contracts | | | | |
| Procurement & Contracts Lead | 1 | \$165.85 | \$169.17 | \$172.55 |
| Procurement & Contracts Assistant Lead | 1 | \$126.83 | \$129.37 | \$131.96 |
| SME - Procurement | 1 | \$195.12 | \$199.02 | \$203.00 |
| Procurement & Contracts Specialist | 3 | \$78.05 | \$79.61 | \$81.20 |
| Procurement & Contracts Associate | 1 | \$51.71 | \$52.74 | \$53.79 |
| Environmental, Green Building Standards & Permits | | | | |
| Environmental, Green Building & Permits Lead | 1 | \$165.85 | \$169.17 | \$172.55 |
| SME - Environmental & Permits | 3 | \$136.59 | \$139.32 | \$142.11 |
| Environmental, GBS, and Permits POC | 1 | \$126.83 | \$129.37 | \$131.96 |
| Environmental Specialist | 3 | \$107.32 | \$109.47 | \$111.66 |
| Environmental Technician | 8 | \$73.17 | \$74.63 | \$76.12 |
| Grant Compliance | | | | |
| Grant Compliance Lead | 1 | \$165.85 | \$169.17 | \$172.55 |
| Grant Compliance Assistant Lead | 1 | \$126.83 | \$129.37 | \$131.96 |
| SME - Compliance | 1 | \$195.12 | \$199.02 | \$203.00 |
| Senior Compliance Manager | 3 | \$165.85 | \$169.17 | \$172.55 |
| Compliance Manager | 3 | \$126.83 | \$129.37 | \$131.96 |
| Compliance Specialist | 8 | \$78.05 | \$79.61 | \$81.20 |
| Grant Compliance Associate | 1 | \$51.71 | \$52.74 | \$53.79 |
| Human Capital Development | | | | |

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| Area / Position | Estimated Qty. | Hourly Rate (Year 1) | Hourly Rate (Year 2) | Hourly Rate (Year 3) |
|--|----------------|----------------------|----------------------|----------------------|
| Human Capital Development Lead | 1 | \$165.85 | \$169.17 | \$172.55 |
| Human Capital Development POC | 4 | \$126.83 | \$129.37 | \$131.96 |
| Human Capital Development Specialist | 7 | \$78.05 | \$79.61 | \$81.20 |
| Human Capital Development Associate | 1 | \$51.71 | \$52.74 | \$53.79 |
| Infrastructure & Multi-Sector | | | | |
| Infrastructure & Multi-Sector Lead | 1 | \$165.85 | \$169.17 | \$172.55 |
| Infrastructure & Multi-Sector Assistant Lead | 1 | \$126.83 | \$129.37 | \$131.96 |
| SME - Infrastructure | 2 | \$165.85 | \$169.17 | \$172.55 |
| Infrastructure & Multi-Sector POC | 4 | \$136.59 | \$139.32 | \$142.11 |
| Infrastructure Specialist | 5 | \$107.32 | \$109.47 | \$111.66 |
| Infrastructure Technician | 8 | \$73.17 | \$74.63 | \$76.12 |
| Infrastructure & Multi-Sector Associate | 1 | \$51.71 | \$52.74 | \$53.79 |
| Planning Sector | | | | |
| Planning Lead | 1 | \$165.85 | \$169.17 | \$172.55 |
| SME - Planning | 1 | \$165.85 | \$169.17 | \$172.55 |
| Planning POC | 3 | \$107.32 | \$109.47 | \$111.66 |
| GIS Specialist | 1 | \$136.59 | \$139.32 | \$142.11 |
| Planning Specialist | 2 | \$78.05 | \$79.61 | \$81.20 |
| Planning Associate | 1 | \$51.71 | \$52.74 | \$53.79 |
| Housing Sector | | | | |
| Housing Lead | 1 | \$165.85 | \$169.17 | \$172.55 |
| Housing Assistant Lead | 1 | \$126.83 | \$129.37 | \$131.96 |
| SME - Housing | 2 | \$195.12 | \$199.02 | \$203.00 |
| Housing POC | 5 | \$126.83 | \$129.37 | \$131.96 |
| Housing Specialist | 5 | \$107.32 | \$109.47 | \$111.66 |
| Housing Technician | 14 | \$73.17 | \$74.63 | \$76.12 |
| Housing Associate | 1 | \$51.71 | \$52.74 | \$53.79 |
| Mitigation Program Support | | | | |
| Mitigation Program Support Lead | 1 | \$165.85 | \$169.17 | \$172.55 |
| Mitigation Program Support Assistant Lead | 1 | \$126.83 | \$129.37 | \$131.96 |
| SME - BCAs | 7 | \$165.85 | \$169.17 | \$172.55 |
| Senior Program Designer | 8 | \$165.85 | \$169.17 | \$172.55 |
| Program Support Specialist | 4 | \$107.32 | \$109.47 | \$111.66 |
| Program Support Technician | 4 | \$73.17 | \$74.63 | \$76.12 |
| Mitigation Program Support Associate | 1 | \$51.71 | \$52.74 | \$53.79 |

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The following terms and conditions apply to Staff Costs 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 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.
- 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.
- The Cost 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 towards the end of the three (3) year contract period, as PRDOH staffs up to continue the management of the CDBG-MIT grant over its twelve-year lifecycle.
- The Cost Proposal considers an estimated total of 32,634 hours for Infrastructure Technician positions and 57,960 hours for Housing Technician positions; for a total of 90,594 hours between the two (2). After the 90,594 estimated hours for these positions are consumed, Horne will assume the cost of 5,000 additional hours from these resources, and no additional cost to PRDOH.

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II. GRANT MANAGEMENT SYSTEM LICENSES COST..... \$450,000.00

Table 2 presents contracted yearly licenses and their costs for the Grant Management System (Canopy+) to be provided by the Contractor to PRDOH as part of the CDBG-MIT Grant Management Services.

Table 2: Grant Management System (Canopy+) Licenses Cost

| Item Description | Licenses per Year [A] | Contract Years [B] | Unit Cost [C] | Total Amount [D = A x B x C] |
|------------------|----------------------------|-------------------------|--------------------|-----------------------------------|
| Canopy+ Licenses | 300 | 3 | \$500.00 | \$450,000.00 |

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

III. ALLOWANCE FOR BENEFIT-COST ANALYSES \$250,000.00

Question No. 20 in Addendum No. 6 on November 5, 2021, was answered with the following: "Subrecipients are to provide the benefit cost analysis, but from time-to-time Grant Manager is expected to review and/or provide support to Subrecipients and therefore, perform BCAs with data provided by applicants/subrecipients." Therefore, an allowance for performing Benefit-Cost Analyses is included in the contract. This allowance is to cover the costs of performing Benefit-Cost Analyses for Applicants/Subrecipients when required and with prior consent and approval from PRDOH. The allowance is not intended to cover the cost of reviewing Benefit-Cost Analyses performed by Applicants/Subrecipients. The cost of reviewing Benefit-Cost Analyses performed by Applicants/Subrecipients is contemplated as part of the Contract's Staff Costs.

Table 3 presents the amount of the Allowance for Benefit-Cost Analyses.

| Item Description | Total Amount |
|-------------------------------------|--------------|
| Allowance for Benefit-Cost Analyses | \$250,000.00 |

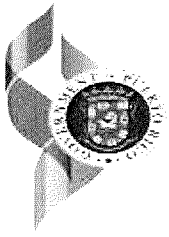
No Benefit-Cost Analysis will be performed by the Contractor without prior authorization from PRDOH. Whenever a Benefit-Cost Analysis is to be performed by the Contractor; the Contractor will submit a Request for Authorization (RFA) to PRDOH. RFAs will include the justification and estimated costs to perform the Benefit-Cost Analysis requested by PRDOH.

IV. TOTAL CONTRACT COST..... \$80,923,990.13

The Total Contract Cost Awarded is the Total Sum of amounts shown in the previous sections; which is: \$80,223,990.13 of Staff Costs, plus \$450,000.00 of License Costs, plus \$250,000.00 of the Allowance for Benefit-Cost Analyses; for a **Total Contract Cost of \$80,923,990.13**.

V. BUDGET RE-DISTRIBUTION

The PRDOH reserves the right to re-distribute budgets shown for the above items if in benefit to the CDBG-MIT 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.



OSPA
Request for Proposals (RFP)
Grant Management Services
Community Development Block Grant – Mitigation
Puerto Rico Department of Housing
Contract Division
Amended

SPECIAL INSURANCE AND BONDING SPECIFICATIONS for
Grant Management Services

LICITATION NUMBER – CBDG-DR RFP-2021- XX

- A. The successful bidder, before commencing work or receiving a written notice to proceed with work, must submit to the **Puerto Rico Department of Housing (*PRDOH)** the hereafter mentioned insurance policies and/or bonds, thus including all endorsements and agreements required under the special contractual conditions as per the following:

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

In accordance with the Workmen's Compensation Act No. 45, to facilitate its acquisition, the ***PRDOH** shall provide a letter to the successful bidder addressed to the State Insurance Fund.

2. (X) Commercial General Liability (Broad Form) including the following insurance coverage

| COVERAGE | LIMIT |
|---|---------------------------|
| I. Commercial General Liability: | |
| • Each Occurrence | \$2,000,000 |
| • General Aggregate | \$2,000,000 |
| • Products & Complete Operations | \$1,000,000 |
| • Personal Injury & Advertising | \$1,000,000 |
| • Fire Damage | \$100,000 (Any one Fire) |
| • Medical Expense | \$10,000 (Any one person) |
| II. Employer's Liability Stop Gap: | |

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

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

| LIMIT |
|--|
| <ul style="list-style-type: none"> Auto Liability - \$1,000,000 Physical Damages - \$1,000,000 Medical Payments - \$ 10,000 |
| The Commercial Auto cover must be applied to the following symbols: |
| <ul style="list-style-type: none"> Liability Coverage -1 Physical Damages – 2 and 8 Hired – Borrowed Auto - 8 Non-Owned Auto Liability - 9 |

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

(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 Insurance Code, when applicable.

5. (X) Employment Practices Liability

Limit - \$1,000,000

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6. (X) Cyber Liability

Limit - \$1,000,000

7. (X) Umbrella

Limit - \$10,000,000

8. (X) The policies to be obtained, must contain the following endorsements including as additional insured the **Department of Housing, 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 or 60 Days Cancellation Clause

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

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

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

1. Be authorized to do business within the Commonwealth of Puerto Rico and have the corresponding license issued by the Commissioner of Insurance.
2. To be enjoying a good economic situation and to be classified under the Category of B+ by the "Best Rating Guide".
3. Submit to the ***PRDOH** a written certification as evidence of full payment of premiums by the Contractor. Mention each risk coverage premium separately.
4. Avoid sub-contractual obligations of premium financing or any other kind, which may be detrimental to the public interest.

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5. Avoid any request for cancellation by the contractor prior to the expiration date of the policy, without the consent of the Insurance Section of the ***PRDOH**: Discuss any refund of unearned premium.
6. Follow all Federal Bail and Acceptance Insurance Regulations, when applicable.
7. Indicate in the appropriate place of all insurance policies and/or bonds, the full description of the project, work or service to be rendered.
8. Not to make any amendments to insurance policies and bonds issued under the special conditions mentioned above, unless approved by the Insurance Section of the Department of Housing.
9. To ensure that all insurance policies or bonds are issued to comply with all of our special insurance conditions with respect to the period of coverage, type of risk coverage, as well as all limits, as specified, and also to eliminate those exclusions in accordance with our request.
10. Clarify any questions regarding insurance requirements by any means of communication with the Insurance Section of the Department of Housing under the Secretary for Legal Affairs.

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

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

Therefore, prior to commencing work or receiving written notice to proceed with such work, the successful prime contractor has the responsibility to provide the ***PRDOH** with all the certifications of insurance and/or bonds required under the special conditions approved by the Insurance Section of the ***PRDOH**.

All insurance policies shall remain in effect for the entire contractual period. In case of any order of change and/or amendment resulting

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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 bonds 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, FORM DV-OSPA-78-5

In the event of any conflict or difference in the description of coverage or in amounts or limits, etc., with respect to insurance requirements, the "*Special Conditions of Insurance and Bonds*" as set forth in this **Form (DV-OSPA-78-5)** shall prevail over any other insurance specifications.

E. CERTIFICATE OF INSURANCE SECTION

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

**DESCRIPTION OF THE SERVICES:
Grant Management Services**

March 15, 2022
Date

Sonia D. Rodríguez
Sonia Damaris Rodríguez
Insurance Specialist
CDBG-DR/Mit Program

HUD GENERAL PROVISIONS

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

The CONTRACTOR shall include these terms and conditions in all subcontracts or purchase orders directly servicing the Contract.

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

General Provisions:

1. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

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

2. STATUTORY AND REGULATORY COMPLIANCE

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

3. BREACH OF CONTRACT TERMS

The Puerto Rico Department of Housing (**PRDOH**) reserves its right to all administrative, contractual, or legal remedies, including but not limited to suspension or termination of

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

4. REPORTING REQUIREMENTS

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

5. ACCESS TO RECORDS

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

6. MAINTENANCE/RETENTION OF RECORDS

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

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

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

- (i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

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- (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 necessary to achieve a legitimate nondiscriminatory objective.

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

The CONTRACTOR shall comply with the provisions of Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall on the grounds of race, color, national origin, religion or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Section 109 further provides that discrimination on the basis of age under the Age Discrimination Act of 1975 or with

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respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.

11. SECTION 504 OF THE REHABILITATION ACT OF 1973

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

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

12. AGE DISCRIMINATION ACT OF 1975

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

13. DEBARMENT, SUSPENSION, AND INELIGIBILITY

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

14. CONFLICTS OF INTEREST

The CONTRACTOR shall notify the PRDOH as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as defined at 2 C.F.R. Part 215 and 24 C.F.R. § 85.36 or 84.42, if applicable). The CONTRACTOR shall explain the actual or potential conflict in writing in sufficient detail so that the PRDOH is able to assess such actual or potential conflict. The CONTRACTOR shall provide the PRDOH any additional information necessary to fully assess and address such actual or potential conflict of interest. The CONTRACTOR shall accept any reasonable conflict mitigation strategy employed by the PRDOH, including but not limited to the use of an independent subcontractor(s) to perform the portion of work that gives rise to the actual or potential conflict.

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:

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

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

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

16. ASSIGNABILITY

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

17. INDEMNIFICATION

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

18. COPELAND "ANTI-KICKBACK" ACT

(Applicable to all construction or repair contracts)

Salaries of personnel performing work under this Contract shall be paid unconditionally and not less often than once a month without payroll deduction or rebate on any account except only such payroll deductions as are mandatory by law or permitted by the applicable regulations issued by the Secretary of Labor pursuant to the Copeland "Anti-Kickback Act" of June 13, 1934 (48 Stat. 948; 62 Stat. 740; 63 Stat. 108; Title 18 U.S.C. § 874; and Title 40 U.S.C. § 276c). The CONTRACTOR shall comply with all applicable "Anti-Kickback" regulations and shall insert appropriate provisions in all subcontracts covering

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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.

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

21. TERMINATION FOR CAUSE

(Applicable to contracts exceeding \$10,000)

If, through any cause, the CONTRACTOR shall fail to fulfill in a timely and proper manner his or her obligations under this Contract, or if the CONTRACTOR shall violate any of the covenants, agreements, or stipulations of this Contract, the PRDOH shall thereupon have the right to terminate this Contract by giving written notice to the CONTRACTOR of such termination and specifying the effective date thereof, at least five (5) days before the

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effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by the CONTRACTOR under this Agreement shall, at the option of the PRDOH, become the PRDOH's property and the CONTRACTOR shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the Government of Puerto Rico and PRDOH for damages sustained by the Government of Puerto Rico and/or PRDOH by virtue of any breach of the Agreement by the CONTRACTOR, and the Government of Puerto Rico and/or PRDOH may withhold any payments to the CONTRACTOR for the purpose of set-off until such time as the exact amount of damages due to the Government of Puerto Rico and/or PRDOH from the CONTRACTOR is determined.

22. TERMINATION FOR CONVENIENCE
(Applicable to contracts exceeding \$10,000)

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

23. SECTION 503 OF THE REHABILITATION ACT OF 1973
(Applicable to contracts exceeding \$10,000)

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

Equal Opportunity for Workers with Disabilities:

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

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- (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 so that it might be read by a person in a wheelchair).
- 5) The CONTRACTOR will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the CONTRACTOR is bound by the terms of Section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment individuals with physical or mental disabilities.
- 6) The CONTRACTOR will include the provisions of this clause in every subcontract or purchase order in excess of \$10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to Section 503 of the act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The

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

24. EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

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

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- 5) The CONTRACTOR will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
- 6) The CONTRACTOR will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- 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 Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.
- 8) CONTRACTOR shall incorporate the provisions of 1 through 7 above in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor so that such provisions shall be binding on such subcontractor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance, provided, however, that in the event the CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the CONTRACTOR may request the United States to enter into such litigation to protect the interests of the United States.

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

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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)

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 40 C.F.R. Part 15 and 32, 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 40 C.F.R. Part 15, as amended.
- 2) Agreement by the CONTRACTOR to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 U.S.C. § 7414) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 U.S.C. § 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified

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

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

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

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

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

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

28. BONDING REQUIREMENTS

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

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

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

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

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

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

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

- 8) 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.

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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.

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31. ENERGY POLICY AND CONSERVATION ACT

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

32. HATCH ACT

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

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

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

33. HEALTH AND SAFETY STANDARDS

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

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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.

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35. WITHHOLDING OF WAGES

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

36. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES

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

37. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS

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

38. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS

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

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

39. INTEREST OF CERTAIN FEDERAL OFFICERS

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

40. INTEREST OF CONTRACTOR

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

41. POLITICAL ACTIVITY

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

42. RELIGIOUS ACTIVITY

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

43. FLOOD DISASTER PROTECTION ACT OF 1973

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

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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-MIT funds.

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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).

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

HORNE, LLP

The following is hereby certified to the Oversight Board regarding the request for authorization for **Grant Management Services** contract 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 | \$1,022,757 |
| PR Contractors LLC | Environmental Services | Weldin Ortiz Franco, President | \$118,013 |
| KU & Associates LLC | Program Design Services | Dennis Ku, President/Managing Partner Cimagaroon Howell | \$429,833 |
| Hagerty Consulting Inc. | MIT program and operations support | Bradley R. Grining, Chief of Operations Stephen H. Hagerty | \$18,000,000 |
| Disaster Metrics | Data Analysis Services | Christopher Emrich, Vice-President Laurie F. Emrich | \$95,529 |
| Antares Planning Group | Benefit Cost Analysis Services | Steve Pardue, President | \$382,118 |
| Epona Engineering LLC | Benefit Cost Analysis Services | Richard Becker, Senior Project Manager Margaret Becker | \$382,118 |
| GLM Design Group LLC | Benefit Cost Analysis Services | Gene L. MacDonald, Managing Principal | \$382,118 |
| Local Impact Analytics LLC | Benefit Cost Analysis Services | Josh Sullivan, Co-Founder Alex Pickle | \$382,118 |
| Waggonner & Ball LLC | Program Design Services | Andrew Sternad, Vice-President J. David Waggonner III John Kleinschmidt | \$900,000 |
| MDG Associates LLC | Compliance Services | Rudy Muñoz, President Guadalupe Muñoz | \$561,945 |

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

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| MIP Consulting Group Corp | Financial Technology Services | Edward Mejia, President | \$1,191,000 |
|------------------------------|-------------------------------------|-------------------------|-------------|

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

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 4th day of February of 2022.

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

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February 4, 2022

Signature

Date

Samir El Hage

Printed Name

Partner

Position

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CDBG-MIT GRAN MANAGEMENT SERVICES AGREEMENT

Final Audit Report

2022-03-30

| | |
|-----------------|--|
| Created: | 2022-03-29 |
| By: | Radames Comas Segarra (rcomas@vivienda.pr.gov) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAAoFWgoBO9l5DuwApi1dUx2fMtGie7yp2o |

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