



**COMMUNITY DEVELOPMENT BLOCK GRANT – MITIGATION (CDBG-MIT)  
SINGLE FAMILY HOUSING MITIGATION PROGRAM (SFM)**

**AGREEMENT FOR  
CONSTRUCTION ACTIVITIES MONITORING SERVICES UNDER INSPECTION SERVICES  
BETWEEN THE  
PUERTO RICO DEPARTMENT OF HOUSING  
AND  
M2A GROUP P.S.C.**



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This **AGREEMENT FOR CONSTRUCTION ACTIVITIES MONITORING SERVICES UNDER INSPECTION SERVICES (Agreement or Contract)** is entered into in San Juan, Puerto Rico, this 4<sup>th</sup> of September, 2024, by and between the **PUERTO RICO DEPARTMENT OF HOUSING (PRDOH)**, a public agency created under Act No. 97 of June 10, 1972, as amended, 3 LPRA § 441, *et seq.*, known as the "Organic Act of Department of Housing" with principal offices at 606 Barbosa Avenue, San Juan, Puerto Rico, herein represented by William O. Rodríguez Rodríguez, attorney, of legal age, single, and resident of Guaynabo, Puerto Rico, in his capacity as Secretary; and **M2A GROUP P.S.C. (CONTRACTOR)**, with principal offices in 867 Muñoz Rivera Ave. Vick Center Cond. Ste. D-305, San Juan, Puerto Rico, herein represented by Manuel Adolfo Bermúdez Pagán, in his capacity as President, of legal age, married, and resident of San Juan, Puerto Rico, duly authorized by Corporate Resolution issued on June 18, 2024.

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

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

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

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

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

**WHEREAS**, the PRDOH is interested in contracting Construction Activities Monitoring Services to assist PRDOH by evaluating the documents submitted by the developers to validate if a single-family housing unit(s) is/are ready for an "on site" property assessment to validate the overall safety and quality of the property and compliance with Single-

Family Housing Development Initiatives (**SF-HDI**) requirements. This assessment may result in a unit deemed as "completed" for PRDOH to purchase them in benefit of Program eligible applicants or it may result in the Selected Firm elaborating a "punch list" to be completed by the developer.

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**WHEREAS**, on June 13, 2023, the PRDOH issued a Request for Qualifications (**RFQ**) "CDBG-DRMIT-RFQ-2023-01" with CDBG-DR/MIT funds. This request was placed through the "Registro Unico de Subastas del Gobierno" (**RUS**, for its Spanish acronym) and the CDBG-DR Program website. Through this procurement process, PRDOH received twenty-two (22) proposals. The proposals were evaluated by an Evaluation Committee appointed pursuant to Administrative Order No. 23-53 dated August 30, 2023. The Evaluation committee performed an evaluation of the Proposals based on the criteria stated in the RFQ.

**WHEREAS**, the CONTRACTOR submitted a Statement of Qualifications (**SOQ**), which fully complied with the requirements set forth by the PRDOH, and was selected to be part of the sort-list of qualified respondents as part of the Qualified-Based Selection Method (**QBS**).

**WHEREAS**, on December 19, 2023, was received a request, from the Single-Family Housing Mitigation Program (**SFM**), to negotiate with the firms on the short-list, to support the PRDOH in the implementation of Construction Activities Monitoring Services under Inspection Services. Therefore, PRDOH notified the short-listed qualified firms to determine if they had the capacity and availability to offer the services required in the negotiation process for QBS No. CDBG-MIT-QBS-IS-2024-01.

**WHEREAS**, the CONTRACTOR submitted a response confirming its capacity and availability to participate in the QBS. Therefore, PRDOH sent the notification of the commencement of negotiation and requested the qualified firms to submit their cost proposals.

**WHEREAS**, the CONTRACTOR submitted a cost proposal which fully complied with the requirements set forth by the PRDOH.

**WHEREAS**, the PRDOH desires to enter into an Agreement with **M2A GROUP P.S.C.** to secure its services and accepts the CONTRACTOR's Proposal and reasonable costs, and the CONTRACTOR by its acceptance of the terms and conditions of this Agreement is ready, willing and able to provide the requested services contemplated under this Agreement.

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

#### **I. TYPE OF CONTRACT**

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

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

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

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

## II. TERM OF AGREEMENT

- A. This Agreement shall be in effect and enforceable between the Parties from the date of its execution. The Term of this Agreement will be for a performance period of **thirty-six (36) months**, ending on September, 3, 2027.
- B. **Contract Extensions:** PRDOH may, at its sole discretion, extend the Agreement's term for **two (2) additional terms of twelve (12) months**, or expressed in days, **three hundred and sixty-five (365) calendar days** upon mutual written agreement of the Parties.
- C. The term of this Agreement shall not exceed the lifetime of the initial Grant Agreement between PRDOH and HUD unless the term of the initial Grant Agreement is extended by HUD, in which case the Agreement nor extension shall not exceed said extended period.

## III. SCOPE OF SERVICES

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

## IV. COMPENSATION AND PAYMENT

- A. The PRDOH agrees to pay the CONTRACTOR for allowable Services rendered under this Agreement in accordance with the rates and amounts described in **Attachment C** (Compensation Schedule) of this Agreement.
- B. The PRDOH will pay the CONTRACTOR, for allowable services performed during the term of this Agreement, a maximum amount not to exceed **ONE MILLION TWENTY-SIX THOUSAND FOUR HUNDRED FIFTY DOLLARS AND ZERO CENTS (\$1,026,450.00)**; Account Numbers: mith07sfh-doh-lm 4190-10-000 and mith07sfh-doh-lm 4190-13-000.
- C. Such payment shall be compensation for all allowable services required, performed, and accepted under this Agreement included in **Attachment B** (Scope of Work), **Attachment C** (Compensation Schedule) and **Attachment D** (Performance Requirements).

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- D. Any additional funds to complete the services requested by the PRDOH to the CONTRACTOR will be subject to evaluation before acceptance as well as funds availability and will require a written amendment to this Agreement signed by both Parties.
- E. The CONTRACTOR shall submit an invoice to PRDOH on a monthly basis. Said invoice must be submitted including all required invoice supporting documents, including but not limited to monthly reports, timesheets, invoice and photo evidence, expense plan and/or work projections. If PRDOH determines that the submitted invoice and supporting documents are acceptable, then the invoice will be approved for payment.
- F. The services rendered under the Agreement, shall be payable within **forty-five (45) business days** from the date the invoice is received and approved by a PRDOH representative for payment. If PRDOH raises any objections, PRDOH will return the invoice for corrections and the CONTRACTOR shall modify the invoice and return it within **five (5) business days**. Once the CONTRACTOR returns the modified invoice, the PRDOH shall resume and conclude the payment process within the next **forty-five (45) business days**, counted from receiving the duly modified invoice and approved by a PRDOH representative for payment.
- G. An authorized representative of the PRDOH will review each invoice and, if adequate, will approve and process its payment. Payments to the CONTRACTOR shall be made by electronic funds transfer (**EFT**). PRDOH reserves the right to conduct any audits it deems necessary. The CONTRACTOR agrees to cooperate fully with any such audit or audits which includes but is not limited to, after Agreement's expiration or termination.
- H. While providing the services under this Agreement, the CONTRACTOR must adhere to the applicable requirements of the CDBG-MIT grant. If the CONTRACTOR performs ineligible activities under the CDBG-MIT grant or program, the CONTRACTOR cannot include them in the invoice for payment to the CONTRACTOR.
- I. CONTRACTOR shall be liable to the PRDOH for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Agreement. CONTRACTOR shall reimburse such disallowed costs from funds other than those CONTRACTOR received under this Agreement.
- J. The CONTRACTOR acknowledges and agrees to repay any CDBG-MIT funds used for ineligible costs. As per, CDBG-DR Recapture of Funds Policy, as found in the CDBG-DR Website (<https://recuperacion.pr.gov/welcome/index.html>), which are herein included and made an integral part of this Agreement, as they may be updated from time to time, and any local or federal regulation, as applicable.
- 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."**

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**V. REIMBURSABLE EXPENSES**

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

**VI. ADDITIONAL SERVICES**

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

**VII. OWNERSHIP AND USE OF DOCUMENTS**

- A.** With the exception of the CONTRACTOR's working papers, the CONTRACTOR acknowledges the PRDOH's ownership of all information, drafts, documents, reports, papers, and other materials developed and prepared by the CONTRACTOR, its agents or representatives, for purposes of performing key obligations hereunder. In the event of any termination, which includes but is not limited to closeout process, the CONTRACTOR shall deliver such information, drafts, reports, papers and other materials to the PRDOH, in document form or as computer program data, and the CONTRACTOR recognizes the PRDOH's right to request such documentation or computer program data. If the CONTRACTOR fails to deliver said information, the PRDOH may seek a judicial order to enforce its rights.
- B.** Proof of expenditures incurred by the CONTRACTOR on behalf of PRDOH must be made available to PRDOH. The CONTRACTOR agrees to maintain accurate records and files of all contract documents, correspondence, book estimates, bills, and other information related to the CONTRACTOR account. These documents shall be open for the PRDOH examination at all reasonable times during the term of this Agreement, and up to **five (5) years** from the closeout of the grant to the state concludes, or the period required by other local applicable laws and regulations.

**VIII. WORK FOR HIRE**

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

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

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

#### **IX. DOCUMENTATION AND RECORDKEEPING**

- A. Records to be Maintained:** The CONTRACTOR shall maintain records of the state and units of general local government, including supporting documentation, which must be retained for **five (5) years** from the closeout of the grant to the state concludes, or the period required by other local applicable laws and regulations, whichever is greater. Such records include but are not limited to: Records providing a full description of each activity undertaken; Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-MIT program; Records required to determine the eligibility of activities; Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG-MIT assistance; Records documenting compliance with the fair housing and equal opportunity requirements of the CDBG-MIT program regulations; Financial records as required by 24 C.F.R. § 570.506, and 2 C.F.R. part 200, including records necessary to demonstrate compliance with all applicable procurement requirements; and other records necessary to document compliance with this Agreement, any other applicable Federal statutes and regulations, and the terms and conditions of PRDOH's Federal award.
- B. Access to Records:** The CONTRACTOR shall permit the PRDOH and auditors to have access to the CONTRACTOR's records and financial statements as necessary for the PRDOH to meet its audit requirements under the Federal award.
- C. Record Retention and Transmission of Records to the PRDOH:** Prior to closeout of this Agreement, the CONTRACTOR must transmit to the PRDOH records sufficient for the PRDOH to demonstrate and satisfy that all costs under this Agreement met the requirements of the Federal award.
- D. CONTRACTOR's Data and Privileged Information:** The CONTRACTOR is required to maintain confidential data demonstrating client eligibility for activities provided under this Agreement. Such data may include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of activities provided.
- E. PII Policy:** The CONTRACTOR must comply with the PRDOH CDBG-DR/MIT Personal Identifiable Information Policy, as found in the CDBG-DR/MIT Website (<https://recuperacion.pr.gov/welcome/index.html>), which is herein included and made an integral part of this Agreement, as it may be updated from time to time.

## X. ACCESS TO RECORDS

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

## XI. NON-DISCLOSURE AND CONFIDENTIALITY

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

## XII. PERFORMANCE WARRANTY

- (a) CONTRACTOR warrants that it will perform all work and provide all Deliverables under this Contract in a manner consistent with the degree of care and skill

ordinarily exercised by members of the same profession currently practicing under similar circumstances.

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

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### XIII. TERMINATION

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

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- C. Termination by Unilateral Abandonment:** The PRDOH will consider this Agreement immediately terminated, in the event that the CONTRACTOR unilaterally and without prior notice, chooses to abandon (in any shape, form or fashion according to what PRDOH deduces) cease and desist in the specific performance of its general and particular duties and responsibilities as agreed in this Agreement. Upon the knowledge of such event, the PRDOH will not be held liable and will immediately, automatically and retroactively deduct from any future reimbursement, all funds from the day such unilateral abandonment took place. The PRDOH will not be compelled to continue the performance of this Agreement, should the CONTRACTOR breach this Agreement by unilateral abandonment. For the purposes of this Section, Abandonment shall mean that CONTRACTOR voluntarily and intentionally disavows its contractual duties in a manner that is overt and without question a relinquishment of said contractual duties.
- D. Unilateral Termination:** The PRDOH may terminate this Agreement, in whole or in part, at PRDOH's sole discretion, with or without cause, at any time. The PRDOH will terminate this Agreement by delivering to the CONTRACTOR a **thirty (30) calendar days'** notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the effective date of termination. Upon receipt of such notice, the CONTRACTOR shall immediately discontinue all services affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. In the event of termination by Notice, the PRDOH shall only be liable for payment of services rendered up to and including the effective date of termination, taking into account the CONTRACTOR's obligation to immediately discontinue all affected services upon receipt of the termination notice.
- E. Suspension:** The PRDOH may suspend this Agreement in whole or in part at any time for the PRDOH's convenience. The PRDOH shall give the CONTRACTOR **five (5) business days'** written notice of such suspension. Upon receipt of said notice the CONTRACTOR shall immediately discontinue all Services affected.
- F. Immediate Termination:** In the event the CONTRACTOR is subjected to a criminal or civil action, suit, proceeding, inquiry or court of applicable jurisdiction, or any governmental agency, or the CONTRACTOR shall be subject to an order, judgment, or opinion, issued by any federal or local authority, a court of applicable jurisdiction, or any governmental agency, in connection with the execution, delivery, and performance by the CONTRACTOR of this Agreement or the CONTRACTOR of this Agreement has been noncompliant, breach, inaccuracy of any representation, warranties, covenants, or the certifications provided herein, whether the noncompliance, breach or inaccuracy takes place before or after the execution of this Agreement, the PRDOH shall have the right to the immediate termination of this Agreement notwithstanding, any provisions to the contrary herein. This Section will apply, but is not limited to, in the event of any judgment that may obligate the PRDOH to terminate the Agreement pursuant to Act Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico.
- G. Period of Transition:** Upon termination or expiration of this Agreement, and for one hundred and eighty (180) calendar days, with the option of extending for two (2) additional terms of ninety (90) consecutive calendar days thereafter (the Transition Period), CONTRACTOR agrees to make himself available to assist the PRDOH with the transition of services assigned to CONTRACTOR by PRDOH. CONTRACTOR shall provide to PRDOH the assistance reasonably requested to facilitate the orderly transfer of responsibility for the performance of the Services to the PRDOH or a third party designated by PRDOH. PRDOH reserves the right to provide for the execution of

a Transition Services Agreement for the Transition Period. In such instance, the CONTRACTOR will be paid at a reasonable, agreed upon, hourly rate for any work performed for the PRDOH during the Transition Period. Transition Services Agreement for the Transition Period must be in writing, signed by both Parties, and executed before the expiration of this Agreement. Moreover, during that Transition Period, all finished or unfinished records (files, data, work product) connected with this Agreement will be turned over to PRDOH.

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#### XIV. PENALTIES AND LIQUIDATED DAMAGES

##### A. Penalties

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

##### B. Liquidated damages

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

shall be observed. The PRDOH may deduct and retain out of the monies which may become due hereunder, the amount of any such liquidated damages; and in case the amount which may become due hereunder shall be less than the amount of liquidated damages due to the PRDOH per the formula above, the CONTRACTOR shall be liable to pay the difference.

## XV. LIABILITY

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

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

## XVI. INSURANCE

### A. Required Coverage

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

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

Any deductible amount, under any of the policies, will be assumed in whole by the CONTRACTOR for any and all losses, claims, expenses, suits, damages, costs, demands or liabilities, joint and several of whatever kind and nature arising from the Agreement resulting from this solicitation by and between the CONTRACTOR and PRDOH.

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

### B. Endorsements

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

1. PRDOH, Government of Puerto Rico, HUD and its officers, agents and employees are named as additional insured (except Worker's Compensation) but only with respect to liability arising out of tasks performed for such insured by or on behalf of the named insured.

2. To provide waiver of subrogation coverage for all insurance policies provided or herein in favor of PRDOH and its respective officers, agents and employees.
3. The insurer shall be required to give PRDOH written notice at least **thirty (30) calendar days** in advance of the effectiveness of any cancellation in any such policies.

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

### C. Related Requirements

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

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

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

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

The CONTRACTOR expressly understands and agrees that whenever the CONTRACTOR is covered by other primary, excess, or excess contingent insurance that, any insurance or

self-insurance program maintained by PRDOH shall apply in excess of and will not contribute with insurance provided by the CONTRACTOR under this Agreement.

#### **XVII. HOLD HARMLESS**

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

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#### **XVIII. FORCE MAJEURE**

In the event of a fire, flood, earthquake, natural disaster, hurricane, riot, act of governmental authority in its sovereign capacity, pandemic officially declared by the Government of Puerto Rico, or declared by the United States of America, strike, labor dispute or unrest, embargo, war, insurrection or civil unrest, any Force Majeure including inclement weather, herein collectively referred to as Force Majeure during the term of this Agreement, neither the PRDOH nor the CONTRACTOR shall be liable to the other party for nonperformance during the conditions created by such event. The party claiming Force Majeure shall exercise due diligence to prevent, eliminate, or overcome such Force Majeure event where it is possible to do so and shall resume performance at the earliest possible date.

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

#### **XIX. CONFLICTS OF INTEREST**

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

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

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

recovery programs or projects in Puerto Rico. The PRDOH may, however, terminate the Agreement for the convenience of PRDOH if it would be in its best interest.

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

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

## **XX. INDEPENDENT CONTRACTOR**

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

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

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

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## XXI. NOTICES

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

To: PRDOH

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

To: CONTRACTOR

Manuel Adolfo Bermúdez Pagán  
President  
M2A Group P.S.C  
867 Muñoz Rivera Ave.  
Vick Center Cond. Ste. D-305  
San Juan, PR 00925

## XXII. THIRD PARTIES

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

## XXIII. SUBCONTRACTS

- A. General:** All subcontracts shall contain the applicable provisions described in **Attachment F** (HUD General Provisions), as well as applicable provisions set forth in 2 C.F.R. § 200.101. PRDOH shall review subcontracts as part of the compliance, monitoring, and oversight process performed by PRDOH or upon request.
- B. Specific Requirements:** All subcontracts must contain provisions specifying:
- i. That the work performed by the subcontractor be in accordance with the applicable terms of this Agreement between PRDOH and CONTRACTOR;
  - ii. That nothing contained in such subcontract agreement shall impair the rights of PRDOH;
  - iii. That nothing contained herein, or under this Agreement will create any contractual relation between the subcontractor and PRDOH;
  - iv. That the subcontractor specifically agrees to be bound by the confidentiality provision regarding Personal Identifiable Information set forth in this Agreement;
  - v. That CONTRACTOR will be responsible for ensuring all subcontract work is performed consistent with federal and state regulations and/or policies to be eligible for reimbursement of the approved work; and
  - vi. All Federal flow down provisions are included in the subcontract agreement per Federal guidelines.
- C. Monitoring:** CONTRACTOR shall diligently monitor all subcontracted services. If CONTRACTOR discovers any areas of noncompliance, CONTRACTOR shall provide to PRDOH summarized written reports supported with documented evidence of corrective action.

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

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

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#### XXIV. CERTIFICATION OF COMPLIANCE WITH LEGAL REQUIREMENTS

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

**A. Compliance with Act No. 173:** The CONTRACTOR hereby certifies that in signing this Agreement it is in compliance with Act No. 173 of August 12, 1988, as amended, known as the "Board of Examiners of Engineers, Architects, Surveyors, and Landscape Architects of Puerto Rico Act", 20 LPRA §§ 711-711z to exercise the profession of engineering, architecture, surveying or landscaping architecture in Puerto Rico, is registered in the official Register of the Board, and is an active member, and hold a license issued by the College of Engineers and Surveyors of Puerto Rico or the College of Architects and Landscape Architects of Puerto Rico, as applicable.

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

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

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

**E. 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.

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

**G. 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.

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**H. Compliance with Act No. 45 of April 18, 1935, as amended, 11 LPRA § 1, et seq.:** The CONTRACTOR certifies and guarantees that at the signing of this Agreement has valid insurance issued by the State Insurance Fund Corporation (CFSE, for its Spanish Acronym), as established by Act No. 45, *supra*, known as the "Puerto Rico Workers' Accident Compensation Act".

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**I. 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.

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

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

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

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

**N. 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:

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

**O. 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.

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

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

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

The Parties to this Agreement agree that its effective date will be subject to the due registration and remittance to the Office of the Comptroller of Puerto Rico. No rendering

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

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

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

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

- A.** The PRDOH certifies that the CONTRACTOR was selected as the provider of the services described in this Agreement, pursuant to Executive Order No. 2021-029.
- B.** The Parties certify that they acknowledge the provisions stated in Executive Order No. 2021-029 and CC 013-2021. Any failure to comply with the requirements set forth in Executive Order No. 2021-029 and CC 013-2021 will result in the termination of this Agreement.
- C.** The CONTRACTOR certifies that it has informed PRDOH of any current contractual relationship with any government entities of the Government of Puerto Rico. Accordingly, the CONTRACTOR certifies, as of the date hereof, that it is in a contractual relationship with the following entities of the Government of Puerto Rico:

Puerto Rico Department of Housing. The CONTRACTOR also certifies that said entities are all the entities of the Government of Puerto Rico with which they maintain a contractual relationship. In addition, the CONTRACTOR recognizes and accepts that omitting any information regarding any current contractual relationship with any governmental entity could result in the termination of this Agreement if so, required by PRDOH.

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- D. The CONTRACTOR certifies that it has informed PRDOH whether or not the entity is a public corporation whose shares are exchanged in a stock exchange properly regulated. In the event that the CONTRACTOR certifies that it is not a public corporation that exchanges shares in a stock change, the CONTRACTOR certifies it has completed the applicable certification as stated in CC-013-2021.

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

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

### **XXIX. CDBG-DR/MIT POLICIES AND PROCEDURES**

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

### **XXX. SECTION 3 CLAUSE**

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

B. The Parties to this contract agree to comply with HUD's regulations in 24 C.F.R. part 75, which implement Section 3. As evidenced by their execution of this contract, the Parties

to this contract certify that they are under no contractual or other impediments that would prevent them from complying with the part 75 regulations.

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

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

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

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

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

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

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

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

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

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- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
  - B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Forms-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
  - C. The CONTRACTOR shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). The CONTRACTOR acknowledges that any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure. The CONTRACTOR certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the CONTRACTOR understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

**XXXII. EQUAL OPPORTUNITY**

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

consideration for employment without regard to race, color, religion, sex, or national origin.

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- C. When applicable, the CONTRACTOR will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the CONTRACTOR's commitments under this Section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
  - D. The CONTRACTOR will comply with all provisions of Exec. Order No. 11246 of September 24, 1965, as amended by Exec. Order No. 11375 of October 13, 1967, and as supplemented by the rules, regulations, and relevant orders of the United States Secretary of Labor.
  - E. The CONTRACTOR will furnish all information and reports required by Exec. Order No. 11246 of September 24, 1965, as amended, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
  - F. In the event of the CONTRACTOR's noncompliance with the nondiscrimination clauses of this Agreement or with any of the said rules, regulations, or orders, this Agreement may be canceled, terminated, or suspended in whole or in part and the CONTRACTOR may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Exec. Order No. 11246 of September 24, 1965, as amended, and such other sanctions as may be imposed and remedies invoked as provided in Exec. Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
  - G. The CONTRACTOR will include the portion of the sentence immediately preceding paragraph (A) and the provisions of paragraphs (A) through (F) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Exec. Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance. Provided, however, that in the event a CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the CONTRACTOR may request the United States to enter into such litigation to protect the interests of the United States.

### XXXIII.SOLID WASTE DISPOSAL ACT

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

c. At a reasonable price.

2) Information about this requirement, along with the list of EPA- designated items, is available at EPA's Comprehensive Procurement Guidelines website, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

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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. DRUG FREE WORKPLACE

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

#### XXXV.SUSPENSION AND DEBARMENT

- 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.

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**XXXVI. SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION**

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

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**XXXVII. NO OBLIGATION BY THE FEDERAL GOVERNMENT**

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

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

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

**XXXIX. BANKRUPTCY**

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

**XL. ENTIRE AGREEMENT**

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

**XLI. MODIFICATION OF AGREEMENT**

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

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

**XLII. BINDING EFFECT**

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

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

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**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.

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

**XLV. ORDER OF PRECEDENCE**

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

**XLVI. GOVERNING LAW JURISDICTION**

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

**XLVII. TIME OF ESSENCE CLAUSE**

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

If the last day of a period falls on weekend or legal holiday recognized in the jurisdiction of the Government of Puerto Rico, the period shall be extended to include the next

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

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

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

##### **A. Consolidation or Merger**

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

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

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

##### **B. Change of Name**

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

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

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

### C. Dissolution

In the event that the signing party (e.g. Subrecipient, Contractor, or Subcontractor) of the Agreement with the PRDOH moves for dissolution of the entity, written notice of such decision or event shall be delivered to the PRDOH Legal Division at [contractscdbqdr@vivienda.pr.gov](mailto:contractscdbqdr@vivienda.pr.gov) at **least fifteen (15) business days prior to the effective date of such event**. The notice shall include, but not limited to, a description of the expected effective date of the dissolution; and contact information of one or more of its directors, officials or agents. Upon dissolution, becoming effective, and supporting evidence of such event is notified to PRDOH, termination of the Agreement will follow. Consequently, the signing party acknowledges and agrees to provide to the PRDOH, after termination of the Agreement, the assistance reasonably requested to facilitate the orderly transfer of responsibility for performance of the tasks or services to the PRDOH or a third party designated by the PRDOH. Moreover, all finished or unfinished records (files, data, work product) connected with this Agreement will be turned over to PRDOH following the Agreement termination.

## XLIX. HEADINGS

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

### L. 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.

### LI. RECAPTURE OF FUNDS

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

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**LII. OVERPAYMENT**

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

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**LIII. SEVERABILITY**

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

**LIV. COUNTERPARTS**

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

**LV. SURVIVAL OF TERMS AND CONDITIONS**

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

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

**PUERTO RICO DEPARTMENT OF HOUSING**

**M2A GROUP P.S.C.**

William O. Rodríguez Rodríguez

William O. Rodríguez Rodríguez (Sep 4, 2024 18:49 EDT)

William O. Rodríguez Rodríguez, Esq.  
Secretary

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Manuel Adolfo Bermúdez Pagán  
President



## 1. PROFILE

### INTRODUCTION

M2A Group, PSC, is a company organized and existing under the laws of the Government of Puerto Rico with registration number 422101 in the State Department of Puerto Rico, incorporated on February 02, 2019. M2A Group offers management, construction engineering and inspection and other supporting architectural and engineering services for construction projects. M2A Group has an ample experience as engineering consultants, management services, federal fund management, disaster related grant management, inspection and other services in critical infrastructure, schools, public buildings, housing, energy, water, highways, and other construction projects that makes us an ideal company to fulfill the client needs, as you will perceive in our proposal.

M2A Group, PSC has over 25 years of experience in program management, design, inspection, and construction management services relating to this Request for Proposal. As part of our experience, we have work with private and public (states, federal and municipal) agencies such as FEMA in creating section 428 policies, FEMA Hazard Mitigation Grants 404 and 406, FEMA Public Assistance (PA) and in the developing of the PPDR program for María disaster, COR3 in the implementation of the Recovery Office after Hurricanes Irma and María, CBDG-DR R3 Program, HUD, AFI, ACT, OGPE, among others; where we have been able to work hand by hand with the mentioned agencies to comply with our clients request and needs. In addition, M2A Group has trained and certified personnel in 30 hours OSHA, concrete, asphalt, and road works, which facilitates our performance in the construction area.

M2A Group offers a wide range of technical services that include but are not limited to policy assessment and implementation, project development and planning, design, permitting, feasibility analysis, project screening, engineering and technical assessments, construction, and project management services, project business analytics, technical and procurement advisory, real estate appraisal, housing inspection, and federal fund management. Since its inception, M2A Group has managed and advised infrastructure, housing inspection and real estate appraisal, construction, and capital projects. M2A Group takes great pride in conducting its infrastructure and project advisory services with the aim of developing long-lasting and trust-based relationships. Our corporate values of Ethics, Transparency, Agility and Accountability are a cornerstone of our technical consulting practices.

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Firm Experience

M2A Group contributes to the reconstruction of Puerto Rico, focusing on making better infrastructure and development opportunities for the residents of the island.

OUR PRIMARY SERVICES

M2A Group offers all professional services on management, inspection, planning and permits in one single place.

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M2A GROUP – Main Services	
Main Services	Market
Construction Engineering and Inspection	Government, Infrastructure, Real Estate, Disaster Recovery
Program and Project Management	
Project Planning, Engineering and Architecture	
Advice on compliance with laws and regulations about construction permitting process	
Technical Consultancy	
Permitting Management and Strategy	
Coordination with Agencies	
Submission of Environmental and Construction Permit requests	
Technical Advice on Environmental Assessment	
Inspection & Damaged Assessment	
Project Formulation and Grant Management for Federal Funds	
Application Package Analysis for HMGP 404	
Real Estate Appraisal	

M2A Group, PSC offers the above-mentioned services to the different markets, but not limited, to the Government of Puerto Rico, commercial, housing, highways, among others. In addition to technical capabilities for the offered services, it is critical for any strategic and technical advisory team to have access to a wide network of participants in the international and local infrastructure markets. M2A Group enjoys access, to sophisticated and matured key industry players, that allows M2A Group to easily reach out to specialized industry and market participants to obtain insights and perspectives associated to implementation program challenges including actual experience in the management of FEMA, HUD, and CDBG-DR/MIT funding. Due to the significant and privileged access to diverse industry players combined with local on-site experienced and trained team, M2A Group has the demonstrated capability to provide the staffing with the qualifications required in this RFP through the term of the expected contract.



## 2. EXPERIENCE

M2A Group, PSC has extensive experience assisting private and public institutions in the implementation of initiatives related to management, oversight, and engineering. Since Hurricane María, the company has acquired proven experience and full knowledge of the formulation and implementation process of FEMA's Public Assistance Grant Programs in coordination with COR3. Our evaluations and recommendations rest on the Public Assistance Alternative Procedures, Section 428, of the Disaster Relief and Emergency Assistance Act, Robert T. Stafford Act. Projects are evaluated including the implementation of FEMA's Mitigation Programs, Section 406 (PA) and Section 404 (HMGP).

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- Extensive knowledge and experience in dealing with federal regulations and applicability of the Robert T. Stafford Disaster Relieve and Emergency assistance Act, as amended, Section 428.
- Extensive knowledge and experience in the project formulation process for FEMA, including site visits, damage inventory formulation, DOD, SOW, estimates, and final agreement for cost obligation.
- Experience in project managing for design and construction.
- Experience in obtaining FEMA obligation and reimbursement of costs related to project formulation and managing of design, repair, and construction work.
- Experience in the formulation, execution and closeout of FEMA Public Assistance and Permanent Work Project Worksheets.

### FEDERAL FUNDS MANAGEMENT

- **Irma and María Disaster Declaration.** Responsible for developing the COR3 office after Hurricanes Irma and María in which he provided his consulting experience to create the recovery office, providing recruitment efforts, organizational governance, policies, training, coordination with the different contractors, applicants, and FEMA staff in all the infrastructure and community services sectors, including the Energy Sector Director. He has been working on mission assignments, EMAC, Categories A & B and on creating section 428 policies for the Maria disaster in Puerto Rico. He was initially with the FEMA team in the developing of the PPDR program for the María disaster. He has assisted Puerto Rico Energy and Power Authority (PREPA) in project formulation for the Soil Stabilization project (\$90 million obligated funds) and in the EHP area. In the Ciales municipality it is offering support in the A&E services to establish the final estimate of the project worksheet.
- **Tidal Basin/Carrion Consulting Group.** Assisted Puerto Rico Energy and Power Authority (PREPA) in project formulation for the Soil Stabilization project (\$90 million obligated funds). Support Environmental and Historic Preservation area for Cat A & B in the PREPA



## Firm Experience

projects. Meeting with FEMA Energy sector leadership to discuss the DI, DDD, SOW and Cost.

- **AECOM/ADV M2A.** M2A Group has been engaged by AECOM/ADV Technical Services, Inc. to perform professional services including Inspection Services in connection with Puerto Rico Department of Housing Community Block Grant Development Program – Disaster Recovery for Program Manager Services in the south region. Perform milestone inspections at specific intervals of progress as required by AD&V® and AECOM Technical Services, Inc. Program Manager and determined by the PRDOH. Coordination of R3 Progress Inspection and Reporting.
- **Instituto de Cultura (ICP).** During the past years M2A Group has been managing to expand knowledge in historic buildings by working hand to hand with the recovery projects of “Instituto de Cultura (ICP)”, developing a strong relation with ICP personnel. Throughout the site inspections, damage assessments reports were developed, requesting to FEMA and COR3 to include disaster related damages, leaved out during their site inspections with successful results for ICP. Since the specific and unique facilities owned and preserved by the ICP, required Methods of Repairs (MOR’s) with respective repairs cost estimates for the Historical protected buildings were developed. M2A Group intervention benefits recovery projects to obtain the required recovery funds to repair the facilities to pre-disaster conditions and implement mitigation measures to achieve the required building resiliency. M2A Group strengths in Historical Buildings knowledge is an added value to this engagement. Furthermore, M2A Group provided Project Formulation, A&E Services, Procurement Support for FEMA PA for Applicant 404 Support, and inspection. More specifically, M2A Group has performed Site Visits, Data Collection, Damage Identification, Work with DDD’s, Dimensions Review, A&E Cost Estimate, A & E Cost Estimate to compare to CRC cost, Estimate of A&E related to earthquakes, Electrical Estimate for Project Formulation, Scope of Work, Documents for RFP, Pre-auction visits, Evaluation of Bidders, and Recommendations to ICP Consultant.

The following project list represents some of the Historical Buildings ICP recovery projects managed by M2A Group: (1) Parque Ceremonial Indígena Caguana, (2) Museo de la Masacre, (3) Casa Armstrong Building, (4) Casa Cautiño Building, (5) Casilla Caminero Aibonito, (6) Museo de la Música Puertorriqueña, (7) Museo Casa Blanca Building, (8) Arsenal de la Marina Building, (9) Fortin Mirasol Building, (10) Casa Armstrong Poventud (Museo Armstrong Poventud), (11) Fortin San Geronimo, (12) Casa de Cultura en Hatillo, and (13) Centro Cultural de Lares.

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## Firm Experience

- **Autoridad de Terrenos / Yardley Knox.** M2A Group provided services of Project Formulation, A&E Services, Procurement Support for FEMA PA for this Applicant. 404 Support, and inspection for projects Asilo de Beneficiencia and Coamo Springs.
- **Palacete Los Moreau Rehabilitation, Mitigation and Repair.** M2A Group supported in the creation of design plan set for the repairs to Palacete Los Moreau, project with FEMA Funds, to restore facilities back to pre-disaster design, function, and capacity within the existing footprint.

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## CONSTRUCTION MANAGEMENT AND INSPECTION FOR PUERTO RICO INFRASTRUCTURE FINANCE AUTHORITY (PRIFA)

- **Public Schools Inspection Services for Puerto Rico Infrastructure Finance Authority (PRIFA).** Technical assistance, reporting and inspection services. Our firm has provided professional engineers and inspectors for the Short Columns program across the island, ensuring that (40) of the schools included in this program are completed as programmed and under construction regulations (ARPA Funds).
- **Mayaguez 2010.** Management and Inspection Services for Mayagüez 2010 Regional Project which included Sport Facilities for the Central American and Caribbean Games, Mayagüez 2010. This project included the program coordination with an ample group of consultants, contractors, private sports associations, and government agencies to establish the execution of the works to be completed within the specific time frame, budget, and quality. Inspection and program management was provided to different facilities such as Gymnastics Pavilion, Beach Volleyball Courts, Archery Facilities among others utilized in this event.
- **Program Director for the Schools Modernization for the 21<sup>st</sup> Century Public -Private Partnership program.** M2A GROUP served as program director for one of the largest modernization programs of the public school in the US. M2A GROUP Program Manager, Eng. Manuel Bermudez was selected as a program director to development of the office that include from recruiting personnel, training and implement a Design-Build-Maintenance project for 100 public schools. This project amounted to \$756 million in investments and required extensive cost estimation and scheduling given the diversity of school facilities, contractor, and the fact that it was a high-profile project for the Government. These projects delivered significant infrastructure improvements that benefited approximately 50,000 students.

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## CONSTRUCTION MANAGEMENT AND INSPECTION FOR PUERTO RICO HIGHWAYS AUTHORITY

- **Inspection services for "Abriendo Caminos" projects throughout the island.** This is a High-Quality Maintenance Road program that consists of the repair and maintenance works on existing asphalt pavement. M2A GROUP provided inspection services which included construction management. North and West Region.
- **Designated construction inspector for the improvement of PR-8 and perimeter road for Mall of San Juan project.** This project consisted of the construction inspection of a pedestrian bridge, AASHTO bridge and utilities. M2A GROUP served as link between the owner and government agencies PRASA and APPLICANTS.
- **Director of the Office for Strategic Projects of the Road and Transportation Authority (ACT).** Management and direct supervision of the strategic projects of the ACT including design management, support in auctions and contracts, construction management and inspection. The strategic projects were BRT / DTL (Metro Urbano), ORT Juana Diaz, Trocadero, conversion of tolls to electronic and the management of the Puerto Fast Ferries contract.
- **Resident Engineer for Route 66 project** This project consisted of the construction of the new highway known as Route 66 that including the Carolina toll plaza. M2A GROUP was responsible for the administration of the contract and inspection making sure it complied with the standard drawings of the ACT and the specifications contained in the Manual of Standard Specifications for the Construction of Roads and Bridges.
- **Inspection services for the Earthquake incident in Ponce Toll Plaza in PR-52 and PR-33 in Guánica.** This project consisted of demolition of the toll plaza roof and installation of the new roof and retrofit of the structures. M2A GROUP provided inspection services.
- **Management and Inspection-AC-000323 & AC-000318, AC-007282 & AC-008282 High Quality Road Repair Program.** The project consists of works related to the rehabilitation and maintenance of pavement to improve the safety conditions of the road in the municipalities of Moca, Rincón, Sabana Grande, Cabo Rojo, San Sebastián, Añasco, Hormigueros, San Germán, Guánica, Naranjito, Corozal, Comerío, Camuy Lares, Arecibo, Lares, Manatí, Florida, Toa Alta and Dorado.

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KEY STAFF



INZA GROUP

Principal



Manuel A. Bermúdez Pagán, PE

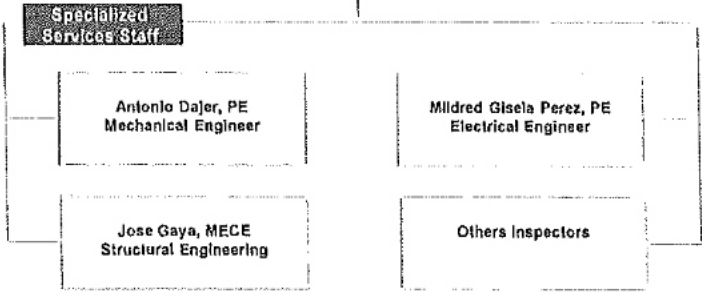
Nydia Lázaro  
Administrative Assistant

Project Designated Inspector



Luis López, PE

Engineer or Architect in Training  
Nelshaly Rivera, AIT



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**WORK APPROACH**

In compliance with Request for Proposals section 6.4, below our experience and capabilities.

1.1.1 A narrative description of the Respondent(s) overall understanding of the goals and requirements of the CDBG-DR, CDBG-MIT, CDBG-DR Earthquakes and CDBG-DR Electrical System Enhancements Programs.

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M2A Group, PSC presents this proposal to provide support, inspection services, and coordination in the developing of the CDBG-DR/MIT program across the island. The island of Puerto Rico was catastrophically impacted by three major (3) hurricanes, Irma, Fiona and María, Earthquakes and Covid-19. However, Hurricane María was the most devastating, causing catastrophic damage to structures and infrastructure to the across the island. Category 4+ winds and floods caused mainly by Hurricane María created destruction and seriously affected infrastructure, including the electrical system, municipalities roads, municipalities buildings and facilities, among others. Hurricane María devastated homes and businesses, causing damage to their roofs and structures which the damage caused made it impossible to reuse the property. Many other businesses were seriously impacted, and their operations were affected, having as consequences a negative economic impact and other properties constitute a threat to public health and safety, as well as the immediate surroundings. In response, the Puerto Rico Department of Housing (PRDOH) has developed a different Program, which establishes a fund for the recovery of central government priority.

For the team it is very clear what the goals and objectives are; have stronger and more resilient communities with an effective strategic planning program through the implementation of the different program. Those funds will enable critical recovery projects to revitalize electrical system, housing, downtown areas, urban centers, and key community corridors with the goal that the residents will want to return and make use of public urban areas, creating new jobs and strengthening businesses and tourism. The DOH enables a variety of critical recovery activities such as the rehabilitation or construction of buildings within important urban areas, the elimination of architectural barriers, electrical system and public infrastructure improvements.

Response, recovery, and mitigation play a crucial role in reducing the inherent instability brought about by disasters and addressing the ongoing crises that can ensue. While response funds provide immediate relief from disaster conditions, and recovery funds repair the damage caused by a different event, mitigation funds are intended to prevent or reduce damages from future events— supporting resiliency. The Government of Puerto Rico has received disaster response and recovery assistance in the form of multiple federal grants and allocations through DOT, FEMA, USACE, USDA, EDA, and CDBG-DR, and others. As stated in 84 FR 45838, Mitigation funds allocated through the CDBG-MIT program are to be used for distinctly different purposes than CDBG-DR funds.

1.1.2 Explain how the Respondent(s) will work in coordination with the Subrecipients and PRDOH to provide the services.

1.1.3 Explain how the Respondent(s) will conduct all inspection services at all phases of the Construction Project while tracking and enforcing General Contractor's work quality.

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M2A Group, PSC will provide Inspection Services and assist in the implementation and management of the overall Program implementation, under the CDBG-DR/MIT grant, meeting the Action Plan objectives. All efforts will be made in alignment and coordination with the PRDOH Program Manager and Grant Manager. The management and logistics for the implementation of the program in coordination with the PRDOH program manager will be key to the program success. M2A Group, PSC proposes the following strategies program coordination:

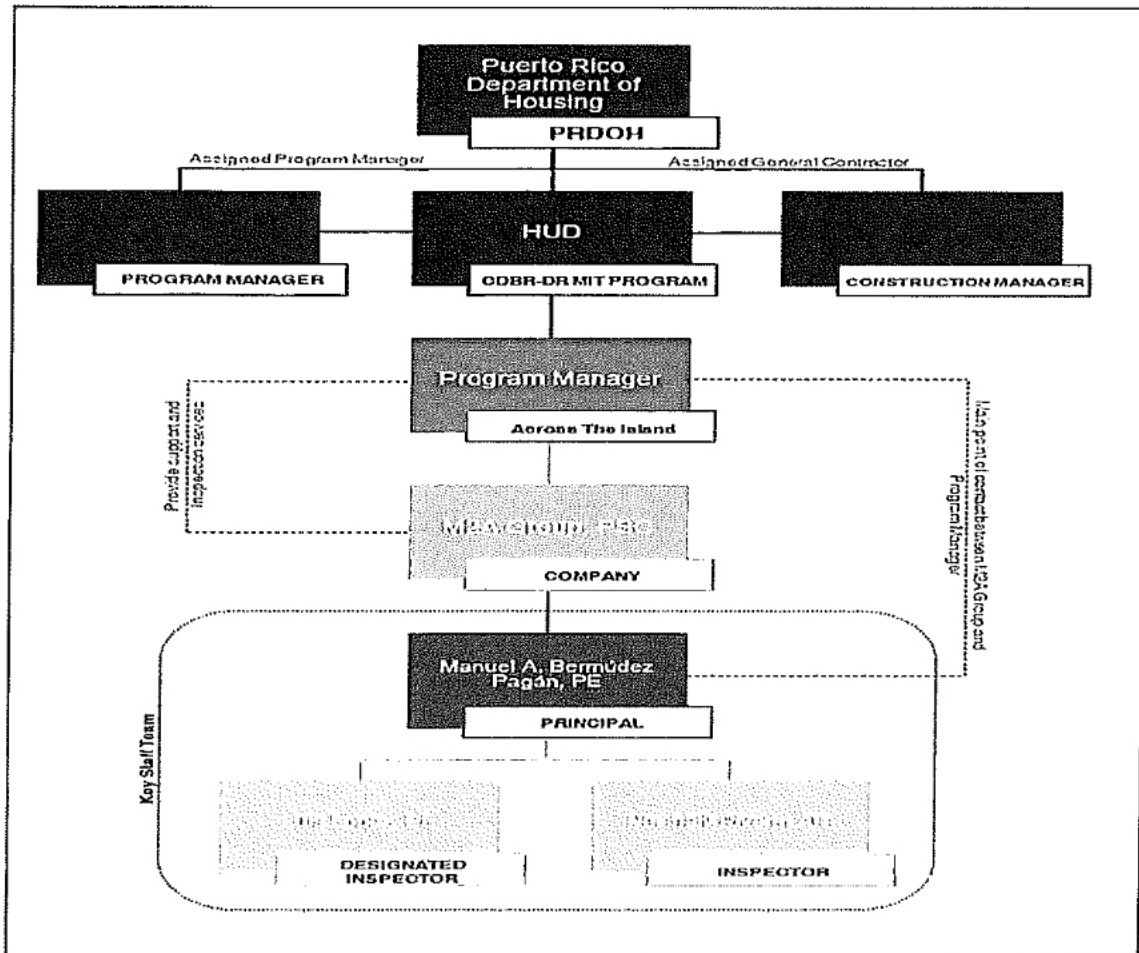
- Assign a main contact point with the PRDOH Program Manager for day-to-day project inspection and implementation.
- Coordinate weekly meetings to discuss the Program Implementation, status report, project performance and any issues that impede the progress of the program.
- Develop a tracking and accountability report to determine obstacle tasks and to solve them.
- Request information and discuss the project inspection before submitting it to PRDOH to address any requirements, comments, or discrepancy.
- Discuss the progress of project, implementation, and closeout projects.
- Provide information, comments, and request the approval of projects presented.
- Recommend and evaluate Draw requests, Change Orders, Budget Revisions, Closeout Documentation in coordination with PRDOH personnel.
- Review and recommend certifications for payment and construction change orders with PRDOH Program Manager.
- All documentation will be in Canopy Documentation Software, or any other System of Record implemented by PRDOH.
- We are going to use SharePoint as our intern Documentation Control System or similar.
- We encourage the following technologies tools to maximize productivity; Video Conference Apps to attend meetings and communication channels as well as emails.

The team has extensive experience in inspection, project management and infrastructure development in Puerto Rico, ranging from advisory work to damage assessment, inspections, and construction management support. M2A Group have supported the main government infrastructure agencies in Puerto Rico, which allows us to have a clear understanding of the public policy implementation, the permitting processes and project development.

1.1.4 Explain how the Respondent(s) will coordinate with the stakeholders and contractors to perform all tasks related to environmental studies, evaluation, monitoring, and assessments that are needed to complete all necessary tasks requested.

COMMUNICATION

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**Project Implementation and Construction**

Once all stakeholders have been contracted, a pre-construction meeting will be coordinated with all stakeholders to discuss roles, responsibilities, procedures, construction, and development logistics with the main goal of completing the project within budget and according to the schedule time.

Once the construction phase start, the Construction Inspector, Sr. Engineer, and other specialized engineer or personnel will do weekly or resident inspection visits to monitor the progress of the project,

to oversee the quality of the construction work performed and the proper implementation of the corresponding BMPs for environmental compliance within the construction site, as well as compliance with PROSHA regulations. These visits will be arranged to be concurrently with the weekly meetings, or as requested and necessary, depending on special conditions of the project. As part of the construction meetings, M2A Group will require to the inspection firm a weekly construction progress report including the schedule and budget progress reports according to the construction contract.

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The Construction Inspector will oversee reviewing all possible change orders, monthly pay applications, updated schedules, at least on a weekly or monthly basis, depending on the activities, to ensure that the project is under budget and within schedule, and prepare the corresponding reports to the Subrecipient. Monitor safety plan implementation during construction phase of the projects. Review and recommend all payment certifications related to construction projects.

The Inspection Team will be responsible to review and perform of deliverables related to design, permitting compliance, validate construction cost and schedules progress for all projects. Implement review procedures to validate compliance of applicable construction local and federal codes for all projects. Recommend alternatives and assessments of risks and costs.

The Construction Inspector will review the monthly environmental reports for both local and federal compliance, to be prepared by the Subrecipient Environmental Firm. Coordinate and require to all Stakeholders the implementation of the Environmental Best Practices.

On a weekly basis, the Construction Inspection Team will monitor the construction activities and documentation to ensure compliance with applicable CDBG-DR/MIT regulations and policies regarding Labor standards, Section 3 and Equal Employment Opportunity, as required.

The team will work together with the Recipient and Subrecipient Construction Contractor and other stakeholder to overcome, in a diligent manner, any obstacle that may arise during the construction phase. M2A Group understands that time and money are the main key factors for the success of the project. Therefore, we will work as part of the Recipient or Subrecipient Team and will be a facilitator during the construction process and project closeout. Understanding that all projects must be completed in compliance with all local and federal regulations. M2A Group will pursue the alternatives that are cost effective and time sensitive to be proactive in the solution process of the construction projects. The documentation and communication process with the PRDOH Program/Grant manager will take a huge role to ensure compliance and therefore receive the necessary funds for all stakeholders in an expeditious and timely manner.

The team has extensive experience in projects and infrastructure development in Puerto Rico and have supported the main government infrastructure agencies in Puerto Rico, which allows the team to have a

clear understanding of the public policy implementation. M2A team experience will help identify in advance and overcome any obstacle that could be faced by the Recipient/Subrecipient during the development and construction phases of the project. M2A Group goal is to be able to complete all projects within the established time and budget, all in accordance with local and federal codes and regulations, the Program's requirements, the CDBG-DR's policies, and regulations.

*m.s.p.* **Project Closeout**

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WORR Project close-out will be determined once PRDOH has determined that all the requirements in the Subrecipient Agreement have been completed in accordance with the terms and conditions of the agreement and has reviewed closeout documents and has a resolution approval of any outstanding issues; and all monitoring or audit findings have been cleared. The team will assist and support the Subrecipient with the compiling of all documents that the Subrecipient must submit when requesting project close-out and final payment. M2A Group is going to adopt a Punch List Close-Out document to facilitate the process and will lead the review for conformance all documents presented by the Construction Contractor, A&E Firm, Inspection and Environmental Review Firm submitted to the Subrecipient as part of the close-out package. M2A team will request to resolve any outstanding documents or deficiencies in documentation as part of our evaluation. M2A Group will be giving support in the process, until all required documents have been submitted to the Subrecipient. Simultaneously, will work with PRDOH's Program Manager in assuring that all requirements are addressed in a conforming way and process the request of project close-out as per the procedures stated in the HUD's policies. Once the documentation has been completed, M2A will support, review and completeness of the final invoice to recommend it for payment to the PRDOH.

1.1.5 Firm experience and qualifications with relevant projects.

## CONSTRUCTION MANAGEMENT AND INSPECTION

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- **DRNA National Parks Revitalization Program.** Program Management, Design Services and Project Inspection to DRNA under the initiative of the Puerto Rico Promotion Program, to revitalize tourist attractions, natural resources, and public beach has received funding from Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) under the American Rescue Plan Act (ARPA) to improve thirteen (13) National Park facilities.

The facilities are as follows:

- Balneario Sun Bay, Vieques
- Balneario Cana Gorda, Guánica
- Balneario Javier Calderón Nieves, Vega Alta
- Balneario La Monserrate, Luquillo
- Balneario Manuel Noio Morales, Dorado
- Centro Vacacional y Ecológico Monte del Estado, Maricao
- Centro Vacacional y Balneario Boqueron, Cabo Rojo
- Centro Vacacional y Balneario Tres Hermanos, Añasco
- Centro Vacacional Villas del Lago Caonillas, Utuado
- Parque Nacional Julio Enrique Monagas, Bayamón
- Parque de las Cavernas del Río Camuy, Camuy
- Parque Luis Muñoz Rivera, San Juan
- Zoológico de Puerto Rico, Dr. Juan A. Rivero, Mayagüez

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- **Mayaguez 2010.** Management and Inspection Services for Mayagüez 2010 Regional Project which included Sport Facilities for the Central American and Caribbean Games, Mayagüez 2010. This project included the program coordination with an ample group of consultants, contractors, private sports associations, and government agencies to establish the execution of the works to be completed within the specific time frame, budget and quality. Inspection and program management was provided to different facilities such as Gymnastics Pavilion, Beach Volleyball Courts, Archery Facilities among others utilized in this event.
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- **Management and Inspection-AC-007282 & AC-008282 High Quality Road Repair Program.** The project consists of works related to the rehabilitation and maintenance of pavement to improve the safety conditions of the road in the municipalities of Naranjito, Corozal, Comerio, Camuy Lares, Arecibo, Lares, Manatí, Florida, Toa Alta and Dorado.
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- **Inspection services for the improvement of PR-149, Km 14.8, Ciales PR.** This project consisted of improving the 149 km 14.8 road by expanding it to improve the turn of vehicles in that area. M2A GROUP provided inspection services which included construction of a retaining wall in reinforced concrete, improvements drainage and extension of the agaric.
- **Resident Engineer for Route 66 project** This project consisted of the construction of the new highway known as Route 66 that including the Carolina toll plaza. M2A GROUP was responsible for the administration of the contract and inspection making sure it complied with the standard drawings of the ACT and the specifications contained in the Manual of Standard Specifications for the Construction of Roads and Bridges.
- **Inspection services for the improvement of PR-10, Ponce-Adjuntas PR.** This project begins at km 0.00 and continues along the existing road up to km. 29.30 for a total length of 29.80 kms. The proposed works consist of pavement rehabilitation and improvement to the safety conditions of existing road, that includes but is not limited to the following works: cold milling, pavement

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restoration, installation of guard rails, traffic impact attenuator devices, new transition modules, bridge deck rehabilitation, plantings, signings pavement marking, traffic signals and other miscellaneous works.

- **Inspection services for the Earthquake incident in Ponce Toll Plaza in PR-52 and PR-33 in Guánica.** This project consisted of demolition of the toll plaza roof and installation of the new roof and retrofit of the structures. M2A GROUP provided inspection services.
- **Inspection services for the Flona incident in T&D and Substation.** This project consisted of damage assessment for three mayor facilities in the electrical system of Puerto Rico. M2A GROUP provided inspection services for 115 sites of the substation, 115 sites for distribution line and 115 sites of transmission lines.

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#### 1.1.6 Firm experience with federally funded projects.

### FEDERAL FUNDS MANAGEMENT

- **Irma and María Disaster Declaration.** Responsible for developing the COR3 office after Hurricanes Irma and María in which he provided his consulting experience to create the recovery office, providing recruitment efforts, organizational governance, policies, training, coordination with the different contractors, applicants and FEMA staff in all the infrastructure and community services sectors, including the Energy Sector Director. He has been working on mission assignments, EMAC, Categories A & B and on creating section 428 policies for the Maria disaster in Puerto Rico. He was initially with the FEMA team in the developing of the PPDR program for the Maria disaster. He has assisted Puerto Rico Energy and Power Authority (PREPA) in project formulation for the Soil Stabilization project (\$90 million obligated funds) and in the EHP area. In the Ciales municipality it is offering support in the A&E services to establish the final estimate of the project worksheet.
- **Tidal Basin/Carrion Consulting Group.** Assisted Puerto Rico Energy and Power Authority (PREPA) in project formulation for the Soil Stabilization project (\$90 million obligated funds). Support Environmental and Historic Preservation area for Cat A & B in the PREPA projects. Meeting with FEMA Energy sector leadership to discuss the DI, DDD, SOW and Cost.
- **AECOM/ADV M2A.** M2A Group has been engaged by AECOM/ADV Technical Services, Inc. to perform professional services including Inspection Services in connection with Puerto Rico Department of Housing Community Block Grant Development Program – Disaster Recovery for Program Manager Services in the south region. Perform milestone inspections at specific intervals

of progress as required by AD&V® and AECOM Technical Services, Inc. Program Manager and determined by the PRDOH. Coordination of R3 Progress Inspection and Reporting.

- **Instituto de Cultura (ICP)**

*Project Formulation, A&E Services, Procurement Support for FEMA PA for this Applicant. 404 Support and inspection*

During the past years M2A Group has been working hand to hand with the recovery projects of "Instituto de Cultura (ICP)", developing a strong relation with ICP personnel. Managing to expand knowledge in historic buildings. Throughout the site inspections, damage assessments reports were developed, requesting to FEMA and COR3 to include disaster related damages, leaved out during their site inspections with successful results for ICP. Since the specific and unique facilities owned and preserved by the ICP, required Methods of Repairs (MOR's) with respective repairs cost estimates for the Historical protected buildings were developed. M2A Group intervention benefits recovery projects to obtain the required recovery funds to repair the facilities to pre-disaster conditions and implement mitigation measures to achieve the required building resiliency. M2A Group strengths in Historical Buildings knowledge is an added value to AFI projects. AFI will get all the obtained and required skills to manage AFI projects.

The following projects list represents some of the Historical Buildings ICP recovery projects manage by M2A Group:

Parque Ceremonial Indígena Caguana:

- *Site Visits, Damage Identification, A&E Cost Estimate, Justification of Cost*
- *Estimates, Scope of Work*

Museo de la Masacre:

- *A & E Cost Estimate to compare to CRC cost*

Casa Armstrong Building:

- *A & E Cost Estimate to compare to CRC cost*

Casa Cautiño Building:

- *A & E Cost Estimate to compare to CRC cost, Scope of Work*

Casilla Caminero Aibonito:

- *Electrical Estimate for Project Formulation*

Museo de la Música Puertorriqueña:

- *Site Visit, Estimate of A&E related to earthquakes, Compare to CRC cost*

Museo Casa Blanca Building:

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- *Documents for RFP, including Scope of Works, Evaluation of Bidders, Recommendation to ICP Consultant*

Arsenal de la Marina Building:

- *Site Visit, Data Collection, Work with DDD, Dimensions Review, Scope of Work revision*

Fortin Mirasol Building:

- *Review of Documentation for RFP publication, Compulsory Pre-Auction Visit*

Casa Armstrong Poventud (Museo Armstrong Poventud):

- *A & E Cost Estimates*

Fortin San Geronimo:

- *Field Visit, Data Collection, Work with DDD, Damage Review*

Casa de Cultura en Hatillo:

- *Collaboration with the creation of a package for the RFP*

Centro Cultural de Lares:

- *Electrical Estimate for Project Formulation*

- **Autoridad de Terrenos / Yardley Knox**

*Project Formulation, A&E Services, Procurement Support for FEMA PA for this Applicant. 404 Support and inspection*

- *Asilo de Beneficiencia*
- *Coamo Springs*

- **Palacete Los Moreau Rehabilitation, Mitigation and Repair**

- *FEMA Funds. Design plan set for the repairs to Palacete Los Moreau to restore facilities back to pre-disaster design, function and capacity within the existing footprint.*

- **DRNA National Parks Revitalization Program.** Program Management, Design Services and Project Inspection to DRNA under the initiative of the Puerto Rico Promotion Program, to revitalize tourist attractions, natural resources, and public beach has received funding from Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) under the American Rescue Plan Act (ARPA) to improve thirteen (13) National Park facilities.

1.1.7 The Respondent(s) ability to adequately staff and scale all positions required to maintain the agreed upon services, deliverables, and timelines.

The objectives of M2A Group protocol for on-call services and resource substitution are to ensure that all staff have appropriate knowledge about the procedures to be followed in the event of absence. In the unfortunate circumstance where staff are absent, M2A Group is committed to

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act on non-attendance and provide adequate substitution for absent staff members to ensure the effectiveness of the services. In circumstances of foreseen absence, staff is required to inform the company well in advance of his/her absence providing reasons for leave of absence and to determine possible alternate arrangements. Approval of foreseen absence is required by M2A Group Principal well in advance to ensure an adequate substitute is available. In circumstances of unforeseen absence, staff is required to inform M2A Group as soon as possible. Upon receiving communication from an absent staff member, M2A Group will inform Program Manager from DOH the absence and make alternative arrangements.

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M2A Group will maintain a list of suitable assigned resources who are available to cover at short notice due to absence, or on-call to address any incident or situation at the project site occurring outside of regular working hours and/or substitute in the eventuality that the Resident Inspector is not available to render services for a term longer than one (1) business day. Substitute resources are expected to fulfill the same responsibilities, perform the same duties, and carry out the same responsibilities as the resources whom they are replacing. Eng. Manuel Bermudez will be the replacement resource.

1.1.8 The Respondent(s) must submit a list with the general information of any person intended to be used and if applicable, any entity to be used as a Subcontractor.

M2A Group will use employees from our organization.

1.1.9 The Proposer's anticipated problems in the implementation of the tasks and their proposed courses of action to resolve. Identify problems and solutions.

Compliance with local and federal regulations and the bureaucracy of the processes is the biggest obstacle in this program. In the case of this Program, construction professional services firms is a quality phases of the construction process. A management process with clear, orderly, and structured rules must be carried out. All participants must know what their roles, budget and execution time are. The DOH Management must have knowledge of federal and state regulations, as well as the operation of government agencies to be efficient and contribute to the agility and compliance with government processes. Key members of the inspection company must have knowledge of the construction phases, design, permitting, contracting procurement process, and government operation to attend, expedite, and resolve possible conflicts during the project phases. We cannot allow that the bureaucracy of the government and process impede the Recovery, Reconstruction and Resilience of citizens. Therefore, M2A Group has the professional resources, which are the most important value, for the successful implementation of this Program. Each one of the key Staff Members are professional engineers with more than twenty (20) years of experience in the private and public sector working with planning and permitting processes, damage assessment, project design and inspections, structural design, building code specialist, and support and management of FEMA public assistance funds. In addition, the team has experiences working in the implementation of

Government Public Policy as the Permit Process Reform, the Joint Permit Regulation 2019, the implementation of the Puerto Rico Construction Codes version 2011 and 2018 and managing infrastructure projects such as the *Abriendo Caminos*, Short columns program and the 21st Century Schools.

Possible conflicts may arise during the construction phase. A well-defined and quality control process will help reduce the chances of disagreement. A complete SOW and quality control review of construction documents such as studies, construction plans, technical and general specifications and well-defined rules auction process are some examples. A complete and organized documentation, a planned process and effective inspection will be key to minimize order changes and disagreements.

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An effective communication is of prime importance in the success of the implementation of the project. M2A Group key Staff members are fluent in both, English and Spanish language. The team will be abundant graphics in our presentations to better inform and explain to the Recipient/Subrecipients and the PRDOH Program Manager the goals, objectives, requirements, policies of each project as well as the requirements of CDBG-DR and PRDOH, thus ensuring a comprehensive delivery of the information.

Simple written reports will be prepared whose ultimate goal will be to gather all important information and data projects in such a form that would be beneficial to all stakeholders of the Program. Constant direct communication will be established between the team, the Subrecipient's contractors and consultant to address any question or issue that may arise in the process. Communication is a key factor in the success of this Program implementation, therefore, the importance to form a fully local team of professionals with vast experience in the private and public sectors, that will be able to communicate with all stakeholders, including the communities that will be impacted and benefited of Puerto Rico.

### **Work Methodology and Deliverables**

M2A Group, as a consultant, will perform Construction Inspection Services during the different stages for PRDOH This project involves the following:

- Manage and coordinate field services during construction.
- Render consultation during construction, as needed.
- Request compliance and monitor that activities performed during the construction phase follow the Contract Documents and comply with current or revised DEPARTMENT OF HOUSING and PM policies, rules, procedures, standards and project specifications.
- Support construction activities by interfacing with other agencies and PM, as needed or required.
- Comply with all applicable Municipal, State and Federal laws that regulate the practice of engineering and related services in Puerto Rico.

- Supply, maintain, and use an Automatic Weather Station to provide a log of prevailing weather conditions during the construction project. The Station shall at least monitor temperature, wind speed and direction, and rainfall. It shall also provide an instant read-out of current weather conditions; be linkable to a PC such that a permanent, long-term, and detailed log of weather conditions can be stored automatically on the PC, with records, for example, every 60 minutes of every day. The purpose of this Station is to have a detailed record of weather conditions to show periods when construction was impeded, for example, by very wet conditions.
- Review monthly progress schedule, timetable for Shop Drawing and Submittals, and Schedule of Values prepared by Contractor; and consult with construction manager (CM) and construction coordinator (CC) concerning acceptability.
- Evaluate actual progress and compliance with milestones deliverables. Keep CM and CC always informed.
- Prepare written report to CC (Schedule Evaluation Checklists), if there are discrepancies with the Contractor and actual physical progress and/or compliance with project's milestones.
- Identify actions necessary for completion of the project within budget, as well as schedule, and prepare a written report to be submitted to the CC outlining these steps.
- Ensure that the Contractor maintains the approved Construction Schedule (typically CPM schedules); providing updates as specified and time impact analysis necessary for claims and change order issues in conformance to contractual requirements.
- Attend all meetings with Contractor, such as preconstruction conference, weekly project progress meetings, job conferences and other project-related meetings and prepare and circulate Meeting Minutes thereof.
- Serve as CM's liaison with Contractor, working principally through Contractor's superintendent and assist in understanding the intent of contract documents; and assist CM in serving as DOH's liaison with Contractor when Contractor's operations affect DOPH's on-site operations.
- Assist in obtaining from DOH additional details or information, when required for proper execution of the work.
- Coordinate with external service providers authorized by DOH that are performing concurrent services with the Contractor, as applicable.
- Record date of receipt of Shop Drawings and Samples.
- Receive samples which are furnished at the site by Contractor and notify Design Engineer of availability for examination.
- Advise Design Engineer and Contractor of the commencement of any work requiring a Shop Drawing or Sample, if the submittal has not been approved by Design Engineer.
- Review Shop Drawings upon return from Design Engineer for potential changes on the Contractor's original scope of work.
- Evaluate contractor's construction work plan for effectiveness and efficiency in terms of approaches and resources allocations.

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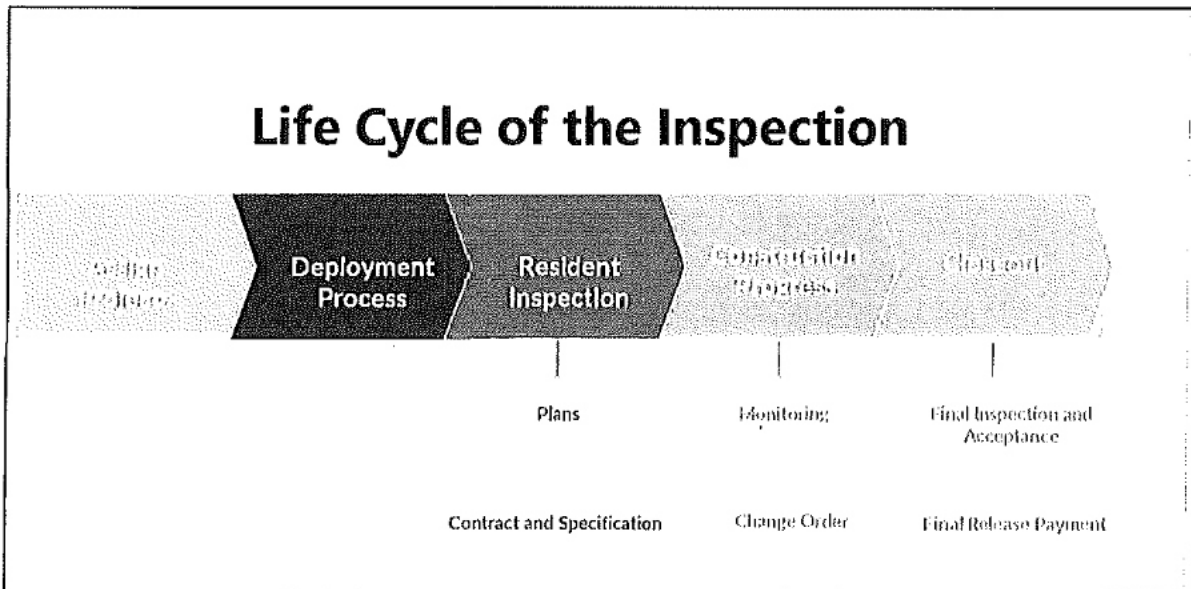
- Conduct on-site observations of any field work in progress to assist CM, CC, and Design Engineer in determining if such executed activity or task is in general proceeding and compliance with the Contract Documents.
- Report to CM, CC and Design Engineer, whenever CI believes that any work will not produce a completed Project that conforms to the Contract Documents or will negatively affect the integrity of the design concept of the completed Project, as a functioning whole as indicated in the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made; and advise CM and Design Engineer of work that CI believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection or approval. Provide information to CC regarding Contractor is not complying with Contract's requirements.
- Upon delivery to the site, verify all materials and equipment for compliance with approved shop Drawings. Check that all materials and equipment are properly stored and protected in accordance with the specifications and manufacturer's instructions. During installation, check all materials and equipment for compliance with approved Shop Drawings, installation instruction, and operation and maintenance manuals.
- Verify that tests, equipment, and systems start-ups and operating, and maintenance training are conducted in the presence of appropriate personnel and that Contractor maintains adequate records thereof and observe, record, and report to CM, CC and Design Engineer appropriate details relative to the test procedures and start-ups.
- Accompany visiting Inspectors representing public or other agencies having jurisdiction over the Project; record the results of these inspections and report to CM and CC.
- Advise CC on laboratory, shop, and mill test of material and equipment for compliance with specifications.
- Report to CM, CC, and Design Engineer when clarifications and interpretations of the Contract Documents are needed and transmit to Contractor clarifications and interpretations, as being issued by the Design Engineer or CM.
- Consider and evaluate Contractor's suggestions for modifications in Drawings or Specifications and report with CI's recommendations to Design Engineer. Transmit to Contractor written decisions as issued by CM or Design Engineer.
- Maintain at all times at the job site orderly files for correspondence, reports of job conferences, shop drawings and samples, reproductions of original Contract Documents including all work changes, Addenda, Change Orders, Field Orders, additional drawings issued subsequent to the execution of the Contract, Design Engineer's clarifications and interpretations of the Contract Documents, progress reports, submittals received from and delivered to Contractor and other project related documents.
- Prepare a daily report or keep a diary or log book, recording Contractor's hours on the job site, weather conditions, data relative to questions of work directives, Change Orders or changed conditions, list of job site visitors, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to CC.

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- Record names, addresses and telephone numbers of all Contractors, subcontractors, and major suppliers of materials and equipment.
- Coordinate the filing for and receipt of operational permits required to place plants in operation and ensure copies of all documentation reach Document Control.
- Maintain copies of documentations of safety visits to construction project, letters, training activities or applicable and related documents.
- Make sure the original documents as generated through the ordinary construction progress of each project are delivered to the designated Document Control's personnel on a weekly basis, in accordance with the Documents Control's procedure. Maintain a similar copy on the project's records onsite.
- All documents or correspondence directed to the Contractor shall be coordinated with CM and CC.
- Request compliance, monitor and keep CM, Safety Inspector (SI), and CC informed of the existence and implementation by Contractor of their approved construction safety program, as described in the construction contract specifications.
- Keep CC and SI informed of the general Contractor's compliance with OSHA regulations, as required by applicable law and in Contract. Provide information to CM, CC, and SI of OSHA regulatory visits to construction projects. Help SI prepare monthly report of safety activities, as required.
- Request, monitor and keep CC and SI informed that adequate emergency procedures are developed and implemented by Contractor and provide recommendation or advice regarding preventive actions in case of potential emergency situations.

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M2A Group will report and work directly with Department of Housing or subrecipient to achieve the Project objective, M2A Group will assign one Resident Inspector Engineer who will provide



construction inspection services on a full-time basis for the duration of the project assisted with the engineer in training according to the requirements.

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SCOPE OF WORK  
QUALIFICATIONS BASED SELECTION - NEGOTIATION  
Construction Activities Monitoring Services under Inspection Services  
Community Development Block Grant - Mitigation  
Puerto Rico Department of Housing

1. Introduction and Overview

This document defines the Construction Activities Monitoring Services (**Monitoring Services**) tasks that the Selected Firms(s) must perform to support the Puerto Rico Department of Housing (**PRDOH**) under Community Development Block Grant – Mitigation (**CDBG-MIT**) Programs. Particularly for the Single-Family Housing Development Initiatives (**SF-HDI**) under the CDBG-MIT program. All activities shall be performed in compliance with applicable regulations of the CDBG-DR and CDBG-MIT programs, as set forth by the U.S. Department of Housing and Urban Development (**HUD**) and the Puerto Rico Department of Housing (**PRDOH**). The information presented herein is a project-specific detail from the Scope of Services presented in the CDBG-DRMIT-RFQ-2023-01.

A description of the Housing Sector CDBG-MIT programs is included in the Action Plans approved by the U.S. Department of Housing and Urban Development (**HUD**), is available in the following website addresses: <https://cdbg-dr.pr.gov/en/download/cdbg-mit-action-plan-effective-on-april-19th-2021/>. A general description of the SF-HDI is included below:

**Single-Family Housing Development Initiatives (SF-HDI)**

This initiative provides funds to purchase new detached single-family housing units outside of risk and hazardous areas in benefit of R3 and SFM Programs' eligible applicants. All activities such as funding, administration, management, design, permitting, construction activities, designated/resident inspections will be performed by the development firms, as contracted by PRDOH. Under the SF-HDI developers are responsible for all aspects of design, permitting, construction, compliance, and fiscal management of their development projects under contract with PRDOH (including its Designated/Resident Inspector's duties and responsibilities). Under this context, Selected Firm may assist PRDOH by evaluating the documents submitted by the developers to validate if a single-family housing unit(s) is/are ready for an "on site" property assessment to validate the overall safety and quality of the property and compliance with SF-HDI requirements. This assessment may result in a unit deemed as "completed" for PRDOH to purchase them in benefit of Program eligible applicants or it may result in the Selected Firm elaborating a "punch list" to be completed by the developer. Selected Firm(s) may download and refer to the documents published by PRDOH for the SF-HDI, Request for Proposals' procurement process in the following web address: <https://cdbg-dr.pr.gov/app/cdbgdrpublic/auction/SeeMore/482?culture=en-US&redirect=true>.

<sup>1</sup> Selected Firm(s) may refer to the SF-HDI published documents with includes the Scope of Work, Minimum Architectural and Design Standards, Request for Information and responses and other relevant documents. In general terms, the Scope of Work includes an overview, the main objectives, goals, duties, responsibilities, and requirements that developers must follow, as contracted by PRDOH.

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This QBS negotiation is subject to the availability of funds to complete the scope of services described herein. In the event of not receiving them, this QBS negotiation will be canceled and terminated without any liability whatsoever, including without limitation pre-contractual expenses and non-contractual damages, from the PRDOH, the Government of Puerto Rico, and HUD. The PRDOH, while administering HUD funds, may receive allocations for the recovery and mitigation following future disasters on the island. If additional funds are allocated to the Government of Puerto Rico during the life of the contract, the contracted entity may be assigned to work on those future federal grants or allocations. Therefore, PRDOH reserves the right to amend any contract(s) resulting from this QBS negotiation process to include services under any fund allocations presently administered and/or that may be administered by PRDOH.

PRDOH anticipates awarding the contract for an initial term of **three (3) years** and may, at its sole discretion, extend the contract term for two (2) annual additional terms upon mutual written agreement. There is no guarantee of a minimum level of services that may be requested by the PRDOH under this contract. The contracted entity will be responsible for completing the activities outlined in this Scope of Services. The contracted entity will assist PRDOH by providing additional resources to accomplish assignments authorized by the PRDOH.

The Selected Firm(s) shall consider that all inspection work must be performed by a professional or professional services organization in accordance with Act No. 173 of August 12, 1983, as amended (better known as the Act of Puerto Rico Examining Board of Engineers, Architects, Surveyors, and Landscapers) and Act. No. 164-2009, as amended (better known as the General Corporations Act).

## **2. Staff Requirements, Roles, and Responsibilities**

The Selected Firm(s) shall have or will secure, at its own expense, all the required personnel capable of performing the tasks identified in this Scope of Services. PRDOH expects the Selected Firm to provide competent and fully qualified staff who are authorized or permitted under federal, state, and local law to perform these services. The PRDOH reserves the right to request the removal of any staff not performing to standard or the applicable professional code of ethics and/or laws. Replacements to the Key Staff require written consent of the PRDOH. For clarity purposes, the Programs described herein have or will have the corresponding Designated Inspectors or Resident Inspectors, PRDOH is procuring the Selected Firm(s) to assist as a third-party monitoring entity.

### **2.1. Staff Requirements**

The Selected Firm(s) must always ensure the professional inspection services are performed by licensed professionals with the proper qualifications, skills, and experience, necessary to perform such services, according to applicable federal and local rules (state and municipal) and regulations.

### **2.2. Organizational Chart**

The Selected Firm(s) organizational chart shall include the required number of personnel, role and responsibilities, name of resource(s) or subcontractor(s), resume, and include the professional information.

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**2.3. Staff Experience and Qualifications**

The Selected Firm(s) must have Staff that complies with the Roles, Requirements, Roles, and Responsibilities outlined in the Scope of Services for CDBG-DRMIT-RFQ-2023-01 for Inspection Services. All Staff must be located on the island when performing work under the Contract. The table below presents requirements for Key Staff, roles, and responsibilities.

**Table 1: Key Staff**

Key Staff	Position Requirements	Position Roles & Responsibilities
<p><i>m.s.p.</i></p> <p><u>WRR</u> WRR</p> <p><b>Registered Architect and/or Professional Engineer</b>                      (This position requirements are equivalent to those of the Designated Inspector)</p> <p><b>[Key Staff]</b></p>	<ol style="list-style-type: none"> <li>1. Active member of the CAAPPR and/or CIAPR.</li> <li>2. Authorized to practice by the Puerto Rico Department of State as a Registered Architect (RA) and/or Professional Engineer (PE).</li> <li>3. Must have at least <b>three (3) years</b> of experience in the construction industry.</li> </ol>	<ul style="list-style-type: none"> <li>+ Evaluate documents, recommend, and report compliance with Program &amp; environmental requirements construction documents, permits, scheduling, physical progress, scope changes, requests for time extensions and others.</li> <li>+ Perform site visits to validate and report compliance with Program requirements, construction documents, permits, scheduling, physical progress, quality of work, scope changes, requests for time extensions and others.</li> <li>+ Assist PRDOH to evaluate and report Section 3, MWBE, safety and wage compliance among others.</li> <li>+ Participate in meetings when requested by PRDOH, Program authorized representatives and report, when required.</li> <li>+ Evaluate and report vendor, contractor, sub-contractor and/or team member performance and recommend corrective actions, when required.</li> <li>+ Reporting and recommending actions including narratives, notes, conclusions, photographs, illustrations, and charts to depict the existing and/or recommendation.</li> <li>+ Evaluate, recommend, and report unit completion, project substantial completion and/or project completion as applicable to the Programs.</li> <li>+ Assist PRDOH and pursue the substantial and/or completion of projects within contract scope, cost, time, and quality.</li> <li>+ Evaluate, recommend, and report corrective actions when construction deviations occur.</li> <li>+ Available to coordinate, perform, and report site visit observations as required by the Programs.</li> <li>+ Creating punch-lists to correct defective work.</li> <li>+ Evaluating correct and completeness of "as-built" drawings when required by a Program.</li> <li>+ Assist PRDOH to evaluate, recommend, and report project inquiries, complaints, warranty</li> </ul>

Key Staff	Position Requirements	Position Roles & Responsibilities
		claims, program-based reconsiderations, administrative reviews, as applicable to the Programs. + Required documents shall be stamped and sealed by the PE and/or RA. + Recordkeeping and upload documents in the Grant Management System of Record. + Any other task required by the PRDOH and/or authorized representative required for the successful implementation of the Programs.
MSP.  WORR <small>WORR</small>  <b>Architect (AIT) or Engineer in Training (EIT)</b>  <b>[Key Staff]</b>	1. Active member of the CAAPPR and/or CIAPR. 2. Authorized by the Puerto Rico Department of State as Architect in Training (AIT) and/or Engineer in Training. 3. Must have at least <b>three (3) years</b> of experience in the construction industry.	+ Assist the Architect and/or Engineer to perform their roles, responsibilities, as authorized by law, CAAPPR and/or CIAPR Practice Manual. + Perform its roles and responsibilities under direct supervision of the Architect and/or Engineer.

**3. Monitoring Service Task**

The PRDOH reserves the right to retain all or some of the monitoring services internally. The Selected Firm(s) must be knowledgeable of the applicable construction codes, regulatory agency(ies) requirements, regulatory agency requirements, permitting processes, construction documents, construction means & methods, site visits, reporting among others. The PRDOH reserves the right to limit the number of billable hours in **Task 01 & Task 02**, and these tasks may be modified in accordance with the Program's needs, requirements, and availability of funds.

**Task 01: General Administration<sup>2</sup>**

**Hourly Rate Task**

Selected Firm may assist PRDOH in evaluating project schedules, permitting plans, environmental review and compliance documents, construction documents, permit documents, quality of work, compliance with Programs and/or project requirements, including but not limited to:

- a) Evaluating project related documents;
- b) Coordinating site visit requests and the corresponding documents to validate and confirm if a unit and/or project is being built according to Construction Documents;
- c) Evaluating overall progress of projects according to Program goals and/or contract requirements;
- d) Evaluating completion of "punch-list" items (when feasible to evaluate in a "desktop review");

<sup>2</sup> This task is needed before and during construction. The task presents a project-specific detail of CDBG-DRMIT-RFQ-2023-01 Scope of Services Sections 3.1 and 3.2.

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- e) Providing recommendations to PRDOH related to project documents, processes, and activities;
  - f) Monitoring the SF-HDI completion of developers' responsibilities such as transferring infrastructure to the corresponding agencies and/or municipalities. This includes but is not limited to electrical, data, potable, sanitary, storm water, fire suppression systems, roadways, sidewalks, public areas, public luminaires, spaces, and others;
  - g) Assisting PRDOH in the evaluation of complaints and or warranty claims and provide a report, recommendations (when requested), and others;
  - h) General Administration tasks may conclude with a report which may include images, summary, notes, observations, recommendations, and others. Reports must be drafted in English, and in some instances may be required in Spanish, when requested;
  - i) Uploading documents into the GMS for record keeping, as required by PRDOH;
  - j) And others.

**Task 02: Progress Site Monitoring Visits<sup>3</sup>**

**Hourly Rate Task**

Selected Firm may assist PRDOH by periodically performing site visits to evaluate and report project physical progress, adherence or deviations from construction documents, project schedules, permitting requirements, overall compliance, quality of work, or any other Program requirements. Site visits may include the evaluation of adherence to environmental requirements, regulatory agency(ies) requirements, contract documents, this may include activities such as:

- a) Participating in project meetings;
- b) Evaluating, reporting safety, quality, compliance requirements, and other aspects of the projects;
- c) Creating a project punch list and following up until resolved;
- d) Assisting PRDOH by evaluating, recommending project completions, acceptance of work, and project closeout;
- e) Monitoring services may include but is not limited to evaluate compliance with:
  - o Applicable federal requirements
  - o Quality standards
  - o Building codes
  - o Regulatory agency and permitting compliance
  - o Environmental reviews compliance
  - o Compliance with CEST Plans, SWPPP & others
  - o Contracts to perform work
  - o Construction documents and project manuals
  - o Project plan & schedule evaluations
  - o Physical progress evaluations
  - o Quality of all portions of work
  - o Request of time extensions and potential time impact in schedules

<sup>3</sup> This task is needed during construction. The task presents a project-specific detail of CDBG-DRMIT-RFQ-2023-01 Scope of Services Section 3.2.

- f) Project Monitoring tasks may conclude with a report which may include images, summary, notes, observations, recommendations, and others. Reports must be drafted in English, and in some instances may be required in Spanish, when requested;
- g) Assisting PRDOH in the evaluation of complaints and or warranty claims and provide a report, recommendations (when requested), and others;
- h) Uploading documents into the GMS for record keeping, as required by PRDOH;
- i) And others.

**Task 03: SF-HDI "Unit Completion" Property Assessment<sup>4</sup>**

**Unit Cost**

This task will require the Selected Firm property assessment to validate a unit completion according to Program requirements. It is encouraged that these units are assessed in adjacent groups or bundle of units for an efficient assessment process. The following may apply but is not limited to:

- a) SF-HDI "Unit Completion" Property Assessment shall conclude with a report which may include images, summary, notes, observations, recommendations, punch list items (if necessary), and others. Reports templates will be provided by PRDOH and must be drafted in English, and in some instances may be required in Spanish, when requested;
- b) Property Assessment services may include but is not limited to evaluate compliance with:
  - o Program minimum design standards
  - o Green building standards
  - o Quality standards
  - o Quality of all portions of work
  - o Building codes
  - o Regulatory agency and occupancy permitting compliance
  - o Compliance with CEST Plans, SWPPP & others
  - o Construction documents and project manuals
  - o Overall safety
  - o Applicable federal requirements
- c) Uploading documents into the GMS for record keeping, as required by PRDOH;
- d) And others.

**Task 04: SF-HDI "Unit Completion" Property Re-Assessment<sup>5</sup>**

**Unit Cost**

This task may require the Selected Firm to re-assess a property, (If needed) when "punch list" items require to be re-assessed and may not be resolved in a "desktop review". The following may apply but is not limited to:

- a) Completion of "punch-list" items to comply with Program and federal requirements;
- b) Property Re-Assessment tasks shall conclude with a written report which includes notes, summary, observations, recommendations, and others. Reports templates will be provided

<sup>4</sup> This task is needed during construction. The task presents a project-specific detail of CDBG-DRMIT-RFQ-2023-01 Scope of Services Section 3.2.

<sup>5</sup> This task is needed during construction. The task presents a project-specific detail of CDBG-DRMIT-RFQ-2023-01 Scope of Services Section 3.2.

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by PRDOH and must be drafted in English, and in some instances may be required in Spanish, as requested;

- c) Uploading documents into the GMS for record keeping, as required by PRDOH;
- d) And others.

In those circumstances that a "punch-list" item may be evidenced and resolved in a "desktop review" with sufficient evidence, these may be completed under the **Task 01**, General Administration, as described in above.

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#### 4. **Specialized Services (Allowance)**

In addition to the services included in this Scope of Services, some projects may require additional services, surveys, studies, and tests. These are considered Specialized Services by PRDOH. For such services, the Contract will include an allowance.

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

If the cost of any Specialized Services is more than \$10,000 (the micro purchase procurement threshold) then the Selected Firm shall submit to PRDOH at least three (3) economic proposals for the Specialized Services. These three (3) economic proposals must be from different Subcontractors for the performance of the Specialized Services. One of the economic proposals may consider the performance of the Specialized Service with the Selected Firm's own staff if the Selected Firm has the internal capacity to perform them. Specialized Services include, but are not limited to:

- **Structural Studies** (radiographic testing, ultrasonic testing, infrared thermography inspection, etc.)
- **Electrical Studies** (electrical surveys, evaluations, tests, reports, applicable agency requirements, etc.)
- **Mechanical Studies** (mechanical surveys, evaluations, tests, reports, applicable agency requirements, etc.)
- **Geotechnical Studies** (soil sampling and investigations, standard penetration tests, etc.)
- **Land Surveys** (boundary surveys, ALTA surveys, topographic surveys, location surveys, mortgage surveys, subdivision surveys, new construction surveys, etc.)
- **Hazardous Material Studies and Development of Abatement Plans** (lead containing materials, asbestos containing materials, etc.)

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

## 5. Deliverables

The Selected Firm(s) shall perform certain services and tasks to support PRDOH in the execution of the CDBG-DR and CDBG-MIT Programs.

1. **Monitoring Plan (MP)** to perform the services as described in this document for each task.
2. **MP Internal Standard Operating Procedures (SOP)** to implement the MP.
3. **Reporting Templates** to perform the services and tasks requested under this RFP.
4. **Technology Plan, Applications and Reporting System(s)** to implement these services in the most efficient and cost reasonable manner.

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## 6. Performance Requirements

1. Selected Firm(s) must be prepared to commence these services within **fifteen (15) days** upon contract execution.
2. All deliverables related to Section 5, "Deliverables" shall be provided within **fifteen (15) calendar days**, upon contract, unless otherwise required by PRDOH.
3. Once the single-family unit is completed, the SF-HDI developer will submit a completed unit pre-assessment package for evaluation:
  - a) Selected Firm shall review the package within **three (3) business days** and once approved, shall schedule, and perform the assessment visit within **seven (7) business days**.
  - b) If any deficiencies are identified, the SF-HDI developer shall remedy any deficiencies, provide evidence of all remedies, and certify the deficiencies have been remedied. Within **five (5) business days** of receipt, Selected Firm shall review the evidence and certification of remedies of deficiencies, including re-assessment, if required.
  - c) Any other tasks shall be completed within **five seven (7) business days**, or otherwise stated by PRDOH.

**END OF SCOPE OF WORK**



COMPENSATION SCHEDULE

Qualification Based Selection (QBS)  
No. CDBG-MIT-QBS-IS-2024-01 CONSTRUCTION ACTIVITIES MONITORING  
SERVICES under INSPECTION SERVICES  
under the  
Community Development Block Grant for Mitigation (CDBG-MIT) Program

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M2A Group, PSC.

**Qualification Based Selection (QBS) No. CDBG-MIT-QBS-2024-01**

The following sections contain cost information that considers the annual cost and hourly costs distributed by the Procurement Division in compliance with the Qualification Based Selection (QBS) CDBG-MIT-QBS-IS-2024-01 and the cost proposal submitted by the awarded proposer.

The Respondent presented an hourly rate for the tasks 1 & 2 and a unit cost for tasks 3 & 4, as so they will be compensated based on actual hours worked, hourly rates for each staff and unit cost per task as identified in **Tables 1 & 2**.

In case of a discrepancy between the cost proposal and this document (Compensation Schedule) rate per hour, unit cost and/or cost per task, the cost proposal will prevail.

**Total Contract Cost**

The total contract cost awarded is for the amount of **\$1,026,450.00** to be distributed to **M2A Group, PSC.**, for an initial contract for the term of three (3) years and may, at its sole discretion, extend the contract term for two (2) annual additional terms upon mutual written agreement. The Proposer will be compensated based on hours worked and tasks rates as identified below.

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**Table 1: Recommended Distribution for M2A Group, PSC.**

Description – M2A Group	Quantity	Units	Unit Price	Monthly Cost
Registered Architect and/or Professional Engineer	1245	Hour	\$130.00	\$161,850.00
Architect (AIT) OR Engineer in Training (EIT)	1245	Hour	\$80.00	\$99,600.00
Property Assessment Tasks	600	Task	\$850.00	\$510,000.00
Property Re-Assessment Tasks	300	Task	\$650.00	\$195,000.00
Additional Services Allowance				\$60,000.00
<b>Total Cost for 3 years (Task 01 &amp; 02) + (Task 03 &amp; 04) + Allowance</b>				<b>\$1,026,450.00</b>

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**Notes on Tasks 01 - 02: General Administration & Progress Site Monitoring Visits (Key Staff)**

- 1) The Staff Cost presented above in **Table 1**, is the total breakdown of the hourly cost rate for each of the staff positions multiplied by the total hours for the thirty-six months (36) of the term of the contract. Staff are resources that will be working throughout the duration of the Contract. Selected Firm(s) may assign the number of hours among the staff that they identify that will be needed to complete the corresponding tasks.
- 2) The contract is expected to function as a not-to-exceed contract from which services will be invoiced based on actual hours worked by each resource. Estimated costs for each position should not be interpreted as a cap of costs or hours that may be invoiced for a specific position. Invoicing will be based on the resources' actual needs and the specific program requested by the PRDOH. All invoices submitted by the selected proposer must indicate for which program the services were being provided.
- 3) Rate Per Hour includes overhead, profit, royalties, reimbursements, travel, fringe benefits, taxes, as well as any other additional fees and administrative costs applicable to the services.

**Notes on Tasks 03 – 04: Property Assessment & Re-Assessment**

- 1) The activities to be performed by selected firms are similar to those under contract with the R3 & SFM Program Managers "milestone inspections" with the main divergence being that monitoring services will assist PRDOH to evaluate if the SF-HDI units are complete to continue with a real estate closing. Under the

assumption that PRDOH will contract up to three thousand (3,000) units, all of these will require selected firms to conduct a "unit completion" property assessment to confirm if the units are completed.

- 2) If a property requires to be re-assessed to evaluate if corrections are performed and accepted, only inspecting those items will result in a reduction of time and effort. Construction industry standards usually re-assess these corrections. Under the assumption that half of the units may require that monitoring entities re-assess a property, it may be estimated that one thousand five hundred (1,500) re-assessments may be performed in the SF-HDI.
- 3) Units Price includes any and all costs associated to the performance to the different tasks. This includes personnel, benefits, reimbursable expenses, equipment, materials, rent, overhead, profit, and any other cost of performing the tasks, including tasks support activities as depicted in the Scope of Work.
- 4) Total Cost represents the estimated total cost for processing applications under the Construction Activities Monitoring Services under Inspection Services and the additional services allowance.
- 5) The resources and monthly hours vary depending on the needs of the programs that are utilizing these services. Therefore, the PRDOH reserves the right to modify the number of selected firms to be awarded.

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**PERFORMANCE REQUIREMENTS  
QUALIFICATIONS BASED SELECTION - NEGOTIATION  
Construction Activities Monitoring Services under Inspection Services  
Single Family Housing Mitigation Program  
Community Development Block Grant – Mitigation  
CDBG-MIT-QBS-IS-2024-01**

**INTRODUCTION**

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This document represents the minimum performance metrics and requirements for the construction activities monitoring services. The Contractor shall adhere to the requirements of this document. The Contractor shall develop workplans, schedules, reports and/or any other document as may be requested by PRDOH or its representative in connection to the metrics and requirements set forth herein. The Contractor shall submit any of such documents for review and approval as requested by the PRDOH within the specified time frame provided for such request. PRDOH reserves the right to request any information as part of the Grantee responsibilities. The Contractor is responsible for providing and performing all the services stated in the Scope of Work.

**SCOPE OF WORK**

The Contractor is responsible for compliance with all aspects of the Scope of Work included as an attachment of the Contract.

**PERFORMANCE METRICS**

TASK	SUBTASK	DELIVERABLES	TIMEFRAME
3. Monitoring Service	Task 01 General Administration	Perform tasks related to general administration. Assist PRDOH in evaluating project schedules, permitting plans, environmental review and compliance documents, construction documents, permit documents, quality of work, compliance with Programs and/or project requirements, (Refer to SOW task and subtask description).	Within <b>seven (7) business days</b> upon PRDOH's request.

Performance Requirements  
 Construction Activities Monitoring Services under Inspection Services  
 For Single Family Housing Mitigation Program  
 under CDBG-MIT  
 CDBG-MIT-QBS-IS-2024-01

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TASK	SUBTASK	DELIVERABLES	TIMEFRAME
3. Monitoring Service	Task 02 Progress Site Monitoring Visits	Perform tasks related to progress site monitoring visits. Assist PRDOH by periodically performing site visits to evaluate and report project physical progress, adherence or deviations from construction documents, project schedules, permitting requirements, overall compliance, quality of work, or any other Program requirements. Site visits may include the evaluation of adherence to environmental requirements, regulatory agency(ies) requirements, contract documents, and others.  (Refer to SOW task and subtask description).	Within <b>seven (7) business days</b> upon PRDOH's request.
3. Monitoring Service	Task 03 SF-HDI "Unit Completion"  Property Assessment	Perform property assessment activities to validate a unit completion according to Program requirements.  Review unit pre-assessment package submitted by SF-HDI developer.  Schedule and perform assessment visit.  (Refer to SOW task and subtask description).	Within <b>three (3) business days</b> upon submission of package.  Within <b>seven (7) business days</b> after package is approved.
3. Monitoring Service	Task 04 SF-HDI "Unit Completion"  Property Re-Assessment	Perform re-assessment of a property, (if needed) when "punch list" items require to be re-assessed and may not be resolved in a "desktop review".  Review the evidence and certification of remedies of deficiencies, including re-assessment, submitted by developer.  (Refer to SOW task and subtask description).	Within <b>five (5) business days</b> upon receipt of evidence and certification.

Performance Requirements  
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TASK	SUBTASK	DELIVERABLES	TIMEFRAME
4. Specialized Services (Allowance)	N/A	<p>Perform tasks related to specialized services, (refer to SOW).</p> <p>Specialized Services include but are not limited to:</p> <p>Structural Studies            Electrical Studies            Mechanical Studies            Geotechnical Studies            Land Surveys            Hazardous Material Studies and Development of Abatement Plan.</p> <p>(Refer to SOW, Section 4 description).</p>	<p>Within <b>seven (7) calendar days</b> upon PRDOH's request.</p>
5. Deliverables	<p>1. Monitoring Plan (MP)</p> <p>2. MP Internal Standard Operating Procedures (SOP)</p> <p>3. Reporting Templates</p> <p>4. Technology Plan, Applications and Reporting System(s)</p>	<p>Submission of all items</p>	<p>Within <b>fifteen (15) calendar days</b> upon Contract execution.</p>
6. Performance Requirements	c) Any other tasks	<p>Complete other tasks under this agreement</p>	<p>Within <b>seven (7) business days</b> upon PRDOH's request.</p>

Requirements, Terms, and Metrics may be modified if deemed necessary by the PRDOH, with due notification to the contractor. Modifications shall become binding between the parties upon agreement and will not require an amendment to the contract.

**LIQUIDATED DAMAGES & PENALTIES**

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The Contractor shall pay PRDOH liquidated damages for each calendar day that a deliverable required is late until deemed in compliance, subject to a maximum to be established in the contract between the PRDOH and the Contractor. Said sums, in view of the difficulty of accurately ascertaining the loss which PRDOH will suffer by reason of delay in the completion of works requested, are hereby fixed and agreed as the liquidated damages that PRDOH will suffer by reason of such delay. Liquidated damages received are not intended to be nor shall they be treated as either a partial or full waiver or discharge of the PRDOH's right to indemnification, or the Contractor's obligation to indemnify the PRDOH, or to any other remedy provided for as a provision of the contract or law. Liquidated damages may be assessed at the sole discretion of PRDOH. For the purpose of applying and calculating such liquidated damages, a grace period of **ten (10) days** shall be observed, and the schedule may be extended by any additional time or delays outside the control of the Contractor caused by act of omission of the PRDOH, HUD, or any of their representatives. The PRDOH may deduct and retain out of the monies which may become due to the Contractor, the amount of any such liquidated damages; and in case the amount which may become due is less than the number of liquidated damages due to the PRDOH, the Contractor shall be liable to pay the difference.

**END OF DOCUMENT**

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**INSURANCE REQUIREMENTS**  
**Construction Activities Monitoring Services under Inspection Services**  
**Single Family Housing Mitigation Program**  
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The successful proposer, before the **Contract execution**, must submit to the **Puerto Rico Department of Housing (\*PRDOH)** the hereafter mentioned certificates of insurance policies and/or bonds including all endorsements and agreements required under the special contractual conditions, in form satisfactory to **\*PRDOH**, as provided in detail in this Insurance Requirements as per the following:

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

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

**2. (X) Commercial General Liability (Special Form) and Contractors General Liability Coverage with LOC Classification that must include the following insurance limits and Coverages**

COVERAGE	LIMIT
<b>I. Commercial General Liability:</b>	
• Each Occurrence	\$1,000,000
• General Aggregate	\$1,000,000
• 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)
<b>II. Employer's Liability Stop Gap:</b>	
• Bodily Injury by Accident Each Employee Each Accident	\$1,000,000 \$1,000,000
• Bodily Injury by Disease Each Employee Each Accident	\$1,000,000 \$1,000,000

**3. (X) Comprehensive Automobile Liability Form including the**



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following insurance coverages

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

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

**(X) Professional Liability for Engineer or Architect, Design Inspector, Civil Engineer, Structural Engineer, Electrical Engineer, Mechanical Engineer and any other licensed professional who will provide professional services to this contract.**

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

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

**(X) A.2 Limit:**

(X) each occurrence	\$1,000,000
(X) Aggregate	\$1,000,000
(X) Deductible	\$ 10,000

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

**5. (X) Umbrella**

Limit - \$1,000,000

**6. (X) The policies to be obtained must contain the following endorsements including as additional insured the *Puerto Rico Department of Housing***



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(\*PRDOH), U.S. Department of Housing and Urban Development (HUD), and the Government of Puerto Rico.

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

**A. 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 classified under the Category of **B+ by the AM Best Rating Guide**.
3. Submit to the **\*PRDOH** a written certification as evidence of full payment of premiums by the Contractor. Mention each risk coverage premium separately.
4. Avoid sub-contractual obligations of premium financing or any other kind, which may be detrimental to the public interest.
5. Avoid any request for cancellation by the contractor prior to the expiration date of the policy, without the consent of the Contract Division of the **\*PRDOH**: Discuss any refund of unearned premium.
6. Follow all Federal Bail and Acceptance Insurance Regulations, when applicable.
7. Indicate in the appropriate place of all insurance policies and/or bonds, **the full description of the project, work or service to be rendered**.
8. Not to make any **Endorsement** to insurance policies and bonds issued under the special conditions mentioned above, unless approved by the



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Insurance Section of the \*PRDOH. To ensure that all insurance policies or bonds are issued to comply with all of our special insurance conditions with respect to the period of coverage, type of risk coverage, as well as all limits, as specified,

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9. Clarify any questions regarding insurance requirements by any means of communication with the Insurance Section of the \*PRDOH under the Secretary for Legal Affairs.
10. The Contractor shall, throughout the performance of Work under the Contract and until the Final Acceptance of the Program, maintain current, and in effect all the required insurance, except the Builder's Risk **if applies**, which shall terminate on the date of substantial completion.
11. Insurance coverage in the minimum limit amounts set forth herein shall not be construed to release the Contractor from liability in excess of such coverage limit. Contractor must give thirty (30) calendar days written notice to PRDOH before any policy coverage is change, canceled or not renewed and shall cause the insurance carrier to do the same.

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

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

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

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



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

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

In the event of any conflict or difference in the description of coverage or amount or limits, etc., with respect to insurance requirements, the "**Special Conditions of Insurance and Bonds**" as set forth in this **Insurance Requirements** shall prevail over any other insurance specifications. \*PRDOH reserves the right to modify any **Insurance Requirements at any time, in accordance with the Program's needs.**

**D. CERTIFICATE OF CONTRACT DIVISION**

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

**SERVICE TO PROVIDE**

**Construction Activities Monitoring Services under Inspection Services**  
**Single Family Housing Mitigation Program**  
**CDBG-MIT- QBS-IS-2024-01**

May 30, 2024

Date review

*Sonia Damaris Rodríguez*

Sonia Damaris Rodríguez  
Insurance Specialist  
CDBG-DR Program



## ATTACHMENT F

### HUD GENERAL PROVISIONS

Given that the Contract involves funds for which the U.S. Department of Housing and Urban Development (**HUD**) is the oversight agency, the following terms and conditions may apply to this Contract. In addition, Contractor shall comply with the Federal Labor Standards Provisions set forth in Form HUD-4010, available at <https://www.hud.gov/sites/dfiles/OCHCO/documents/4010.pdf> and must include Form HUD-4010 clauses as an appendix, or by reference, to all covered contracts. Also, contractors and subcontractors are required to insert them in any lower-tier subcontracts.

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

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

#### **General Provisions:**

##### **1. PROVISIONS REQUIRED BY LAW DEEMED INSERTED**

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

##### **2. STATUTORY AND REGULATORY COMPLIANCE**

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

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

### 3. BREACH OF CONTRACT TERMS

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

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### 4. REPORTING REQUIREMENTS

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

### 5. ACCESS TO RECORDS

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

### 6. MAINTENANCE/RETENTION OF RECORDS

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

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

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

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

Additionally, for contracts of **\$10,000 or more**, the CONTRACTOR shall comply with PRDOH established quarterly reporting regarding contract and subcontract activity. This will enable PRDOH to complete federal reporting on all efforts to HUD as per the previously used HUD Form 2516 (Contract and Subcontract Activity) and data requested on this form.

#### **8. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT**

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

#### **9. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964**

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

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

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

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#### **11. SECTION 504 OF THE REHABILITATION ACT OF 1973**

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

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

#### **12. AGE DISCRIMINATION ACT OF 1975**

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

#### **13. DEBARMENT, SUSPENSION, AND INELIGIBILITY**

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

#### **14. CONFLICTS OF INTEREST**

The CONTRACTOR shall notify the PRDOH as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as defined at 24 C.F.R. §578.95; 24 C.F.R. §570.489(g) and (h); and 24 C.F.R. §570.611, if applicable). The CONTRACTOR shall explain the actual or potential conflict in writing in sufficient detail so that the PRDOH is able to assess such actual or potential conflict. The CONTRACTOR shall provide the PRDOH any additional information necessary to fully assess and address such actual or potential conflict of interest. The CONTRACTOR shall accept any reasonable conflict mitigation strategy employed by the

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

### 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

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

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

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

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

## 19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

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

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(1) **Overtime requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) **Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages and interest from the date of the underpayment. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchpersons and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$32 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1).

(3) **Withholding for unpaid wages and liquidated damages —**

(i) **Withholding process.** The [write in the name of the Federal agency or the recipient of Federal assistance] may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for any unpaid wages; monetary relief, including interest; and liquidated damages required by the clauses set forth in this paragraph (b) on this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract subject to the Contract Work Hours and Safety Standards Act that is held by the same prime contractor (as defined in § 5.2). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to the Contract Work Hours and Safety Standards

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

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

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

(B) A contracting agency for its procurement costs;

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

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

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

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

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

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

(i) Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the Contract Work Hours and Safety Standards Act (CWHSSA) or its implementing regulations in this part;

(ii) Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under CWHSSA or this part;

(iii) Cooperating in any investigation or other compliance action, or testifying in any proceeding under CWHSSA or this part; or

(iv) Informing any other person about their rights under CWHSSA or this part.

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## 20. DAVIS-BACON ACT

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

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### (1) *Minimum wages* —

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

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

(ii) **Frequently recurring classifications.**

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

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

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

(iii) **Conformance.**

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

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

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

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

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

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

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

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

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

(2) **Withholding** —

(i) **Withholding requirements.** The [write in name of Federal agency or the recipient of Federal assistance] may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for the full amount of wages and monetary relief, including interest, required by the clauses set forth in paragraph (a) of this section for violations of this contract, or to satisfy any such liabilities required by any other Federal contract, or federally assisted contract subject to Davis-Bacon labor standards, that is held by the same prime contractor (as defined in § 5.2). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to Davis-Bacon labor standards requirements and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld. In the event of a contractor's failure to pay any laborer or mechanic, including any apprentice or helper working on the site of the work (or otherwise working in construction or development of the project under a development statute) all or part of the wages required by the contract, or upon the contractor's failure to submit the required records as discussed in paragraph (a)(3)(iv) of this section, the [Agency] may on its own initiative and after written notice to the contractor, sponsor, applicant, owner, or other entity, as the case may be, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

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

- (A) A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;
- (B) A contracting agency for its procurement costs;
- (C) A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;
- (D) A contractor's assignee(s);
- (E) A contractor's successor(s); or
- (F) A claim asserted under the Prompt Payment Act, 31 U.S.C. 3901-3907.

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

(i) **Basic record requirements —**

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

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

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

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

(ii) **Certified payroll requirements —**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) **Apprentices and equal employment opportunity —**

(i) **Apprentices —**

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

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

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

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

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

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

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

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

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

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

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

(10) **Certification of eligibility.**

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

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

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

## 21. TERMINATION FOR CAUSE

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

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

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## 22. TERMINATION FOR CONVENIENCE

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

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

## 23. SECTION 503 OF THE REHABILITATION ACT OF 1973

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

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

Equal Opportunity for Workers with Disabilities:

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

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

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

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

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

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#### **24. EQUAL EMPLOYMENT OPPORTUNITY**

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

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

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

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

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

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## **25. CERTIFICATION OF NONSEGREGATED FACILITIES**

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

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

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

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

## **26. CERTIFICATION OF COMPLIANCE WITH CLEAN AIR AND WATER ACTS**

### **(Applicable to contracts exceeding \$100,000)**

#### **CLEAN AIR ACT**

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

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

#### WATER POLLUTION CONTROL ACT

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

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

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

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

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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.

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**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.

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)**

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

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

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

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

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

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

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

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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.

### **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.

### 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.

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#### **41. POLITICAL ACTIVITY**

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

#### **42. RELIGIOUS ACTIVITY**

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

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#### **43. FLOOD DISASTER PROTECTION ACT OF 1973**

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

#### **44. LEAD BASED PAINT**

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

#### **45. VALUE ENGINEERING**

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

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

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

Every project funded in part or in full by Community Development Block Grant – Disaster Recovery (CDBG-DR) funds, and all activities related to that project, are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, 42 U.S.C. § 4601 et seq., and section 104(d) of the Housing and Community Development Act of 1992, as amended (HCDA), 42 U.S.C. § 5304(d), except where waivers or alternative requirements have been provided by the U.S. Department of Housing and Urban Development (HUD). The implementing regulations for URA are at 49 C.F.R. Part 24, and the regulations for section 104(d) are at 24 C.F.R. Part 42, subpart C. Additionally, HUD has established regulations specific to CDBG-funded housing activities at 24 C.F.R. § 570.606. PRDOH has also established the Uniform Relocation Assistance Guide & Residential Anti-Displacement and Relocation Assistance

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

When CDBG-DR funds are planned, intended, or used for any activity or phase of a project and the phases are interdependent, URA applies to that activity or project. This includes any property acquisition, even if CDBG-DR funds are not used to fund the purchase, if the contract to acquire property is executed with the intention of seeking CDBG-DR funds to complete the project or an interdependent phase of the project. Contractors are responsible for ensuring URA compliance throughout the design, proposal, and implementation of any project that includes real property acquisition or displacement of residential or business occupants.

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

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

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

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

#### **48. FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA)**

The Federal Funding Accountability and Transparency Act of 2006 (**FFATA**), as amended, was signed with the intent of reducing wasteful government spending and providing citizens with the ability to hold the government accountable for spending decisions. 2

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

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#### **49. PROCUREMENT**

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

#### **50. CHANGE ORDERS TO CONTRACTS**

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

#### **51. LANGUAGE ACCESS PLAN**

Executive Order No. 13166, signed on August 11, 2000, requires programs, subrecipients, contractors, subcontractors, and/or developers funded in whole or in part with CDBG-DR financial assistance to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (**LEP**) and/or deaf/hard of hearing. Fair access is ensured through the implementation of a Language Assistance Plan (**LAP**), which includes non-English-based outreach, translation services of vital documents, free language assistance services, and staff training. Vital documents are defined as depending on the importance of the program, information, encounter, or service

involved, and the consequence to the LEP person if the information in question is not provided accurately or in a timely manner.

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

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- a. Provide Spanish translations for all outreach, marketing, application materials, and vital documents, and advertise the availability of language assistance services.
- b. Requirements will also be added for subrecipients, contractors, and other administering entities that interact with LEP/LSP individuals as part of the implementation of the CDBG-DR/MIT Programs to:
  - i. Develop and maintain operating procedures that address LEP/LSP assistance;
  - ii. Maintain inquiry and application logs that specify language of choice;
  - iii. Submit documentation to PRDOH supporting subrecipient efforts to further LEP access;
  - iv. Submit translated documentation to PRDOH for maintenance in PRDOH's project files; and  
Require periodic monitoring by PRDOH for compliance with LEP/LSP requirements.

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

## **52. PERSONALLY IDENTIFIABLE INFORMATION**

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

### 53. PROCUREMENT OF RECOVERED MATERIALS

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

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# ATTACHMENT G

## CONTRACTOR CERTIFICATION REQUIREMENT

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#### I. Contractor (or Subrecipient) Certification Requirement:

1. The expected subcontractor(s) in connection with the contract<sup>1</sup> is (are) the following:

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(Principal terms and conditions of the contractual relation and role of the subcontractor)

(Amount of proposed contract payable to each subcontractor)

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

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

<sup>2</sup> 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.

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

5. Neither the Contractor (or subrecipient), nor any of its owners, partners, directors, officials, or employees or, to the best of its knowledge (after due investigation), its representatives or sub-contractors, has required, directly or indirectly, from third persons to take any action with the purpose of influencing any public official or employee in connection with the procurement, negotiation, or execution of the contract, in contravention of applicable law.
6. In compliance with Executive Order No. 2021-029 and CC 013-2021, the Contractor certifies as of the date hereof, that it is in a contractual relationship with the following entities of the Government of Puerto Rico:  
PRDOH  
<sup>4</sup> The Contractor also certifies that said entities are all the entities of the Government of Puerto Rico with which they maintain a contractual relationship. In addition, the Contractor recognizes and accepts that omitting any information regarding any current contractual relationship with any governmental entity could result in the termination of this agreement if so, required by PRDOH.
7. Any incorrect, incomplete, or false statement made by the contractor's (or subrecipient's) representative as part of this certification shall cause the nullity of the proposed contract and the contractor (or subrecipient) must reimburse immediately to the Commonwealth any amounts, payments or benefits received from the Commonwealth under the proposed contract.

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

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

*MSP.*

By: Manuel A. Bermúdez Pagán

Signature: \_\_\_\_\_

Position: President

Date: JUN/19/2024

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



# ATTACHMENT H NON-CONFLICT OF INTEREST CERTIFICATION

## M2A GROUP P.S.C

The CONTRACTOR certifies that:

*m.g.p.*

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

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

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

*m.g.p.*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
JUN/18/2024

Date

\_\_\_\_\_  
Manuel A. Bermúdez Pagán

Printed Name

\_\_\_\_\_  
President

Position