

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

SUBRECIPIENT AGREEMENT
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND THE
MUNICIPALITY OF SAN JUAN



This SUBRECIPIENT AGREEMENT ("Agreement") is entered into this 01 day of APRIL , 2025, by and between the PUERTO RICO DEPARTMENT OF HOUSING (PRDOH), a public agency of the Government of Puerto Rico created under Act No. 97, of June 10, 1972, as amended, 3 LPRA § 441 et seq., known as the "Department of Housing Organic Act" ("Organic Act"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, Hon. Ciary Y. Pérez Peña, of legal age, single, and resident of Las Piedras, Puerto Rico; and the MUNICIPALITY OF SAN JUAN ("Subrecipient"), a municipality with principal offices at San Juan, Puerto Rico, represented herein by its Mayor, Miguel A. Romero Lugo, of legal age, married, and resident of San Juan, Puerto Rico, collectively the "Parties".

I. RECITALS AND GENERAL AWARD INFORMATION

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.

WHEREAS, the impact of the hurricanes on the power system was devastating and led to the longest sustained blackout in modern United States (U.S.) history. Without power, residents were unable to gain access to healthcare, communication, refrigeration, water, cooling, and security. With sustained systemic insecurity, residents continue to feel many of the same impacts, economic recovery is hampered, and the cycle of recovery cannot be completed. Energy remains the single most comprehensive and critical factor to the future of Puerto Rico.

WHEREAS, on April 10, 2018, the U.S. Department of Housing and Urban Development (HUD) allocated nearly \$28 billion dollars in Community Development Block Grant for Disaster Recovery (CDBG-DR) funds appropriated by the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act of 2018 (Public Law 115–123, approved February 9, 2018). Of those \$28 billion dollars, HUD allocated \$2 billion for the enhancement or improvement of electrical power systems in Puerto Rico and the U.S. Virgin Islands.

WHEREAS, on June 22, 2021, HUD published a Notice at Federal Register Vol. 86, No. 117 (June 22, 2021), 86 FR 32681, which governs the use of the \$2 billion CDBG-DR allocation

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for enhanced or improved electrical power systems in Puerto Rico and the U.S. Virgin Islands. Of those \$2 billion, one billion, nine hundred thirty-two million, three hundred forty-seven thousand dollars (\$1,932,347,000) were allocated to Puerto Rico to enhance the Puerto Rico electrical power system under the Community Development Block Grant- Disaster Recovery Program (CDBG-DR Energy).

WHEREAS, on August 5, 2022, PRDOH and HUD signed Grant Agreement Number B-18-DE-72-0001, allowing PRDOH access to the CDBG-DR funding obligated under Pub. L. 115-123, as amended, for activities designed to enhance or improve electrical power systems.

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

WHEREAS, according to the approved and current Puerto Rico Electrical Power System Enhancements and Improvements Action Plan (Action Plan), Puerto Rico intends to undertake the Electrical Power Reliability and Resilience Program (ER2 or Program). The focus of the Program is to benefit Puerto Rican communities by funding projects that enhance the electrical system reliability, affordability, and resiliency through the development and interconnection of decentralized microgrids and distributed energy resources, including renewable energy generation, combined heat and power (CHP) systems, and battery energy storage. With the Program, special emphasis is being placed on projects that will provide enhanced electric power services to critical facilities such as hospitals, shelters, police and fire stations, among others.

The program will serve the needs of communities by funding projects that are not currently anticipated to be funded from other federal or local sources. For construction activities, the awardee or subrecipient must agree to budget the operations and maintenance activities for the long-term sustainability of the electrical power system improvements.¹ Under the program, the Municipality of San Juan proposed five (5) projects that have been selected due to their compliance with the Program's eligibility alignment goals and objectives requirements. The selected projects:

- ER2-00048 | Centro MAS Salud - Dr. Rabell, aims to maintain stable operation of the facility during an atmospheric event, benefiting all residents of the municipality of San Juan.

¹ Puerto Rico Disaster Recovery Action Plan - For the use of CDBG-DR Funds for Electrical Power System Enhancements and Improvements as amended on, December 20, 2024.
<https://recuperacion.pr.gov/en/action-plans/action-plan-electrical-system-enhancements>.

- ER2-00093 | San Juan Sports Complex, will support the uninterrupted operation of the Sports Complex and sale of excess power to the electric utility contributing to the grid's generation capacity.
- ER2-00094 | Escuela del Deporte Rebekah Colberg y Escuela Especializada en Ciencias y Matemáticas, will ensure uninterrupted operation of the facilities.
- ER2-00095 | Plaza del Mercado de Río Piedras, will ensure power supply to multiple vendors providing food and other essential items through the development of a microgrid at the Río Piedras Market Square.
- ER2-00096 | Centro de Diagnóstico y Tratamiento (CDT) Dr. J. Antón (Río Piedras), aims to maintain the stable operation of the CDT during an atmospheric event, benefiting all residents of the municipality of San Juan.

WHEREAS, the Action Plan allocated a total budget of one billion, nine hundred thirty-two million, three hundred forty-seven thousand dollars (\$1,932,347,000) to the Program. Out of those funds, the PRDOH has allocated to the Subrecipient the total amount of one hundred and ninety-three million, eight hundred and twelve thousand three hundred nine dollars (\$193,812,309.00). The Subrecipient shall administer and use those funds to undertake the activities described in the Exhibit A (Scope of Work) under this Agreement;

WHEREAS, the Subrecipient will assist the PRDOH in utilizing CDBG-DR funds to carry out the Program, pursuant to this Agreement;

WHEREAS, the CDBG-DR funds made available for use by the Subrecipient under this Agreement constitute a Subaward of the PRDOH's Federal Award, the use of which must be in accordance with requirements imposed by Federal statutes, regulations, and the terms and conditions of the PRDOH's Federal Award;

WHEREAS, the PRDOH has the legal power and authority, in accordance with its enabling statute, the Organic Act, as amended, *supra*, the federal laws and regulations creating and allocating funds to the CDBG-DR program and the current applicable Action Plan, to issue and award the subaward, enter and perform under this Agreement; and

WHEREAS, the Subrecipient has the legal power and authority to enter into this Agreement with the PRDOH, in accordance with Article 1.008(q) of Act No. 107 of August 14, 2020, also known as the "Puerto Rico Municipal Code", 21 L.P.R.A. § 7013(q); and by signing this Agreement, the Subrecipient assures PRDOH that it shall comply with all the requirements described herein.

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GENERALAWARD INFORMATION

TheSubaward from PRDOHtothe Subrecipient contemplated hereunder is for carrying out a portion of the Federal Award described in Section I above; thus, a federal assistance relationship is created with the Subrecipient. This Agreement shall be updated to reflect any changes to the Federal Award and the following award information.

CDBG-DRGrantee Federal Award Identification Number:	B-18-DE-72-0001
CDBG-DRGrantee Federal Award Date:	August 5, 2022
CDBG-DRGrantee Unique Identifier:	Unique Entity ID:FFNMUBT6WCM1
Federal Award project description:	See Exhibit A for <u>Scope of Work</u>
Subrecipient Contact Information:	Miguel A. Romero Lugo Mayor Municipality of San Juan P.O. Box 9024100 San Juan, PR00902
Subrecipient Unique Identifier:	Unique Entity ID:EMMTCQXM4K39
Subaward Periodof Performance:	Start Date: Effective Date, as defined in Section V of this Agreement. End Date:Forty-eight (48) months from Start Date
Funds Certification:	Dated: March 11,2025 Authorized Amount: \$193,812,309.00 Funds Allocation: CDBG-DR“esp-ier2doh- lmi” Account Number: 6090-01-000 See for <u>Funds Certification</u>

NOW, THEREFORE,inconsiderationof the need for recovery from Hurricanes Irma and María,and the premises and mutual covenants described herein,the Partiesmutually agree to the terms described in this Agreement.

TERMSAND CONDITIONS

II. ATTACHMENTS

Thefollowing attachments are incorporated into this Agreement by reference and are hereby made part of this Agreement:

- Exhibit C
- Exhibit D
- Scope of Work
- Timelines and Performance Goals
- Key Personnel
- Budget

	Funds Certification
Exhibit F	HUD General Provisions and Other Statutes, Regulations, and PRDOHRequirements
Exhibit G	Special Conditions Subrogation and Assignment Provisions
Exhibit I	Non-Conflict Certification
Exhibit J-1	Insurance Requirements and Bonding Specifications CENTRO MAS SALUD DR. RAFAEL (HOARE)
Exhibit J-2	Insurance Requirements and Bonding Specifications SAN JUAN SPORT COMPLEX- BITHORN-CLEMENTE-PEDRIN
Exhibit J-3	Insurance Requirements and Bonding Specifications ESCUELAS CIENCIAS/MATEMÁTICAS Y DEPORTE REBEKAH COLBERG
Exhibit J-4	Insurance Requirements and Bonding Specifications PLAZA DEL MERCADO DE RIO PIEDRAS
Exhibit J-5	Insurance Requirements and Bonding Specifications CDT - DR. J. ANTON (RIO PIEDRAS)

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

III. SCOPE OF WORK

The Subrecipient shall be responsible for performing the activities detailed in Exhibit A (“Scope of Work”) of this Agreement, herein attached and made an integral part of this Agreement, which may be amended from time to time with the consent of both Parties. The Subrecipient shall complete the Scope of Work in a manner satisfactory to the PRDOHand consistent with the terms and conditions of this Agreement and applicable Federal and local statutes, laws and regulations.

- A. Subrecipient Management Responsibilities
1. As a condition of receiving this Subaward, the Subrecipient shall perform the procurement, management, invoicing, monitoring, and reporting of the services or activities related to the development of the microgrid project as described in the Exhibit A (“Scope of Work”) attached to this Agreement.
 2. The Subrecipient is responsible for understanding and ensuring that all services are performed in accordance with PRDOH guidelines and policies, HUD guidelines and regulations, and other applicable state and federal laws and regulations.
 3. The Subrecipient is responsible for the organization and management of the selected personnel and subcontractors.
 4. The Subrecipient is responsible for preparing, reviewing, submitting, and approving project documents related to the development of the microgrid project as stated in the Exhibit A (“Scope of Work”). The PRDOH reserves

authority and discretion to review and require revisions before approving the use of funds for project implementation.

5. The Subrecipient shall support PRDOH's efforts regarding the engagement and outreach of stakeholders.
6. The Subrecipient shall support PRDOH and the project developer during the planning as well as the design and construction phases of the project. Also, the Subrecipient's support will be required through the preparation and completion of the Environmental Review.
7. The Subrecipient shall comply with HUD rules and regulations that govern the environmental review process. The aforementioned rules can be found at 24 C.F.R. Part 58. Particularly, the Subrecipient shall avoid committing public or private funds (CDBG funds or non-CDBG funds) or undertaking activities or projects that would have an adverse environmental impact or limit the choice of reasonable alternatives, prior to obtaining environmental clearance. Activities such as demolition, excavating, relocation of structures, or even acquisition or leasing of real property, among others, may preclude the selection of alternative choices before a final decision is made under the environmental review. The Subrecipient shall consult the applicable regulations with PRDOH for more detailed guidance.
8. After completion of the project development and construction, the Subrecipient shall participate in the interconnection, commissioning, and placement in service of the microgrid.
9. The Subrecipient must provide its financial plan for ensuring the long-term operation and maintenance (O&M) of the microgrid. The Subrecipient is responsible for the execution of an agreement, between the Subrecipient and the selected O&M service provider, prior to Program closeout. Specifically, the O&M service agreement shall be executed before the projected Commercial Operation Date (COD) of the microgrid to allow the O&M service provider to participate in the activities related to the placement of the microgrid system in service.
10. The Subrecipient shall comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. § 4601 et seq. (URA); and section 104(d) of the Housing and Community Development Act of 1992 (HCDA), 42 U.S.C. § 5304(d).

B. General Administration

Prohibited Activities: The Subrecipient may only carry out the roles and responsibilities described in this Agreement and the activities related to the performance of the Scope of Work described in Exhibit A of this Agreement. Notwithstanding anything to the contrary in this Agreement, the Subrecipient shall not be obligated to perform any work or services outside the Scope of Work described in Exhibit A of this Agreement.

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The Subrecipient is prohibited from charging to the PRDOH the costs of CDBG and/ or CDBG-DR ineligible activities, including those described at 24 C.F.R. § 570.207, unless waived or made eligible by an applicable Federal Register Notice, from using funds provided herein or personnel employed in the administration of activities under this Agreement for political activities, inherently religious activities, or lobbying. The Subrecipient may be financially liable for the carry out of activities outside of the parameters of the Scope of Work of this Agreement.

C. National Objectives

As detailed in 86 FR 32681, at least 70% of the aggregated CDBG-DR Energy funds allocated for electrical power system enhancements and improvements must benefit low- and moderate-income (LMI) persons.

All electrical power system improvement activities funded through the Program must meet one (1) of two (2) national objectives as specified at 24 C.F.R. § 570.483 or otherwise provided for by waiver or alternative requirement as published in 86 FR 32681. These are either (i) benefit low- and moderate- income persons (LMI); or (ii) meet an Urgent Need (UN) National Objective. It is Anticipated that all five (5) Municipality of San Juan projects must pursue and achieve compliance under the LMI National Objective.

D. Level of Accomplishment – Performance Goals and Timelines

The Subrecipient shall complete the activities required under the Exhibit A (“Scope of Work”) of this Agreement in accordance with the timeframes and performance goals set forth in Exhibit B (“Timelines and Performance Goals”) of this Agreement, herein attached and made an integral part of this Agreement.

E. Nonperformance Standard

If at the end of the six (6) months from the Effective Date, as defined in Section V of this Agreement, the Program activity has not begun or at any time during the term the Program activity has not accomplished the performance objectives set forth by the PRDOH in Exhibit B (“Timelines and Performance Goals”), the PRDOH may, at its sole discretion, terminate this Agreement, de-obligate funds made available under this agreement, and/ or recapture funds previously expended by the Subrecipient under this agreement from non-federal funds. No contract extensions shall be granted unless the Subrecipient can document circumstances beyond its control that prevented start of the activity. The PRDOH shall review the properly filed and documented circumstances which are alleged to have prevented the initiation of activity and exclusively reserves the right to decide if an extension is warranted, relative to the reasons stated as well as the prevailing circumstances.

F. Staffing

The Subrecipient shall supervise and direct the completion of all activities under this Agreement. Any changes in assigned key personnel (“Key Personnel”) assigned or

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their responsibilities under the activities are subject to the prior approval of the PRDOH. If possible, it is the best practice for the Subrecipient to provide PRDOH with ample written notice to the personnel changes and requests. Ample notice in this context shall be ten (10) business days. If that is not possible, then the Subrecipient shall make all reasonable efforts to notify PRDOH of changes.

At a minimum, the Subrecipient shall assign the staff with the identified responsibilities to the identified activities as described in Exhibit C ("Key Personnel") of this Agreement, herein attached and made integral part of this Agreement.

Depending on the needs of the Program activity, the Subrecipient shall provide staff and/or procure professional service contractors to assist with the compliance of said activities. The staff who will support the Program activities included in the Exhibit A ("Scope of Work"), shall solely perform those tasks and shall be remunerated hourly. The Subrecipient shall also provide support to PRDOH in the procurement of professional services pursued by PRDOH on behalf of the Subrecipient.

The Subrecipient shall monitor the performance of its staff and contractors against the goals and performance standards as stated in the Exhibit B ("Timelines and Performance Goals").

G. Pre-Award Costs

Pre-award costs applicable to the Subrecipient are strictly prohibited.

IV. PERFORMANCE, MONITORING AND REPORTING

A. Monitoring

The PRDOH shall monitor the performance of the Subrecipient as necessary to ensure that the funds allocated to the Subrecipient are used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of this Agreement, including the timeframes and performance goals set forth in Exhibit B ("Timelines and Performance Goals") associated with the activities included in the Exhibit A ("Scope of Work").

This review shall include: (1) reviewing financial and performance reports required by the PRDOH; (2) following-up and ensuring that the Subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the Subrecipient from the PRDOH detected through audits, on-site reviews, and other means; and (3) issuing a management decision for audit findings pertaining to this Federal award provided to the Subrecipient from the PRDOH as required by 2 C.F.R. § 200.521.

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Substandard performance, defined as a performance that falls short of the standard expected of the Subrecipient, as specified in the Agreement's exhibits, shall constitute noncompliance with this Agreement.

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If action to correct such substandard performance is not taken by the Subrecipient within fifteen (15) days after being notified by PRDOH, PRDOH may impose additional conditions on the Subrecipient and suspend or terminate this Agreement, disallow all or part of the cost of the activity or action not in compliance or initiate other remedies for noncompliance, as appropriate and permitted under 2 C.F.R. §200.339.

B. Reporting

The Subrecipient shall submit progress reports to the PRDOH, at a minimum, on a monthly basis, besides, on the form and with the content to be specified and required by the PRDOH. The PRDOH may later notify the Subrecipient, in writing, further guidelines and requirements applicable to the submittal of the progress reports, and such notification shall be deemed incorporated by reference to this Agreement.

V. EFFECTIVE DATE AND TERM

This Agreement shall be in effect and enforceable between the parties from the date of its execution. The performance period of this Agreement is forty-eight (48) months from the date of its execution, ending in April 1, 2029.

The End of Term shall be the later of: (i) April 1, 2029. (ii) the date as of which the Parties agree in writing that all Close-Out Requirements² have been satisfied or, where no Close-Out Requirements are applicable to this Agreement, the date as of which the Parties agree in writing that no Close-Out Requirements are applicable hereto; or (iii) such later date as the Parties may agree to in a signed amendment to this Agreement.

The Subrecipient hereby acknowledges that this Agreement is subject to the grant agreement between the Government of Puerto Rico or the PRDOH, and HUD (the "Grant Agreement"); and the availability of the allocated CDBG-DR funds. The Subrecipient also acknowledges and agrees that any suspension, cancellation, termination or otherwise unavailability of the CDBG-DR allocation(s) shall result in the immediate suspension, cancellation, or termination of this Agreement, upon PRDOH's notice.

A. Contract Extensions:

PRDOH may, at its sole discretion, extend the Agreement's term for additional terms, upon mutual written agreement of the Parties. The term of this Agreement shall not exceed the lifetime of the initial Grant Agreement between PRDOH and HUD, unless the

2 "Close-Out Requirements" means all requirements to be satisfied by each party in order to close-out this Agreement and the CDBG-DR funds provided herein in accordance with applicable Requirements of Law, including the execution and delivery by one or more of the Parties of all close-out agreements or other legal instruments and the taking of any actions by one or more of the Parties in connection with such close-out, in any case as required under applicable Requirements of Law.

term of the initial Grant Agreement is extended by HUD, in which case the term of this Agreement cannot exceed the extension.

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VI. BUDGET

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A. Budget

The Subrecipient shall complete all activities in the Exhibit A ("Scope of Work") of this Agreement in accordance with the Exhibit D ("Budget") attached herein and made integral part of this Agreement as such Budget may be amended from time to time.

Any proposed budget to be managed by the Subrecipient shall clearly specify proposed funding for administrative costs and/or program delivery costs and/or planning costs, to the extent that such costs are considered applicable categories for funding.

The Budget may include a reserve of the Subaward for PRDOH's activity delivery costs and expenditures related to the Program. The Subrecipient may not access the reserve identified in the Budget without written consent from the PRDOH.

The PRDOH may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the PRDOH. Any amendments to the budget must be approved in writing and signed by the PRDOH and the Subrecipient.

B. Indirect Costs

Indirect costs invoiced, if any, must be consistent with the conditions set forth herein. Indirect costs may be charged to PRDOH under a negotiated indirect cost rate agreement with a federal cognizant agency, a de minimis indirect cost rate (for applicable entities), or an indirect cost proposal prepared in accordance with 2 C.F.R. part 200, subpart E, submitted to a federal cognizant agency, and as approved by PRDOH in accordance with its written policies and procedures, which shall be included in the Exhibit D ("Budget").

C. Program Income

All Program Income (as defined in Section V.A.18.a of 86 FR 32681, 32696-32697) received or generated from CDBG-DR funded electrical power system improvements, is subject to the requirements of 86 FR 32681. Such program income shall be used only for electrical power system improvements. PRDOH may authorize the Subrecipient to retain the program income but is not required to do so. All Program Income generated by activities carried out with the CDBG-DR funds must be returned to PRDOH if retention of such is not previously authorized by PRDOH.

The Subrecipient shall notify PRDOH, within twenty-four (24) hours of receipt, of any Program Income generated by activities carried out with CDBG-DR funds made available under this Agreement. Program Income is subject to all applicable CDBG-DR laws, regulations and PRDOH's policies and procedures for so long as it exists. Any interest earned on cash advances from the U.S. Treasury or interest paid on CDBG funds held in a revolving fund account is not Program Income and shall be remitted promptly to the PRDOH for transmittal to the U.S. Treasury no less frequently than annually.

PRDOH will later notify the Subrecipient, in writing, the applicable procedures for the return or reversion of Program Income to the PRDOH, and such notification shall be deemed incorporated by reference to this Agreement.

D. Reversion of Assets

Use and Reversion of Assets. As a general rule, the use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 C.F.R. part 84 and 24 C.F.R. §§ 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

The Subrecipient shall transfer to PRDOH any CDBG-DR funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 C.F.R. § 570.208 until five (5) years after expiration of this Agreement [or such longer period of time as PRDOH deems appropriate]. If the Subrecipient fails to use CDBG-DR assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Subrecipient shall pay PRDOH an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG-DR funds for acquisition of, or improvement to, the property. Such payment shall constitute Program Income to the PRDOH. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the five (5) year period or such longer period of time as PRDOH deems appropriate.

In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be Program Income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the PRDOH for the CDBG-DR program or (b) retained after compensating the PRDOH an amount equal to the current fair market

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value of the equipment less the percentage of non-CDBG-DR funds used to acquire the equipment.

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VII. PAYMENT

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A. Amount

This Agreement is based on the reimbursement of funds to the Subrecipient expended on approved CDBG-DR items. Funding is contingent on a CDBG-DR award to PRDOH or a Grant Agreement between the Government of Puerto Rico or the PRDOH, and HUD, and PRDOH's receipt of CDBG-DR funds. It is expressly agreed and understood that the total funding amount to be paid by the PRDOH to the Subrecipient under this Agreement shall not exceed the amount specified in the Exhibit D ("Budget"). Such payment shall be compensation for all allowable services required, performed and accepted under this Agreement. However, PRDOH reserves the right to reduce the funding amount if CDBG-DR funding is not provided at the currently anticipated levels and/ or if the actual costs for the approved activities are less than those set forth in the Exhibit D ("Budget").

Any additional funds to complete the services requested by the PRDOH to the Subrecipient shall be subject to funds availability and shall require an amendment to this Agreement.

B. Requests for Reimbursements

The Subrecipient shall submit to PRDOH requests for reimbursements of activities under this Agreement and consistent with the approved Budget ("Request for Reimbursement") and Scope of Work on a monthly basis. Each Request for Reimbursement shall be broken down into requested reimbursements against the Budget line items specified in Exhibit D ("Budget").

The Subrecipient shall submit Requests for Reimbursements to the PRDOH, on the form and with the content specified and required by the PRDOH. The Requests for Reimbursements must be submitted with all supporting invoices, bills, time sheets, monthly reports, and any other document necessary to justify the payment, or any other supporting document requested by PRDOH. The Request for Reimbursement must also be accompanied by documentation from the Subrecipient demonstrating that all procurements for which payment is requested have been made in accordance with this Agreement.

If PRDOH determines that the submitted Request for Reimbursement and supporting documents are acceptable, then the invoice shall be approved for payment. An authorized representative of the PRDOH shall review each Request for Reimbursement and, if adequate, shall approve and process its payment. Payments to the Subrecipient shall be made by check or electronic funds transfer (EFT). PRDOH reserves the right to conduct any audit it deems necessary.

In order for the Subrecipient to receive payment for any work performed hereunder, the following certification must be included in each Request for Reimbursement submitted to the PRDOH:

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

The PRDOH shall pay to the Subrecipient CDBG-DR funds available under this Agreement [See Exhibit E (“Funds Certification”)] based upon information submitted by the Subrecipient for allowable costs permitted under this Agreement and consistent with the approved Budget. Payments shall be made for eligible and allowed expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. PRDOH reserves the right to adjust payments in accordance with program income balances available in Subrecipient accounts.

VIII. NOTICES

All notices, requests, approvals, and consents of any kind made pursuant to this Agreement shall be in writing and shall be deemed to be effective as of the date sent by certified mail, return receipt requested, or email. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice. Communication and details concerning this Agreement shall be directed to the following contract representatives:

CDBG-DR Grantee:

Ciary Y. Pérez Peña
Secretary
Puerto Rico Department of Housing
606 Barbosa Avenue
Juan C. Cordero Building
Río Piedras, Puerto Rico 00918

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Subrecipient:

Miguel A. Romero Lugo
Mayor
Municipality of San Juan
P.O. Box 9024100
San Juan, PR 00902

IX. AMENDMENT AND TERMINATION

A. Amendments

This Agreement may be amended provided that such amendments make specific reference to this Agreement, comply with programmatic policies, procedures, and guidelines, are executed in writing and signed by a duly authorized representative of each party, and approved by PRDOH. Such amendments shall not invalidate this Agreement, nor relieve or release the Parties from their obligations under this Agreement. Unless specified, such amendments are not intended to affect nor will they constitute an extinctive novation of the obligations of the Parties under the Agreement and amendment.

This Agreement may be amended by the parties hereto, for the purpose of including any other CDBG-DR funded program included in the HUD-approved Hurricanes Irma and María current Action Plan.

The PRDOH may, in its discretion, amend this Agreement to conform with federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications shall be incorporated only by written amendment signed by both the PRDOH and the Subrecipient.

However, PRDOH reserves the right to notify the Subrecipient in writing, email or any other electronic method, 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.

B. Suspension or Termination

1. Termination for Cause

The PRDOH may terminate this Agreement, in whole or in part, upon thirty (30) days' notice, whenever it determines that the Subrecipient has failed to comply with any

term, condition, requirement, or provision of this Agreement. Failure to comply with any terms of this Agreement, include (but are not limited to) the following:

- a. Failure to attend mandatory technical assistance and/ or training, or comply with any of the rules, regulations, or provisions referred to herein, or such statutes, regulations, executive orders, HUD guidelines, PRDOH's Program Guidelines, as applicable, and policies or directives as may become applicable at any time;
- b. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
- c. Ineffective or improper use of funds provided under this Agreement;
or,
- d. Submission of reports by the Subrecipient to the PRDOH that are incorrect or incomplete in any material respect.

The Subrecipient shall have up to thirty (30) days to resolve issues listed above to the satisfaction of PRDOH.

2. Termination for Convenience of the PRDOH

The PRDOH may terminate this Agreement any time by a notice in writing from the PRDOH to the Subrecipient. If the Agreement is terminated by the PRDOH as provided herein, the Subrecipient shall be paid the total compensation as the allowable services actually performed up until the date of termination. Any compensation under this paragraph must be for documented costs that are CDBG-DR eligible, and allowable, allocable, and reasonable in accordance with Uniform Administrative Requirements.

This Agreement may also be terminated in whole or in part by either the PRDOH or the Subrecipient, or based upon Agreement by both the PRDOH and the Subrecipient in accordance with the requirements in 2 C.F.R. part 200, subpart D.

3. Notification and Recoupment of Costs Incurred Prior to Termination

The PRDOH shall promptly notify the Subrecipient, in writing, of its determination and the reasons for the termination together with the date on which the termination shall take effect and any other notifications required under 2 C.F.R. part 200, subpart D. Upon termination, the PRDOH retains the right to recover any improper expenditures from the Subrecipient and the Subrecipient shall return to the PRDOH any improper expenditures no later than thirty (30) days after the date of termination. In the case of a Termination for Convenience only, the PRDOH may, at its sole discretion, allow the Subrecipient to retain or be reimbursed for costs reasonably incurred prior to termination, that were not made in anticipation of termination and cannot be canceled provided that said costs meet the provisions of this Agreement, 2 C.F.R. part 200, subpart E, Cost Principles, and any other applicable state or Federal statutes, regulations or requirements.

4. Unilateral Termination

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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 Subrecipient a thirty (30) day notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the effective date of termination. Upon receipt of such notice, the Subrecipient shall immediately discontinue all services affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. If the Subrecipient does not deliver to the PRDOH all information, studies, and other materials property of the PRDOH within the established timeframe, and the PRDOH invests any additional funds to reproduce the information, studies, and other materials not provided by the Subrecipient upon termination, then the PRDOH will disallow from payments to the Subrecipient under this Agreement the funds expended for the PRDOH to reproduce such information, studies, and other materials. In the event of a termination by Notice, the PRDOH shall be liable only for payment of services rendered up to and including the effective date of termination.

5. 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 Subrecipient five (5) days' written notice of such suspension. Upon receipt of said notice the Subrecipient shall immediately discontinue all Services affected.

6. Immediate Termination

In the event the Subrecipient is subjected to a criminal or civil action, suit, proceeding, inquiry or court of applicable jurisdiction, or any governmental agency, or the Subrecipient 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 Subrecipient of this Agreement or the Subrecipient of this Agreement has been noncompliant, breach, inaccuracy of any representation, warranties, covenants, or the certifications provided herein, whether the noncompliance, breach or inaccuracy takes place before or after the execution of this Agreement, the PRDOH shall have the right to the immediate termination of this Agreement notwithstanding, any provisions to the contrary herein. This section will apply in the event of any judgment that may obligate the PRDOH to terminate the Agreement pursuant to Act No. 2 of January 4, 2018, as amended, 3 LPRA § 1881 et seq., known as the "Anti-Corruption Code for the New Puerto Rico". The Subrecipient has a continuous obligation to report to PRDOH any proceedings which apply to the Subrecipient under this paragraph.

In the event that the grant of funds by HUD under any allocations of the CDBG-DR may be suspended, withdrawn or canceled, this Agreement will be immediately terminated.

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7. Period of Transition.

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

8. Availability of Funds

This Agreement is contingent upon the availability of funds from HUD. It is expressly understood and agreed that the obligation to proceed under this Contract is conditioned upon the receipt of Federal funds. If the funds anticipated for the continuing fulfillment of the Agreement are, at any time, not forthcoming or insufficient, either through the failure of the Federal government to provide funds or the discontinuance or material alteration of the program under which funds were provided, or if funds are not otherwise available to PRDOH, the PRDOH has the right upon ten (10) working days written notice to the Subrecipient, to terminate this Agreement without damage, penalty, cost or expenses to PRDOH of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination.

X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS

The “HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements”, which are attached to, and made an integral part of this Agreement as Exhibit F, set forth certain requirements imposed by HUD with respect to PRDOH’s Federal award or CDBG-DR Grant. Furthermore, the Exhibit G (“Special Conditions”), attached herein and made an integral part of this Agreement, is reserved to cover particular circumstances, conditions or specific requirements as they arise from the demands of the Program.

The Subrecipient agrees to carry out its obligations under this Agreement in compliance with all the requirements described in the Exhibit F, as well as those set forth in the aforementioned Exhibit G attached to this Agreement.

Moreover, the Exhibit I (“Non-Conflict of Interest Certification”), attached herein and made an integral part of this Agreement, outlines several situations that may

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reasonably be considered as conflicts of interest. The Subrecipient shall disclose and certify that, to the best of its knowledge, none of the situations exist or may exist at the date of the execution of the Agreement. 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 funded projects, activities, and/or operations.

XI. INSURANCE & BONDING

The Subrecipient shall carry sufficient insurance coverage and bonding from insurers licensed to conduct business in the Government of Puerto Rico to protect all contract assets from loss due to any cause, including but not limited to theft, fraud, and/or physical damage. The Government of Puerto Rico, the Puerto Rico Department of Housing and the U.S. Department of Housing and Urban Development shall be named as additional insured on all such insurance. All insurance carriers and bonding companies shall meet minimum size and financial stability/financial rating requirements as may be imposed by the PRDOH from time to time. Certificates of insurance shall be provided to the PRDOH and full and complete copies of the policies and/or bonds shall be provided to the PRDOH upon its request for same.

For construction or facility improvement performed by subcontractors or third parties, the Subrecipient shall ensure that the subcontractors or third parties, at a minimum, comply with the bonding requirements at 2 C.F.R. part 200, subpart D.

The Subrecipient shall submit proof of the Comprehensive General Liability (CGL) insurance to the PRDOH before the execution of the Subrecipient Agreement. The Subrecipient shall also ensure that all other insurance policies and bonds required under this Agreement are secured by its subcontractors. The Subrecipient is responsible for providing to the PRDOH evidence of these additional insurance policies and bonds within five (5) days after the execution of each individual subcontract agreement.

The Subrecipient shall meet all other insurance requirements as the PRDOH may impose from time to time.

XII. CDBG-DR POLICIES AND PROCEDURES

In addition to what is established in this SRA, the Subrecipient shall comply with all CDBG-DR/MIT program-specific and general policies and procedures, which may include but are not limited to, the Subrecipient Management Policy, OS&H Guideline, MWBE Policy, URA & ADP Guidelines, Cross Cutting Guidelines, AFWAM Policy, Section 3 Policy, Personally Identifiable Information, Confidentiality, Language Access Plan, and Nondisclosure Policy and Conflict of Interest and Standards of Conduct Policy, as found in the CDBG-DR/MIT Website (<https://recuperacion.pr.gov/en/resources/policies/>), which are herein included and

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made an integral part of this SRA, as they may be updated from time to time, Procurement policies and procedures in accordance with the Procurement Manual for the CDBG-DR, CDBG-MIT, and CDBG State Programs Regulation No. 9506 (effective on October 25, 2023), and reporting requirements as established by the PRDOH.

XIII. SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION

The Subrecipient must be registered in the System for Award Management (SAM) and shall maintain its registration active during contract performance and through final payment. The Subrecipient is responsible during performance and through final payment for the accuracy and completeness of the data within SAM. Failure to maintain registration in SAM can impact obligations and payments under this Agreement.

XIV. FORCE MAJEURE

In the event of a fire, flood, earthquake, natural disaster, hurricane, riot, act of governmental authority in its sovereign capacity, pandemic officially declared by the Government of Puerto Rico, strike, labor dispute or unrest embargo, war, insurrection or civil unrest any Force Majeure including inclement weather, herein collectively referred to as Force Majeure during the term of this Agreement neither the PRDOH nor the Subrecipient 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 Subrecipient 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 nonperformance or delay relates to or arises from the Force Majeure event its anticipated duration and any action taken to minimize its effect. The Subrecipient may be entitled to reasonable adjustments in schedule, among other measures, in the foregoing circumstances. If non-performance continues for more than thirty (30) days, without reasonable justification, the PRDOH may terminate this Agreement immediately upon written notification to the Subrecipient.

XV. INDEPENDENT CONTRACTOR

Nothing contained in this Agreement, as amended, is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/ employee between the Parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the efforts to be performed under this Agreement. The PRDOH shall be exempt from payment of all Unemployment

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Compensation, FICA, retirement, life and/ or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent entity.

XVI. ASSIGNMENT OF RIGHTS

The Subrecipient shall not assign or transfer any interest in this Agreement, as amended, without the prior written consent of the PRDOH.

XVII. SEVERABILITY

If any provision of this Agreement, as amended, is held invalid, the remainder of the Agreement shall not be affected thereby, and all other parts of this Agreement shall nevertheless be in full force and effect.

XVIII. SECTION HEADINGS AND SUBHEADINGS

These section headings and subheadings contained in this Agreement, as amended, are included for convenience only and shall not limit or otherwise affect the terms of this Agreement, and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

XIX. 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 consolidation or merger with another entity (private or public), by its discretion or otherwise, written notice of such decision or event shall be delivered to the PRDOH Legal Division at contractscdbgdr@vivienda.pr.gov at least fifteen (15) days prior to the effective date of the consolidation or merger. The notice shall include, but not be limited to, a description of: the expected effective date of the consolidation or merger; the 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 be 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

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of the Amendment. No amendment to the Agreement will be necessary if the Subrecipient, Contractor, or Subcontractor becomes the surviving entity following a merger.

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

B. Change of Name

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

Upon the change of name becoming effective and supporting evidence of such event is notified to PRDOH, execution of an Amendment to the Agreement may follow. The Amendment would include, but not limited to, modifications to the clauses that refer to the identity, personal circumstances, address, and any other information related to the signing party deemed relevant by PRDOH for the execution of the Amendment.

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

C. Dissolution

In the event that the signing party (e.g., Subrecipient, Contractor, or Subcontractor) of the Agreement with the PRDOH moves for dissolution of the entity, written notice of such decision or event shall be delivered to the PRDOH Legal Division at contractscdbgdr@vivienda.pr.gov at least fifteen (15) days prior to the effective date of such event. The notice shall include, but not be 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 the performance of the tasks or services to the PRDOH or a third party designated by the PRDOH. Moreover, all finished or unfinished records (files, data, work product) connected with this Agreement will be turned over to PRDOH following the Agreement termination.

XX. NON-WAIVER

The PRDOH's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the PRDOH to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XXI. BANKRUPTCY

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

XXII. GOVERNING LAW: JURISDICTION

This Agreement, as amended, 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, San Juan Part.

XXIII. COMPLIANCE WITH LAW

It is the intention and understanding of the Parties hereto that each and every provision of law required to be inserted in this Agreement, as amended, should be and is inserted herein. Furthermore, it is hereby stipulated that every such provision is deemed to be inserted and if, through mistake or otherwise, any such provision is not inserted herein or is not inserted in correct form, then this Agreement shall forthwith, upon the application of any Party, be amended by such insertion so as to comply strictly with the law and without prejudice to the rights of any Party.

XXIV. SUBROGATION

The Subrecipient acknowledges that funds provided through this Agreement, as amended, are Federal funds administered by HUD under the CDBG-DR Program and that all funds provided by this Agreement are subject to audit, disallowance, and repayment. Any disagreement with adverse findings may be challenged and subject to Federal regulation, however, the Subrecipient shall promptly return any and all funds to the PRDOH, which are found to be ineligible, unallowable, unreasonable, a duplication of benefits, or non-compensable, no matter the cause. This clause shall survive indefinitely the termination of this Agreement for any reason, in accordance with Exhibit H ("Subrogation and Assignment Provisions").

XXV. COMPTROLLER REGISTRY

The PRDOH shall remit a copy of this Agreement, as amended, to the Office of the Comptroller for registration within fifteen (15) days following the date of execution of this Agreement and any subsequent amendment hereto. The services object of this Agreement may not be invoiced or paid until this Agreement has been registered by

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the PRDOH at the Comptroller's Office, pursuant to Act No. 18 of October 30, 1975, as amended by Act No. 127 of May 31, 2004.

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XXVI. ENTIRE AGREEMENT

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This Agreement constitutes the entire Agreement among the Parties for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written among the Parties with respect to this Agreement.

XXVII. FEDERAL FUNDING

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

XXVIII. RECAPTURE OF FUNDS

PRDOH may recapture payments it makes to Subrecipient 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. Subrecipient must refund such recaptured payments within thirty (30) days after the PRDOH issues notice of recapture to Subrecipient.

XXIX. OVERPAYMENT

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

XXX. COUNTERPARTS

This Agreement, as amended, may be executed in any number of counterparts, each of which 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) days of execution by the other party, this Agreement shall be null and void.

XXXI. SURVIVAL OF TERMS AND CONDITIONS

The terms and conditions of this Agreement, as amended, related to the following subjects shall survive the termination or expiration of this Agreement: interpretive provisions; consideration; warranties; general affirmations, federal assurances, federal and state certifications; CDBG-DR and state funding, recapture of CDBG-DR and/or state funds, overpayment of CDBG-DR and/or state funds; ownership and

intellectual property, copyright; records retention methods and time requirements; inspection, monitoring and audit; confidentiality; public records; indemnification and liability; infringement of intellectual property rights; independent contractor relationship; compliance with laws; notices; choice of law and venue; severability; dispute resolution; consolidations, mergers, 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.

XXXII. LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE

The Subrecipient does not have a legal claim to any amount of CDBG funds to be used for the specific project or site until the environmental review process is satisfactorily completed. As such, the Subrecipient acknowledges that it has no legal claim to any amount of CDBG funds for any projects or site acquisition under this Agreement, until the environmental review process is completed under PRDOH's satisfaction. The Subrecipient acknowledges that it will not begin any actions related to the project or site until the environmental review process is completed and has written acceptance and a Notice to Proceed from PRDOH.

XXXIII. PUERTO RICO POLITICAL CAMPAIGN FINANCING OVERSIGHT ACT

Act No. 222-2011, known as the "Puerto Rico Political Campaign Financing Oversight Act", 16 LPRA § 621-634, as amended, states that starting in January of each general election year, and until the general canvass of the general elections has been completed, and the official and final results thereof have been certified, any entity of the Government of Puerto Rico (Executive Branch, Judicial Branch, Legislative Branch, and Municipalities) is prohibited from disbursing public funds for the purpose of exposing achievements, accomplishments, projections, plans or messages and content for partisan or electoral political purposes that seek to highlight, or disfavor an aspirant, candidate, elected official, political party, or committee. This includes any advertisement or article that has been purchased, acquired, produced, or assembled prior to the year in which the general election is held, provided that it is to be disseminated during the election year, and regardless of whether the public funds used by the government entity come from the general fund, a special fund, federal funds, municipal funds, or any other source.

It will be the Subrecipient's responsibility to comply with the requirements set forth in Act No. 222-2011. Failure to comply with the provisions of this legislation and applicable regulations, as determined by a competent authority, may affect the disbursement of funds allocated under this Agreement.

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IN WITNESSTHEREOF,theParties hereto execute this Agreement in the place and on the date firstabove written.

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PUERTORICO DEPARTMENT OF HOUSING	MUNICIPALITY OF SAN JUAN
CDBG-DRGrantee	Subrecipient
By: <u>Ciary Y. Pérez Peña</u> <small>Ciary Y. Pérez Peña (Apr 1, 2025 10:24 EDT)</small>	By: <u>Miguel Romero</u>
Name: Hon. Ciary Y. PérezPeña	Name:Miguel A. Romero Lugo
Title: Secretary	Title: Mayor
Employer Social Security Number:	Employer Social Security Number:
UEID:FFNMUBT6WCM1	UEID:EMMTCQXM4K39

EXHIBIT A

SCOPE OF WORK

ELECTRICAL POWER RELIABILITY AND RESILIENCE PROGRAM (ER2) MUNICIPALITY OF SAN JUAN | COMPETITIVE PROJECTS

The Puerto Rico Department of Housing (PRDOH) has established the following Scope of Work as part of the Subrecipient Agreement (SRA) between PRDOH and the Subrecipient under the Electrical Power Reliability and Resilience Program (ER2 Program or Program) of the Community Development Block Grant – Disaster Recovery Energy (CDBG-DREnergy).

The Subrecipient will prepare and submit all necessary documentation related to the following projects in the Municipality of San Juan for their development under this Program.

- ER2-00048 – Centro MASSalud - Dr. Rabell (Hoare)
- ER2-00093 – San Juan Sports Complex – Bithorn-Clemente-Pedrin
- ER2-00094 – Escuelas Ciencias/ Matemáticas Deporte Rebekah Colberg
- ER2-00095 – Plaza del Mercado de Río Piedras
- ER2-00096 – CDT – Dr. J Antón (Río Piedras)

The Projects' documentation shall demonstrate compliance with all eligibility requirements established in the published ER2 Program Guidelines.

1. Project Background and Description

The CDBG-DREnergy ER2 Program, as approved in the Puerto Rico Electrical Power Systems Enhancements Action Plan (Action Plan) with a budget of \$1.316 billion, will benefit Puerto Rican communities by funding projects that enhance electric system reliability, affordability, and resiliency through the development and interconnection of decentralized microgrids and distributed energy resources, including renewable energy generation, combined heat and power (CHP) systems, and battery energy storage.

The Municipality of San Juan has proposed five (5) projects that have been selected under the ER2 Program due to their alignment with the Program's goals and objectives and compliance with the Program's eligibility requirements. The generation and/or storage capacity included in the descriptions below, as well as the full extent of each project's benefit, are subject to the completion of design development and utility and regulatory coordination and compliance.

- ER2-00048 – Centro MASSalud - Dr. Rabell (Hoare)

The project consists of a CHP generation system with the estimated capacity to produce 2.4 MW of electrical power, a 300 KW photovoltaic system, and an estimated 2.9 MW battery energy storage system (BESS) located at the Dr. Gualberto Rabell (Hoare) medical facility in Santurce. The project aims to maintain stable operation of the facility during an atmospheric event, benefiting all residents of the municipality of San Juan.

- ER2-00093 – San Juan Sports Complex – Bithorn-Clemente-Pedrin

The project consists of a CHP generation system with 4,000 tons of chilled water, four 1,000-ton multi-energy chillers and a direct-fired option, and four 3.3 MW dual fuel reciprocating engines able to produce an estimated total of 13.2 MW of power in addition to an estimated 500-kilowatt capacity of photovoltaic power. This combination of CHP and photovoltaic panels will support the uninterrupted operation of the Sports Complex and sale of excess power to the electric utility contributing to the grid's generation capacity.

- ER2-00094 – Escuela del Deporte Rebekah Colberg y Escuela Especializada en Ciencias y Matemáticas

The project consists of a CHP generation system and 300 tons of chilled water (1X300 Tons Multi Energy w/Direct Fired Absorption Chiller); two (2) 1.2 MW dual fuel reciprocating engines would be used to produce a total of 2.4 MW of power. The project will ensure uninterrupted operation of the facilities.

- ER2-00095 – Plaza del Mercado de Río Piedras

The project consists of a CHP generation system with 400 tons of chilled water, 400 tons of multi-energy chiller and a direct-fired option, and two 1.2 MW dual fuel reciprocating engines able to produce a total of 2.4 MW of power. The project will ensure power supply to multiple vendors providing food and other essential items through the development of a microgrid at the Río Piedras Market Square.

- ER2-00096 – Centro de Diagnóstico y Tratamiento (CDT) – Dr. J Antón (Río Piedras)

The project consists of a CHP system with the capacity to produce 2.4 MW of electrical power and a 2.9 MW battery energy storage system ("BESS") located at the Dr. Javier Antón CDT in Río Piedras. The project aims to maintain the stable operation of the CDT during an atmospheric event, benefiting all residents of the municipality of San Juan.

2. National Objective

As detailed in 86 FR 32681, at least 70% of the aggregated CDBG-DR Energy funds allocated for electrical power system enhancements and improvements must benefit low- and moderate-income (LMI) persons. All electrical power system improvement activities funded through the ER2 Program must meet one (1) of two (2) national objectives specified at 24 C.F.R. § 570.483 or otherwise provided for by waiver or alternative requirement as published in 86 FR 32681. These are either the LMI or Urgent Need (UN) National Objective. All five (5) MSJ projects must pursue and achieve compliance under the LMI National Objective.

3. Tasks

The Subrecipient will be directly responsible for ensuring the accuracy, timeliness, and completion of all tasks assigned under this SRA as part of the ER2 Program for each project. PRDOH will provide funding and technical assistance, as needed, to the Subrecipient to complete the following tasks:

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Task 1. Subrecipient Staff

Activity: The Subrecipient shall submit to the PRDOH an organizational chart presenting each resource position necessary to perform all tasks of this SRA. The organizational chart shall identify which positions will be provided by Subrecipient's employees and which positions will be provided through contracted professional services.

For each professional service to be contracted, the Subrecipient shall submit a plan for procurement of services including the following information: service description, schedule of request announcement, and estimated cost of service.

The Subrecipient shall submit to the PRDOH the request for authorization of key personnel that will perform services for the positions established in Exhibit C (Key Personnel) of this SRA. The PRDOH will not reimburse the Subrecipient for work performed by employees without an authorization before performing work.

Deliverables:

- Organizational Chart – The Subrecipient shall submit an organizational chart identifying positions of Subrecipient's employees and contracted professional services.
- Authorization Request for Key Personnel – Subrecipient shall submit to the PRDOH for revision and approval a request of authorization for key personnel for positions established in Exhibit C of this SRA.

Task 2. Project Management Services

Activity: Utilizing internal staff and/or contracted professional services, the Subrecipient shall perform all required Project Management services including the following examples of roles and responsibilities:

- a) Act as point of contact for the Program and between PRDOH, its representatives, and the Subrecipient's contractors.
- b) Lead coordination and control over execution of approved project activities.
- c) Assist in the coordination and reporting of overall and specific project activities.
- d) Monitor project status and establish necessary tools for controlling schedule, budget, and scope.
- e) Lead and coordinate the implementation of change management, risk management, and quality assurance.
- f) Lead and approve project monitoring activities to prepare and present reports as required by the PRDOH.
- g) Lead, coordinate, and facilitate all necessary high-profile, Program-wide public presentations and meetings, Subrecipient meetings, and government or non-government stakeholders' meetings.
- h) Coordinate, support, and analyze performance measurement of contractors, and report results to PRDOH or its authorized representative.
- i) Maintain a complete understanding of all applicable CDBG-DR Energy Program's policies, requirements, procedures, and guidelines; and identify/promote all necessary corrective actions. Ensure that all such requirements are met throughout project development and implementation.
- j) Coordinate documentation submissions for the approved project.
- k) Track and report status and performance of approved project.

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- l) Provide, coordinate, or manage technical assistance to technical team (e.g., consultants and employees performing technical work to develop project).
- m) Review and recommend for payment, all invoices related to professional services certifications for payment and construction change orders. Submit all invoice documentation using PRDOH Financial Management System (FMS).
- n) Monitor and prepare progress reports to communicate the status of work, pending matters, and the budgetary situation of the project.
- o) Identify, communicate, and resolve delays or situations that affect the scope, budget, or schedule of the project.
- p) Lead the management of the project from development through necessary planning, design, construction, and closure of the project into Operations and Maintenance (O&M).
- q) Monitor compliance with regulations, laws, safety codes, standards, policies, management of program resources, and current procedures applicable to the development of construction projects.
- r) Be responsible for document control and information technology management and maintenance in accordance to PRDOH and HUD's policies and procedures.

Task 3. Stakeholder Engagement & Outreach

Activity: The Subrecipient shall lead and manage the stakeholder engagement and outreach process, including coordinating and facilitating meetings with identified stakeholders as required for the projects' development and implementation.

The Subrecipient is responsible for tasks such as information gathering and sharing, addressing concerns and grievances from stakeholders, measuring the impact and importance of different stakeholder groups, and any other stakeholder engagement and outreach task required by PRDOH.

Stakeholder engagement shall include coordination with the electric utility to ensure project implementation achieves LMI benefit.

Task 4. Program Related Procurements

Activity: The Subrecipient shall perform all necessary competitive procurement processes for A&E Design Services, Construction Services, Construction Inspection Services, Testing, Commissioning, and the O&M Services to be contracted for the projects in compliance with the provisions of 2 C.F.R. §§ 200.318-200.327 and applicable regulations. The Subrecipient may utilize internal staff and/or contracted professional services for project implementation.

The construction services and the construction inspection services contracts cannot be executed until receiving PRDOH's approval based on the completion of an Environmental Review and receipt of HUD's Authority to Use Grant Funds (AUGF).

The contracted Design Professional/Firm(s) shall be responsible for the design of the projects and the required documentation for obtaining the necessary permits and/or endorsements for the projects. The Construction contractor(s) shall be responsible for construction of the projects and acquiring the necessary permits for construction. The Construction Inspection Firm(s) will carry out the construction inspection and environmental monitoring services required for the projects. Testing and/or Commissioning professionals shall conduct specialized testing.

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The Scope of Work (SOW) of each procurement process must be in compliance with the approved projects. The Subrecipient shall submit the SOW to PRDOH for validation of compliance with the approved Project. The Subrecipient may request technical assistance from the PRDOH for the RFP processes.

Deliverable:

- RFP Packages and RFP Announcement Publications – Once an RFP package is developed, the Subrecipient shall submit the RFP package and its related announcement to PRDOH for review.
- Contracts – Once executed, the Subrecipient shall register contracts in the Comptroller's Office of Puerto Rico's Contract Registry in compliance with applicable laws and regulations. A copy of the registered contract shall be submitted to PRDOH.

Task 5. Architecture and Engineering (A&E) Services/Project Design Development

Activity: Utilizing internal staff and/or procured professional services, the Subrecipient shall perform all required Architecture and/or Engineering Design services including, and not limited to, the following responsibilities:

- a) Ensure professional, architectural, or engineering 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 and regulations.
- b) Lead and complete the A&E Design Services of the projects to 100% Construction Documents, with the ultimate purpose of completing construction. A&E Design Services shall include the following:
 - i. Conceptual Design,
 - ii. Land Acquisition, if applicable,
 - iii. Feasibility Review, if applicable,
 - iv. Environmental Review,
 - v. Independent Cost Estimates,
 - vi. Development of Design Documents, and
 - vii. Studies needed to complete the project Statement of Work, drawings, specifications, and corresponding documents such as, Geotechnical studies, LBP/ACM, etc.
- c) Participate in the identification of current best practices and cost-effective solutions required to be considered in construction documentation.
- d) Services are to be provided in compliance with HUD Regulations including Section 3 and Minority- and Women- Owned Business Enterprises (M/WBE) best faith efforts.
- e) Coordinate and perform necessary field studies.
- f) Prepare, coordinate, and manage required permitting documentation.
- g) Coordinate and prepare necessary cost estimates to determine reasonable costs of the projects.
- h) Coordinate and prepare procurement documentation of the projects, in compliance with 2 C.F.R. §200.318 through §200.327.
- i) If necessary, participate in the supervision of construction activities.
- j) Prepare and implement work plan for environmental review performance in coordination with Environmental Professionals as soon as the projects reach

sufficient level of development to identify Project elements and activities to begin the assessment as established in 24 C.F.R. Part 58.

- k) Coordinate and perform delivery of conceptual/ schematic design documentation to PRDOH for review. The design documentation to be delivered to PRDOH shall include drawings, plans, specifications, permit documentation, studies, cost estimate, and any other document required upon request.
- l) Apply the most recent federal and local construction codes applicable to the projects.
- m) Manage changes and risks associated with changes in policies, regulations, and construction codes applicable to the projects.
- n) As necessary, prepare presentations for PRDOH regarding the projects.

The Subrecipient shall prepare all necessary documents for project development and implementation, including the following examples: drawings, specifications, property acquisition drawings and documentation, technical studies and analyses, required permits and endorsements, cost estimates, construction schedule, and necessary procurement documentation.

During the performance of this task, the Subrecipient shall perform all necessary deliveries to PRDOH of construction documents at established benchmarks for revision and to demonstrate progress of the work. The schedule of deliveries shall be coordinated with the PRDOH before commencing the design development of the projects.

After the revision of each delivery, the Subrecipient may receive comments from PRDOH that may result in required revisions of the documentation. PRDOH expects to receive all necessary progress deliveries with a compliance certification of applicable codes and regulations and the progress accomplished, prepared by the Architect/ Engineer(s) in charge of the design of the projects.

Deliverable:

- Project Implementation Plan and Construction Documents – The Subrecipient shall submit a Project Implementation Plan for each project indicating the organizational structure, the established timeframe for each of the deliverables, and for each design phase. Once established, PRDOH expects the submission of construction documents, at the expected delivery schedule, submission of construction procurement documents (including independent Construction/Cost estimates or ICE) and subsequent construction documents, at established benchmarks.

Task 6. Environmental Review and Clearance

Activity: The Subrecipient shall coordinate and prepare all necessary information to complete the Environmental Review for the projects in compliance with 24 C.F.R. Part 58 regulation. This task can be carried out with internal staff and/or procured professional services. The Subrecipient may request technical assistance from the PRDOH for this task.

The Subrecipient shall prepare and submit for PRDOH's review all required documentation necessary to support the environmental findings for one of the following, as applicable:

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- a) If Exempt or Categorically Excluded Not Subject to 24 C.F.R. § 58.5 (CENST), complete review for this category using the provided template and submit to PRDOH for review.
- b) If Categorically Excluded Subject to 24 C.F.R. § 58.5 (CEST), complete review for this category using the provided template and submit to PRDOH for review.
- c) If an Environmental Assessment (EA) is required, complete review for this category (including any requirements for Phase I or II site assessment) using the provided template and submit to PRDOH for review.

The Subrecipient shall submit the Environmental Review Record (ERR), in accordance with 24 C.F.R. § 58.38, to the PRDOH for review and signature of PRDOH's Certifying Officer. All activities must be of no impact or with obtainable mitigation activities to render the action to one of no impact. All mitigation activities must be clearly identified in the Environmental Review.

If approved and the Findings of No Significant Impact (FONSI) and CEST are certified by the Certifying Officer, the Subrecipient must publish the FONSI or the Notice of Intent (NOI) to Request Release of Funds (RROF) public notice for an EA or a NOI/RROF for a CEST in a newspaper of general circulation (in accordance with 24 C.F.R. § 58.43).

After all comments are received and addressed by the Subrecipient with revisions to the Environmental Review, as appropriate, the PRDOH will complete the applicable Sections of the provided template for the RROF and submit the RROF to HUD for approval as the responsible entity.

The Subrecipient cannot initiate any activities for which the funding is requested before the AUGF is received by the PRDOH and forwarded to the Subrecipient. The Subrecipient shall notify the PRDOH, in writing, of any changes to the approved project scopes and shall perform a re-evaluation of the Environmental Review to determine if the change(s) impact the environmental determination for the Project. During the performance of this Task, the Subrecipient shall deliver reports of progress of the work to PRDOH for revision. After PRDOH's review of each delivery, the Subrecipient shall expect comments from PRDOH that may result in required revisions of the documentation.

The Subrecipient shall perform all necessary Environmental Services including, but not limited to, the following roles and responsibilities:

- a) Maintain awareness, knowledge, and applicability of most recent federal and local environmental laws, regulations, and policies that may apply to PRDOH CDBG-DR Energy projects.
- b) Support preliminary environmental evaluations to determine eligibility of project under CDBG-DR Energy program.
- c) Lead the coordination and preparation of environmental related studies, analysis of impacts, and recommendations for Project under CDBG-DR Energy programs.
- d) Participate in the identification of current best practices and cost-effective solutions required to be considered in construction documentation.
- e) Lead the coordination and preparation of all required documentation to comply with NEPA, 24 C.F.R. Part 58, and all applicable environmental related laws and regulations in Puerto Rico.
- f) Prepare, complete, and submit to PRDOH, for review and approval, all documents for Environmental Review of the projects.

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- g) Lead the coordination and preparation of all documentation required to accomplish environmental reviews, for example: project description, maps, photographs, studies, consultations and other correspondence, public notices, programmatic agreements, etc.
- h) Provide all necessary support to the PRDOH to develop and process activities regarding RROFs for CDBG-DREnergy programs.
- i) Lead the coordination of monitoring activities for environmental compliance during the construction of projects.

The Subrecipient must perform any necessary procurement for professional services to complete this task, in compliance with local and federal procurement rules and regulations.

Deliverable:

- Environmental Publications – If not Exempt, the publication of the FONSI/NOI/RROF for an EA or a NOI/RROF for a CEST in a newspaper of general circulation (in accordance with 24 C.F.R. §58.43). Afterwards, PRDOH will submit the RROF to HUD. With HUD's approval for the AUGF, the Subrecipient will be allowed to move forward with the projects.

Task 7. Construction Inspection and Testing/Commissioning Services

Activity: Utilizing internal staff and/or contracted professional services, the Subrecipient shall provide appropriate construction inspection, testing, and commissioning services for the projects.

The Subrecipient shall comply with at least the following roles and responsibilities for construction inspection services:

- a) Services shall be provided by a professional engineer or architect licensed in Puerto Rico.
- b) Supervise all construction activities to be performed as a part of the projects.
- c) Attend preconstruction meetings and participate in recurrent construction meetings.
- d) Serve as the field/construction Point of Contact.
- e) Provide daily and regular correspondence with the Construction Contractor(s).
- f) Coordinate Project schedules with Construction Contractor(s) and other required participants.
- g) Maintain necessary written communication with Project Manager(s) and the Subrecipient.
- h) Inspect progress and construction methods to ensure construction work meets contract requirements.
- i) Communicate and resolve field problems with Construction Contractor(s), Project Manager(s), and any other affected parties.
- j) Coordinate necessary activities to perform required materials and equipment testing.
- k) Coordinate testing results evaluation with Architect and/or Engineer to ensure compliance with Project requirements.
- l) Aid in the coordination of inspection activities with required Public or Private Utility Entity as required by permits or endorsements.

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- m) Prepare and submit necessary digital daily and monthly reports to at least document weather conditions, on-site construction personnel, hours worked, construction equipment used, detailed description of construction activities observed, photos, and documentation of any field decisions.
- n) Ensure compliance with all permits and endorsements of construction projects.
- o) Measure and document Project quantities, maintain digital record, and log of all quantities.
- p) Review and recommend Contractor invoices & change order requests (cost estimates). Coordinate review and approval of such documentation as needed by the Project Manager, Architect and/ or Engineer.
- q) Review Contractor quality control documentation.
- r) Coordinate survey and field-testing needs for the projects.
- s) Supervise compliance with HUD requirements, including Davis Bacon. This may require conducting wage interviews with individual employees and providing reporting documentation to PRDOH and/ or its authorized representative.
- t) Prepare necessary Project closeout documentation.
- u) Prepare punch list with, among other necessary items, list of deficiencies that need to be corrected.
- v) Monitor work zone traffic control.
- w) Monitor Project safety in compliance with OSHA regulations.
- x) Monitor and report on environmental requirements established in the ERR for each of the projects.

The Subrecipient shall comply with at least the following roles and responsibilities for commissioning services:

- a) Develop each project's Commissioning Plan.
- b) Attend preconstruction meetings and participate in recurrent construction meetings.
- c) Oversee each project's functional or operational system testing prior to placement in service, in coordination with system manufacturers, utility, and other stakeholders.
- d) Prepare the commissioning issues log to track deficiencies that need to be corrected.
- e) Develop the Commissioning Reports.
- f) Review each Project's Turnover Package.

If necessary, the Subrecipient shall perform the procurement for construction inspection and commissioning services of each Project. The Subrecipient is responsible for coordinating these services to ensure this service is contracted prior to construction start. Construction inspection services shall be provided in compliance with all applicable laws and regulations.

Deliverable:

- Inspectors and Commissioners – Ensure appropriate construction inspection and commissioning services capacity are in place in alignment with construction activities. Submit evidence and credentials of the selected inspector(s) and commissioners to PRDOH.

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- Inspection Reports – The Subrecipient will be responsible for providing recurrent project inspection reports to PRDO as part of the project record.
- Commissioning Plan – The Subrecipient will be responsible for developing and providing each project's Commissioning Plan.
- Commissioning Report – The Subrecipient will be responsible for developing and providing the final Commissioning Report including the summary of the commissioning process along with findings and their resolutions.
- Project Turnover Package – The Subrecipient will be responsible for providing a copy of each Project's Turnover Package.

Task 8. Construction

Activity: Utilizing internal staff and/or contracted professional services, the Subrecipient shall perform all required services required to procure, contract, implement, monitor, supervise, inspect, and complete the construction of each Project in accordance with established requirements and in compliance with applicable laws and regulations, including all established CDBG-DR Energy compliance requirements.

Task 9. Interconnection, Commissioning, and Placement in Service

Activity: Once the projects have been constructed, the Subrecipient will be responsible for the interconnection process with the electrical utility, including but not limited to any required testing and commissioning for the systems to be placed in service.

The project's design and interconnection scheme with the electric utility must ensure the project achieves LMI population benefit.

Deliverable:

- Microgrid Registration – Ensure appropriate certification and/or approval from the PREB and/or electric utility for the microgrid's interconnection and the placement in service.

Task 10. Energy Service Provider Regulatory Requirements Compliance

Activity: The Subrecipient shall be responsible for ensuring compliance with all applicable laws, regulations, and standards governing the operations of energy service providers in Puerto Rico. As part of this task, the Subrecipient will:

- a) Ensure required organizational and legal entity structure is in place and approved by the Puerto Rico Energy Bureau (PREB) to operate as an energy service provider or Electric Power Company. If necessary, the Subrecipient may procure professional services providers to support the completion of this task.
- b) Ensure compliance with PREB Regulation No. 8701, Amendment to Regulation No. 8616, on Certifications, Annual Charges and Operational Plans of the Electric service companies in Puerto Rico.
- c) Comply with the relevant and applicable regulation for Microgrid Development, Regulation No. 9028 May 16, 2018, or as amended/modified, and any other supplemental and compatible regulations of the PREB.

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- d) Comply with applicable codes and standards identified by the PREB through resolution and/ or order. The PREB may, when necessary, modify and update the codes and standards that shall apply to Microgrids. The Subrecipient will be required to meet the latest applicable local, state, and federal codes, standards, and regulations.
- e) Be responsible for payment of any fees related to registering as an Electric Power Company or energy service provider.
- f) Perform any other tasks required to ensure compliance with applicable laws, regulations, and standards related to the provision of electric services.

Deliverable:

- Electric Service Company Certification Package – Copy of documentation submitted to the PREB for certification as an Electric Power Company or energy service provider.
- Electric Service Company Certificate – Proof of certification as PREB-approved Electric Power Company or energy service provider.

Task 11. Compliance with Operation and Maintenance Requirements

Activity: The Subrecipient shall perform the necessary actions to plan for the long-term operation and maintenance (O&M) of each Project funded under this Subrecipient Agreement.

The Subrecipient shall submit an Operation and Maintenance Plan (OMP) per-project to the PRDOH that shall describe, at minimum, the following:

- a) The Subrecipient's ability to operate each Project for its useful life.
- b) Preliminary estimate of that useful life.
- c) The O&M costs required and the proposed source of such funding.
- d) Identify the responsible entity (or entities) in charge of such O&M activities including, but not limited to, any letters of intent, Memorandums of Understanding (MOUs), or other agreements, as necessary, when multiple parties are involved, as well as any other aspect or requirement established by the PRDOH, CDBG-DREnergy Program and/ or HUD, associated with this task.
- e) Identify non-CDBG sources of funding to be used for the O&M of each project to ensure its operation throughout its useful life.

Each OMP shall be updated and submitted for PRDOH review and comments as each Project progresses in accordance with PRDOH Guidelines.

All Subrecipients who are awarded funds for a Project acknowledge the requirement of an OMP as part of compliance with the Program. Failure to comply with this requirement could result in a potential repayment of funds to PRDOH.

Deliverable:

- Operations and Maintenance Plan – An OMP updated at established Project development milestones. The OMP should describe and comply with established PRDOH requirements.
- Executed O&M Contract – If the O&M will be performed by a contracted party, the Subrecipient shall submit a copy of the O&M Contract.

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Task 12. Performance

Activity: Once each project is complete and placed in service, the Subrecipient will be responsible for performance monitoring. The Subrecipient shall establish a performance monitoring plan per project and conduct performance monitoring for at least one (1) year after each project has been completed and placed in service and ensure performance is recorded and reported to PRDOH.

Deliverable:

- Performance Monitoring Plan – The Subrecipient shall develop a performance monitoring plan that establishes the performance criteria to be monitored. Performance monitoring can also be included as part of the O&M Plan.
- Performance Reports – Performance data shall be collected and reported upon on a quarterly basis, at a minimum.

Task 13. Compliance with Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (more commonly known as URA) and Section 104(d) of the Housing and Community Development Act of 1992, as amended (Section 104(d))

Activity: Utilizing internal staff and/or contracted professional services, the Subrecipient shall comply with URA requirements for each Project, as applicable.

The Subrecipient may acquire professional services to perform valuation, surveys, and inspections of properties and provide legal assistance for each Project. To acquire professional services the Subrecipient shall comply with procurement processes in compliance with the provisions of 2 C.F.R. §200.318-200.327.

Relocation and Real Property Acquisition shall be carried out in compliance with URA, Section 104(d) and PRDOH requirements.

Deliverable:

- URA Documentation – If applicable, upon completion of all URA activities, the Subrecipient shall submit to PRDOH all required documentation for URA phase closeout in compliance with PRDOH's requirements

Task 14. Training

Activity: The Subrecipient will be responsible to participate in mandatory training sessions pertaining to the following topics:

- a) CDBG-DR/MIT eligible Project requirements and national objectives,
- b) CDBG-DR/MIT Procurement requirements,
- c) Prevention of Fraud, Waste, and Abuse,
- d) Duplication of Benefits avoidance,
- e) CDBG-DR/MIT financial management,
- f) CDBG-DR/MIT monitoring and reporting, and
- g) Others, as requested by PRDOH.

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Task 15. Reporting

Activity: The Subrecipient will be responsible for submitting monthly reports to the PRDOH to inform status of tasks, work progress, construction schedule analysis, and financial status by project and other required information. Each report must be prepared in compliance with PRDOH's reporting requirements. The Subrecipient is responsible for submitting any other report required pursuant to this Agreement.

As requested, the Subrecipient shall meet with the PRDOH to discuss the status of each project, risks, concerns, and any other issues that may have arisen during the implementation of each project.

The Subrecipient will provide the PRDOH, through the Grant Management System (GMS), with milestone reports on an established schedule, as well as required documents to monitor each project. This system will serve as the Subrecipient's digital platform to upload all required information permitting the review and approval by designated personnel.

The Subrecipient will compile, review, and submit the necessary information to prepare reports required by HUD upon the PRDOH's request. Additionally, the Subrecipient will assist with any audits performed by PRDOH, HUD, or other regulatory agencies.

The Subrecipient will be responsible for maintaining and preserving each project's records until the time period required by the federal and state laws and regulations. Note all records must be maintained for a period of at least five (5) years, starting from the closeout of the grant between PRDOH and HUD. Furthermore, they must be made available to PRDOH upon request.

Finally, the Subrecipient will complete any other task necessary to ensure proper accounting and reporting as required by the Program.

Deliverable:

- Monthly Reports – The Subrecipient shall submit monthly reports to the PRDOH through the GMS.

Task 16. Invoicing

Activity: The Subrecipient will be responsible for submitting monthly invoices for reimbursement of costs of internal staff or contracted services. Each invoice must be prepared in compliance with PRDOH's invoicing requirements. The PRDOH will not reimburse the Subrecipient for work performed by employees without an authorization before performing work related to each Project.

Upon compliance determination by the Program, the Subrecipient agrees to submit a Request for Reimbursement, uploaded to PRDOH's FMS. The Subrecipient will be required to set up a unique account through the FMS and provide all required information, including information related to dedicated bank accounts.

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A key area of focus for HUD is ensuring that CDBG-DR Energy projects are reimbursement-based and that Contractors who undertake work are paid for services provided. HUD requires all documented costs be incurred and completed at the time of invoice submission. As such, PRDOH cannot approve reimbursement for work that the Subrecipient undertook until it has obtained proof that the work was performed, completed and all required information is uploaded to PRDOH databases. The Subrecipient shall submit supporting documents for invoices including but not limited to supporting receipts, bills, timesheets, the Monthly Report, and any other document necessary to justify the payment or any other supporting document requested by PRDOH. In addition, supporting documentation demonstrating that all procurements for goods and services have been made in accordance with this SRA.

Deliverable:

- Monthly Invoices – The Subrecipient shall submit monthly invoices to the PRDOH through the FMS.

Task 17. Closeout

Activity: Once the activities established herein have been verified as completed, the Subrecipient shall submit to PRDOH all required documentation necessary for the Subrecipient Agreement closeout in compliance with PRDOH's requirements.

Deliverable:

SRACloseout Binder – The Subrecipient will be responsible for submitting an SRACloseout binder.

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DEPARTMENT OF

HOUSING

GOVERNMENT OF PUERTO RICO

EXHIBIT B

TIMELINE AND PERFORMANCE GOALS

ELECTRICAL POWER RELIABILITY AND RESILIENCE PROGRAM (ER2)

MUNICIPALITY OF SAN JUAN | COMPETITIVE PROJECTS

1. PROJECT OBJECTIVE:

The objective of the ER2 Program is to enhance electrical system reliability, affordability, and resiliency through the funding of projects that qualify as Electrical Power System Enhancements and Improvements, including projects that provide enhanced electric power services to critical facilities or services.

The Municipality of San Juan has five (5) competitive projects that have been selected under the ER2 Program due to their alignment with the Program's goals and objectives and compliance with the Program's eligibility requirements. The timelines and performance goals detailed herein apply to all five projects.

2. TERMS:

- Key Deliverable – The major objectives the Program wants to achieve.
- Key Activity – The activities necessary to carry out the Key Deliverables.
- Indicator – The quantitative method used to demonstrate that the Key Activities have been performed.
- Source of Verification – The documentation used to verify that the Indicators have been met, and thus the activities are complete.
- Target – The goal for each of the Indicators.
- Timeline – The expected completion date or timeframe.

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3. PERFORMANCEINDICATORS & GOALS:

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Key Deliverable	Key Activity	Indicator(s)	Source of Verification	Target	Timeline
1.Project Related Procurements	2.1Submission of Procurement Packages and documentation	(#) of procurements completed and contracts executed.	Procurement Packages completed. Executed contracts submitted through the Grant Compliance Portal.	X Procurement of all required services for project development, including, but not limited to, Project/Construction Management, A&E, Design, Permitting, Environmental Review, Feasibility Review, and Construction, as required.	Per Project Implementation Plan.
2. Project Implementation Plan	3.1Development & approval of the Project Implementation Plan (and accompanying project schedule)	(#) of Project Implementation plans	Approved Project Implementation Plan	1Project Implementation Plan	90 calendar days from execution of the SRA.
3. Design, Operations & Maintenance Plan,	4.1Project Planning Phase design is	(#) of projects that receive Planning Phase Design	Approval of Project Design Development at	1Completion of all required Planning design phases.	As per the Project

Environmental, and Permitting	completed and delivered.	approval of Project Design Development	Planning Phase threshold.		Implementation Plan.
	4.2 Project Design Development	(#) of projects that receive 60%, 90%, and 100% approval of Project Design Development	Approval of Project Design Development at 60%, 90% and 100% threshold.	1 Completion of all design phases.	As per the Project Implementation Plan.
	4.3 Development & Submission of Operations & Maintenance Plan (OMP)	(#) of OMP that are updated and submitted at specified development stages	Approval of OMP at specified development stages.	1 Prepare and/ or update OMP at Conceptual/ Schematic Design (30%), 60%, and 90% Design Development and Completed OMP at Construction Completion.	As per the Project Implementation Plan.
	4.4 Completion of Environmental Review Documents	(#) of document package to be submitted to complete the Environmental Review Process	HUD form 7015.16– Authority to Use Grant Funds (AUGF)	1 Complete Environmental Review Record per project towards obtaining AUGF.	As per the Project Implementation Plan.
	4.5 Permits	(#) of projects that receive approval of Construction Permits.	Construction Permits issued by OGP and other	1 Acquisition of all Construction and Regulatory Permits.	As per the Project

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			regulatory agencies (including PREB)		Implementation plan.
4. Construction	4.1 Project Construction is completed	(#) of projects that started construction,	Construction Documents submission, Inspection Certification, and Construction Monitoring	1 Start of Construction	As per the Project Implementation Plan.
		(#) of projects that achieve substantial completion, and	Substantial completion Certificate	1 Substantial Completion	
		(#) of projects that achieve final completion	Final Inspection Certification	1 Final Inspection Certification for construction	
5. Construction Closeout	6.1 Project Delivery & Closeout. Proper documentation is provided to ensure that construction was completed to standard.	(#) of Turnover Packages including final OMP and Commissioning Report.	Turnover Package delivered including OMP and Commissioning Report	1 Project complete Closeout process and submit complete required documentation.	As per the Project Implementation Plan.
		(#) of certificates of occupancy or	Certificate of Occupancy –	1 Certificate of Occupancy	

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		commercial operation date (COD). (#) of certificatesof microgrid registration	("Permiso de Uso") or comercial operation. Microgrid registration approval by PREB	and Project's Final Acceptance from Awardee. 1Microgrid registration certificate.	
6. SRACloseout	7.1SRACloseout is completed	(#) of closeout binders	Closeout binder delivered	1Complete SRA Closeout process and submit completed required documentation	As per the Project Implementation Plan.

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EXHIBIT C

KEY PERSONNEL

ELECTRICAL POWER RELIABILITY AND RESILIENCE PROGRAM (ER2)

MUNICIPALITY OF SAN JUAN | COMPETITIVE PROJECTS

Below is the Staffing Plan for the Municipality of San Juan (MSJ) which reflects a combination of existing employees or new hired employees that provide services to the five (5) competitive projects under the ER2 Program.

I. Staff Positions:

Roles

Manager
Coordinator
Financial Manager
Financial Assistant
Compliance Manager
Outreach Coordinator
Administrative Assistant

II. Roles Description:

Role	Description
Manager	<ul style="list-style-type: none">Leadership: Provide overall direction and leadership for the project, ensuring alignment with established goals.Planning: Develop comprehensive project plans, including timelines, milestones, and deliverables.Resource Allocation: Allocate resources effectively, including personnel, budget, and materials, to ensure project success.Stakeholder Communication: Maintain regular communication with stakeholders, providing updates and addressing concerns.Risk Management: Identify potential risks, develop mitigation strategies, and monitor risk throughout the project lifecycle.Performance Monitoring: Track project performance using appropriate tools and techniques, ensuring project objectives are met.
Coordinator	<ul style="list-style-type: none">Scheduling: Develop and manage detailed project schedules, ensuring all tasks are completed on time.Communication: Facilitate clear and effective communication between team members, departments, and external partners.Documentation: Maintain comprehensive project documentation, including meeting minutes, progress reports, and project plans.Support: Assist the Manager with daily operations, decision-making, and problem-solving.

Role	Description
	<ul style="list-style-type: none">Task Management: Assign and monitor tasks to ensure they are completed efficientlyand effectively.
Financial Manager	<ul style="list-style-type: none">Budgeting: Develop, manage, and monitor the project budget, ensuring financial resources are used effectively.Financial Reporting:Prepare and present financial reports, forecasts, and analyses to stakeholders.Cost Control: Monitor project expenses, identify cost-saving opportunities, and ensure expenditures stay within budget.Funding: Oversee the allocation and utilization of funds, ensuring compliance with funding requirements.Financial Compliance: Ensure all financial activities comply with relevant laws, regulations, and policies.
Financial Assistant	<ul style="list-style-type: none">Support: Assist the Financial Manager with budgeting, financial reporting, and analysis.Record Keeping: Maintain accurate and up-to-date financial records and documentation.Invoice Processing: Handle the processing of invoices, payments, and reimbursements.Data Entry: Enter financial data into accounting systems and ensure accuracy.Financial Queries: Address financial queries from team members and stakeholders.
Compliance Manager	<ul style="list-style-type: none">Regulatory Compliance: Ensurethe project adheres to all relevant laws, regulations, and standards.Policy Development: Develop, implement, and update compliance policiesand procedures.Auditing:Support and/ or conduct audits and assessments to ensure compliance with internal and external requirements.Training: Providetraining and guidance to project staff on compliance-related matters.Incident Management: Investigate and resolve compliance issuesand incidents.
Outreach Coordinator	<ul style="list-style-type: none">Stakeholder Engagement: Build and maintain relationships with microgrid members and stakeholders.Coordination: Develop and implement strategies to promote the project coordination through various channels, including newsletters or informative materials, events, and partnerships.Event Planning: Plan, organize, and execute outreach events, ensuring they align with project goals.Feedback Collection: Gather and analyze feedback from stakeholdersto inform project improvements.Reporting: Prepare reports on outreach activities and their impact.
Administrative Assistant	<ul style="list-style-type: none">Administrative Support: Provide comprehensive administrative support to the project team, including scheduling, correspondence, and office management.Scheduling: Manage calendars, appointments, and meetings for project staff.Correspondence: Handle incoming and outgoing communications, including emails, phone calls, and mail.Office Management: Ensurethe smooth operation of the office, including managing supplies, equipment, and facilities.Document Preparation: Prepare and format documents, presentations, and reports as needed.

EXHIBIT D

BUDGET

ELECTRICAL POWER RELIABILITY AND RESILIENCE PROGRAM (ER2)

MUNICIPALITY OF SAN JUAN | COMPETITIVE PROJECTS

1. Total Allocation and Authorized Budget

- a) The Puerto Rico Department of Housing (PRDOH) designated to the Municipality of San Juan (“the Subrecipient”) a total allocation amount of \$193,812,309.00 for the five (5) competitive projects listed below under the ER2 Program.

2. Distribution of Authorized Maximum Budget

- a) The maximum budget amount per project is shown below

Project Id	Project Name	Maximum Authorized Budget
ER2-00048	Centro MAS Salud – Dr. Rabell (Hoare)	\$26,449,956.00
ER2-00093	San Juan Sports Complex – Bithorn-Clemente-Pedrin	\$102,108,582.00
ER2-00094	Escuelas Ciencias/Matemáticas Deporte Rebekah Colberg	\$20,244,476.00
ER2-00095	Plaza del Mercado de Rio Piedras	\$20,398,696.00
ER2-00096	CDT– Dr. J Antón (Rio Piedras)	\$24,610,599.00
Total Authorized Budget		\$193,812,309.00

- b) The maximum budget amount per project shall be distributed in the following five (5) items:

ER2-00048 Centro MAS Salud – Dr. Rabell (Hoare)		
Item Id	Item Nam e	Maxim um Authorized Budget
1	Subrecipient Self-Performed Services	\$300,000.00
2	Professional Services (Contracted)	\$3,156,120.00
3	Construction Services (Contracted)	\$16,870,000.00
4	Publications	\$20,000.00
5	Contingency Reserve	\$6,103,836.00
Total Authorized Budget		\$26,449,956.00

ER2-00093 San Juan Sports Complex – Bithorn-Clem ente-Pedrin		
Item Id	Item Nam e	Maxim um Authorized Budget
1	Subrecipient Self-Performed Services	\$300,000.00
2	Professional Services (Contracted)	\$12,872,262.80
3	Construction Services (Contracted)	\$65,352,800.00
4	Publications	\$20,000.00
5	Contingency Reserve	\$23,563,519.20
Total Authorized Budget		\$102,108,582.00

ER2-00094 Escuelas Ciencias/ Matem áticas Deporte Rebekah Colberg		
Item Id	Item Nam e	Maxim um Authorized Budget
1	Subrecipient Self-Performed Services	\$300,000.00
2	Professional Services (Contracted)	\$2,782,520.00
3	Construction Services (Contracted)	\$12,470,000.00
4	Publications	\$20,000.00
5	Contingency Reserve	\$4,671,956.00
Total Authorized Budget		\$20,244,476.00

ER2-00095 Plaza del Mercado de Río Piedras		
Item Id	Item Nam e	Maxim um Authorized Budget
1	Subrecipient Self-Performed Services	\$300,000.00
2	Professional Services (Contracted)	\$2,801,320.00
3	Construction Services (Contracted)	\$12,570,000.00

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4	Publications	\$20,000.00
5	Contingency Reserve	\$4,707,376.00
Total Authorized Budget		\$20,398,696.00

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ER2-00096 CDT– Dr. J Antón (Rio Piedras)		
Item Id	Item Nam e	Maxim um Authorized Budget
1	Subrecipient Self-Performed Services	\$ 300,000.00
2	ProfessionalServices(Contracted)	\$3,041,320.00
3	Construction Services(Contracted)	\$ 15,570,000.00
4	Publications	\$20,000.00
5	Contingency Reserve	\$ 5,679,279.00
Total Authorized Budget		\$24,610,599.00

3. Budget Redistribution

- a) The Subrecipient may request in writing to the PRDOH a re-distribution of the Maximum Authorized Budgets shown above without exceeding the Total Authorized Budget.
- b) The PRDOH will evaluate the redistribution request to validate purpose and balance of funds, and if determined the redistribution is beneficial to the Program and the balance of funds is validated, the PRDOH will provide written authorization to the Subrecipient. Until the written authorization is submitted by the PRDOH, the redistribution cannot be considered as authorized.
- c) This redistribution of funds as described here shall be considered binding and will not require an amendment to this Subrecipient Agreement (SRA).
- d) The use of contingency budget shall not be allowed without the express written authorization of PRDOH. Requests for use of the contingency budget shall only be considered if the Subrecipient demonstrates that the proposed use is necessary and reasonable. PRDOH will evaluate all requests for use of the contingency budget to determine whether costs are necessary and reasonable for the timely completion of the Project or to protect the initial investment of CDBG-DREnergy funds. Once approved, the contingency amount shall be redistributed to a line item indicating its specific use.

END OF DOCUMENT

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EXHIBIT E

Contract Code: 10633
Type: StandAloneSRA_V2
Original Registered Code:

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CERTIFICATION OF FUNDS

Requestedon behalf: CDBG-DR Director

The FinanceDivision certifies the availability of the following funds:

Contracting Of: MUNICIPALITY OF SAN JUAN
Source of Funds: 14.228 CDBG Funds
For: Electric Power Reliability and Resilience Progrm
Amount: \$193,812,309.00

The breakdown and grant of the certified funds is as follows:

Grant	Area / Project	Activity Code	Category Description	Account	Amount
B-18-DE-72-0001		esp-ier2doh-lmi	I - Construction Services (Sub-recipient)	6090-01-000	\$122,832,800.00
B-18-DE-72-0001		esp-ier2doh-lmi	I - Contingency Reserve	6090-01-000	\$44,725,966.20
B-18-DE-72-0001		esp-ier2doh-lmi	I - Professional Services (Sub-recipient)	6090-01-000	\$24,653,542.80
B-18-DE-72-0001		esp-ier2doh-lmi	I - Publications (Sub-recipient)	6090-01-000	\$100,000.00
B-18-DE-72-0001		esp-ier2doh-lmi	I - Staff Salaries (Sub-recipient)	6090-01-000	\$1,500,000.00
					<u>\$193,812,309.00</u>

The abovedistribution of funds is subject to changesand will be allocated in accordancewith the executed agreementwithin the parties. Theseunds do not affect the Puerto Rico Department of Housing (PRDOH) operational budget, and are available to be use.

If you have any questions, feel free to contact us at (787)274-2527.

Cesar Candelario Signed Date - 03/10/2025
Electronic Approval
Budget Manager

*This transaction does not represent an overcharge of the account herein.

Nilda Baez Signed Date - 03/11/2025
Electronic Approval
Finance Director

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*This transaction does not represent an overcharge of the account herein.

EXHIBIT F

HUD GENERAL PROVISIONS AND OTHER FEDERAL STATUTES, REGULATIONS, AND PRDOH REQUIREMENTS

ELECTRICAL POWER RELIABILITY AND RESILIENCE PROGRAM (ER2) MUNICIPALITY OF SAN JUAN | COMPETITIVE PROJECTS

Given that the Subrecipient Agreement (SRA) 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 SRA. In addition, SUBRECIPIENT shall comply with the Federal Labor Standards Provisions set forth in Form HUD-4010, available at <https://www.hudexchange.info/resource/2490/hud-form-4010-federal-labor-standards-provisions/>.

The SUBRECIPIENT (also referred to as the "Partner") shall include these terms and conditions in all subcontracts or purchase orders directly servicing the SRA.

These general provisions may be updated from time to time. It is the sole responsibility of the SUBRECIPIENT 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 SRA shall be deemed to be inserted herein and the SRA 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 SRA shall forthwith be physically amended to make such insertion or correction.

2. STATUTORY AND REGULATORY COMPLIANCE

SUBRECIPIENT shall comply with all laws and regulations applicable to the Community Development Block Grant-Disaster Recovery funds appropriated by the Supplemental Appropriations for Disaster Relief Requirements, 2017 (Pub. L. 115-56), approved September 8, 2017 (Appropriations Act), as amended, 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 SUBRECIPIENT AGREEMENT 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 SRA, in instances where the SUBRECIPIENT or any of its subcontractors violate or breach any SRA term. If the SUBRECIPIENT or any of its subcontractors violate or breach any SRA term, they shall be subject to such sanctions and penalties as may be appropriate. The duties and obligations imposed by the SRA documents, and the rights and remedies available thereunder, shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

4. REPORTING REQUIREMENTS

The SUBRECIPIENT shall complete and submit all reports, in such form and according to such schedule, as may be required by the PRDOH and/or the Government of Puerto Rico. The SUBRECIPIENT 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 2 C.F.R. § 200.328 and 24 C.F.R. § 570.507, when applicable.

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

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

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

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

6. 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

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Government Grants, Contracts and Cooperative Agreements”, and any implementing regulations issued by HUD.

7. DEBARMENT, SUSPENSION, AND INELIGIBILITY

The SUBRECIPIENT 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 24.24.

8. CONFLICTS OF INTEREST

The SUBRECIPIENT shall notify the PRDOH as soon as possible if this SRA or any aspect related to the anticipated work under this SRA raises an actual or potential conflict of interest (as defined 2 C.F.R. § 200.318(c), if applicable). The SUBRECIPIENT 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 SUBRECIPIENT shall provide the PRDOH any additional information necessary to fully assess and address such actual or potential conflict of interest. The SUBRECIPIENT 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.

9. SUBCONTRACTING

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

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

The SUBRECIPIENT 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 SRA.

The SUBRECIPIENT will include these HUD General Provisions in every subcontract issued by it, so that such provisions will be binding upon each of its subcontractors

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as well as the requirement to flow down such terms to all lower-tiered subcontractors.

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10. ASSIGNABILITY

The SUBRECIPIENT 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.

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11. COPELAND "ANTI-KICKBACK" ACT

(Applicable to all construction or repair contracts)

Salaries of personnel performing work under this SRA shall be paid unconditionally and not less often than once a month without payroll deduction or rebate on any account except only such payroll deductions as are mandatory by law or permitted by the applicable regulations issued by the Secretary of Labor pursuant to the Copeland "Anti-Kickback Act" of 1934, 48 Stat. 948; (codified at 18 U.S.C. § 874; and 40 U.S.C. § 3145). The SUBRECIPIENT shall comply with all applicable "Anti-Kickback" regulations and shall insert appropriate provisions in all subcontracts covering work under this Agreement to ensure compliance by subcontractors with such regulations, and shall be responsible for the submission of affidavits required of subcontractors thereunder except as the Secretary of Labor may specifically provide for variations of or exemptions from the requirements thereof.

12. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

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

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

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

13. DAVIS-BACON ACT

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

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

All laborers and mechanics employed by SUBRECIPIENTS or subcontractors, including employees of other governments, on construction work assisted under this SRA, and subject to the provisions of the federal acts and regulations listed in this paragraph, shall be paid wages at rates not less than those prevailing on

similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act.

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

14. TERMINATION FOR CAUSE

(Applicable to contracts exceeding \$10,000)

If, through any cause, the SUBRECIPIENT shall fail to fulfill in a timely and proper manner his or her obligations under this SRA, or if the SUBRECIPIENT shall violate any of the covenants, agreements, or stipulations of this SRA, the PRDOH shall thereupon have the right to terminate this SRA by giving written notice to the SUBRECIPIENT 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 SUBRECIPIENT under this Agreement shall, at the option of the PRDOH, become the PRDOH's property and the SUBRECIPIENT shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, the SUBRECIPIENT 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 SUBRECIPIENT, and the Government of Puerto Rico and/or PRDOH may withhold any payments to the SUBRECIPIENT 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 SUBRECIPIENT is determined.

15. TERMINATION FOR CONVENIENCE

(Applicable to contracts exceeding \$10,000)

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

16. SECTION 503 OF THE REHABILITATION ACT OF 1973

(Applicable to contracts exceeding \$10,000)

The SUBRECIPIENT 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 SUBRECIPIENT 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 SUBRECIPIENT agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with disabilities without

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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 SUBRECIPIENT;
- (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 SUBRECIPIENT including social or recreational programs; and
- (ix) Any other term, condition, or privilege of employment.

- 2) The SUBRECIPIENT 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 SUBRECIPIENT'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 SUBRECIPIENT 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 SUBRECIPIENT's obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The SUBRECIPIENT must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the SUBRECIPIENT 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 SUBRECIPIENT will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the SUBRECIPIENT is bound by the terms of Section 503 of

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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 SUBRECIPIENT 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 Rehabilitation Act of 1973, as amended, so that such provisions will be binding upon each subcontractor or vendor. The SUBRECIPIENT 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.

17. EQUAL EMPLOYMENT OPPORTUNITY

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

The SUBRECIPIENT 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. Subpt. B, Ch. 60).

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

- 1) The SUBRECIPIENT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The SUBRECIPIENT 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 SUBRECIPIENT 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 SUBRECIPIENT shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- 3) The SUBRECIPIENT will, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

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- 4) The SUBRECIPIENT 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 SUBRECIPIENT'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 SUBRECIPIENT will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
 - 6) The SUBRECIPIENT will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
 - 7) In the event of the SUBRECIPIENT'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 SUBRECIPIENT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.
 - 8) SUBRECIPIENT 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 SUBRECIPIENT 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 SUBRECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the SUBRECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.

18. CERTIFICATION OF NONSEGREGATED FACILITIES

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

The SUBRECIPIENT 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 SUBRECIPIENT agrees that a breach of this certification is a violation of the equal opportunity clause of this Agreement.

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

The SUBRECIPIENT 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).

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

The SUBRECIPIENT and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 C.F.R. Ch. I, Subch. C, Pt. 60, Subpt. B and Ch. I, Subch. C, Pt. 93, Subpt. B, as amended, Section 508 of the Federal Water Pollution Control Act (33 U.S.C. § 1368) and Executive Order 11738 of September 10, 1973.

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

- 1) A stipulation by the SUBRECIPIENT 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 Ch. I, Subch. C, Pt. 93, Subpt. B or on the List of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 C.F.R. Ch. I, Subch. C, Pt. 60, Subpt. B, as amended.

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- 2) Agreement by the SUBRECIPIENT to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 U.S.C. § 7414) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 U.S.C. § 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
 - 3) A stipulation that as a condition for the award of the Agreement, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized, or to be utilized for the Agreement, is under consideration to be listed on the Excluded Party Listing System or the EPA List of Violating Facilities.
 - 4) Agreement by the SUBRECIPIENT 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 SUBRECIPIENT will take such action as the government may direct as a means of enforcing such provisions.

20. ANTI-LOBBYING

(Applicable to contracts exceeding \$100,000)

By the execution of this SRA, the SUBRECIPIENT 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 SUBRECIPIENT, 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 SUBRECIPIENT shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

- 3) The SUBRECIPIENT 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 31 U.S.C. § 1352. 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.

21. BONDING REQUIREMENTS

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

The SUBRECIPIENT shall comply with 2 C.F.R. § 200.326 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 SUBRECIPIENT for one hundred percent (100%) of the Agreement price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the SUBRECIPIENT’s obligations under such contract.
- 3) A payment bond on the part of the SUBRECIPIENT for one hundred percent (100%) of the Agreement price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

22. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968

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

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- B. 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 in 24 C.F.R. Part 75 regulations.
- C. The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which the SUBRECIPIENT has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the SUBRECIPIENT'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.
- D. The SUBRECIPIENT 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 SUBRECIPIENT will not subcontract with any subcontractor where the SUBRECIPIENT has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 75.
- E. The SUBRECIPIENT acknowledges that subrecipients, contractors, and subcontractors are required to meet the employment, training, and contracting requirements of 24 C.F.R. 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.
- F. The SUBRECIPIENT will certify that any vacant employment positions, including training positions, that are filled: (1) after the SUBRECIPIENT is selected but before the Agreement 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 SUBRECIPIENT'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 Agreement 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 Agreement. Section 7(b) requires that to the greatest extent feasible: (i) preference and opportunities for training and employment

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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 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).

- I. The SUBRECIPIENT 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.

23. **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. Subrecipients 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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24. FAIR HOUSING ACT

SUBRECIPIENT 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, disability, 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.

25. ENERGY POLICY AND CONSERVATION ACT

SUBRECIPIENT 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).

26. POLITICAL ACTIVITY

The SUBRECIPIENT agrees to comply with mandatory standards and policies relating to Hatch Political Activity Act (Hatch Act), 5 U.S.C. §§ 1501–1508, which limits the political activity of employees.

The SUBRECIPIENT shall comply with the Hatch Act and shall ensure that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of the Hatch Act, 5 U.S.C. §§ 1501–1508.

The Hatch Act applies to political activities of certain state and local employees. As a PRDOH's SUBRECIPIENT, you may participate in 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 SUBRECIPIENT 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.

27. HEALTH AND SAFETY STANDARDS

All parties participating in this project agree to comply with Sections 3702 and 3704 (a) of the Contract Work Hours and Safety Standards Act (CWHSSA), 40 U.S.C. §§ 3702 and 3704. Section 3704 (a) 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

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standards promulgated by the Secretary of Labor. These requirements do not apply to a contract to acquire a commercial product (as defined in 41 U.S.C. § 103) or a commercial service (as defined in 41 U.S.C. § 103a).

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28. PERSONNEL

The SUBRECIPIENT 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 SUBRECIPIENT 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 SRA.

29. WITHHOLDING OF WAGES

If in the performance of this Agreement, there is any underpayment of wages by the SUBRECIPIENT or by any subcontractor thereunder, the PRDOH may withhold from the SUBRECIPIENT 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 SUBRECIPIENT or subcontractor to the respective employees to whom they are due.

30. 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 SRA shall be promptly reported in writing by the SUBRECIPIENT to the PRDOH for the latter's decision, which shall be final with respect thereto.

31. 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.

32. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS

The SUBRECIPIENT 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 SUBRECIPIENT 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 SUBRECIPIENT 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.

33. 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.

34. INTEREST OF SUBRECIPIENT

The SUBRECIPIENT 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 SUBRECIPIENT further agrees that no person having any such interest shall be employed in the performance of this Agreement.

35. RELIGIOUS ACTIVITY

The SUBRECIPIENT, in compliance with 24 C.F.R. 570.200(j) and 24 C.F.R. § 5.109(c), agrees to provide equal participation to faith-based organizations in HUD programs and activities and to abstain from disfavoring any faith-based organization, including by failing to select a faith-based organization, disqualifying a faith-based organization, or imposing any condition or selection criterion that

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otherwise disfavors or penalizes any faith-based organizations in the selection process using any funds related to this Agreement.

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36. FLOOD DISASTER PROTECTION ACT OF 1973

The SUBRECIPIENT will ensure that procedures and mechanisms are put into place to monitor compliance with all flood insurance requirements as found Section 202(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4106, and the regulations in 44 C.F.R. Parts 59 through 79 and 24 C.F.R. § 570.605.

37. LEAD-BASED PAINT

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

38. VALUE ENGINEERING

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

The SUBRECIPIENT 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 2 C.F.R. § 200.318(g).

39. GENERAL COMPLIANCE

The SUBRECIPIENT shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, and the regulations at 24 C.F.R. § 570, as modified by the Federal Register notices that govern the use of CDBG-DR funds available under this Agreement. See Federal Register Notice 83 FR 5844 (February 9, 2018). Notwithstanding the foregoing, (1) the SUBRECIPIENT does not assume any of the PRDOH's responsibilities for environmental review, decision-making, and action, described in 24 C.F.R. Part 58 and (2) the SUBRECIPIENT does not assume any of the PRDOH's responsibilities for initiating the review process under the provisions of 24 C.F.R. Part 52.

The SUBRECIPIENT shall also comply with all other applicable Federal, state and local laws, regulations, and policies that govern the use of the CDBG-DR funds in

complying with its obligations under this Agreement, regardless of whether CDBG-DR funds are made available to the SUBRECIPIENT on an advance or reimbursement basis. This includes without limitation, applicable Federal Registers; 2 C.F.R. Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Community Development Act of 1974; 24 C.F.R. Part 570 Community Development Block Grant; applicable waivers; Fair Housing Act, 24 C.F.R. Part 35, Subpt. A; 24 C.F.R. Part 58; 24 C.F.R. Part 75; 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.

Where waivers or alternative requirements are provided for in the applicable Federal Register Notice dated February 9, 2018, at 83 FR 5844 or any future Federal Register Notice published by HUD ("HUD Notices"), such requirements, including any regulations referenced therein, shall apply.

The SUBRECIPIENT also agrees to comply with all other applicable Federal, State, and local laws, regulations, HUD Notices, policies, and guidelines, whether existing or to be established, provided the same are applied to activities occurring after the date the policy or guideline was established, governing the Grant Funds provided under this Agreement. In the event a conflict arises between the provisions of this Agreement and any of the foregoing, the Federal, State, and local laws, regulations, HUD Notices, policies, and guidelines shall control and this Agreement shall be interpreted in a manner so as to allow for the terms contained herein to remain valid and consistent with such Federal, State, and local laws, regulations, HUD Notices, policies and guidelines.

The SUBRECIPIENT shall also comply with applicable PRDOH's policies and guidelines as established in Program Guidelines and their amendments, if any, as found in the CDBG-DR Website (www.cdbg-dr.pr.gov) which are herein included and made integral part of this Agreement, as it may be updated from time to time.

40. DUPLICATION OF BENEFITS

The SUBRECIPIENT shall not carry out any of the activities under this Agreement in a manner that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5155) and described in Appropriations Act. The SUBRECIPIENT must comply with HUD's requirements for duplication of benefits, imposed by Federal Register notice on the PRDOH, which are published in a separate notices entitled: "Clarification to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees" (November 16, 2011, 76 FR 71060); "Updates to Duplication of Benefits Requirements Under the Stafford

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Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees” (June 20, 2019, 84 FR 28836); and “Applicability of Updates to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees,” (June 20, 2019, 84 FR 28848). The SUBRECIPIENT shall carry out the activities under this Agreement in compliance with PRDOH’s procedures to prevent duplication of benefits.

41. DRUG-FREE WORKPLACE

The SUBRECIPIENT must comply with drug-free workplace requirements in 2 C.F.R. §§ 182.200 through 182.230 of the Drug-Free Workplace Act of 1988, 41 U.S.C. §§ 8101-8106.

42. HOLD HARMLESS

The SUBRECIPIENT shall and hereby agrees to hold harmless, defend (with counsel acceptable to the PRDOH) and indemnify the Government of Puerto Rico, PRDOH, HUD and each and all of its successors, affiliates, or assigns, and any of their employees, officers, directors, attorneys, consultants, agents, managers, and affiliates, from and against any and all damages, costs, attorneys’ fees, claims, expenses, injuries, property damage, causes of action, violations of law, violations of this Agreement, and losses of any form or nature arising from or related to the conduct of the SUBRECIPIENT in the performance of the efforts called for in this Agreement. This indemnity shall expressly include, but is not limited to, the obligation of the SUBRECIPIENT to indemnify and reimburse the PRDOH for any and all attorneys’ fees and other litigation or dispute resolution costs incurred or to be incurred in the PRDOH’s enforcement of this Agreement or any portion thereof against the SUBRECIPIENT or otherwise arising in connection with the SUBRECIPIENT’s breach, violation, or other non-compliance with this Agreement. This clause shall survive indefinitely the termination of this Agreement for any reason.

43. PRDOH RECOGNITION

Unless otherwise directed by the PRDOH, the SUBRECIPIENT shall ensure recognition of the role of HUD and the PRDOH in providing funding, services, and efforts through this Agreement. Unless otherwise directed by the PRDOH, all activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as to role of HUD and of the PRDOH. In addition, the SUBRECIPIENT shall include a reference to the support provided herein in all publications made possible with funds made available under this Agreement. The PRDOH reserves the right to direct specific reasonable recognition requirements on a case-by-case basis, including but not limited, to the size and content, waiver, removal or addition of such recognition.

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44. LOGO SCENARIO

The Parties hereto will not use the name of the other party, seals, logos, emblems or any distinctive trademark/ trade name, without the prior written express authorization of the other party.

45. UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

The SUBRECIPIENT shall comply with the applicable provisions in 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200.

46. FINANCIAL & PROGRAM MANAGEMENT

The SUBRECIPIENT shall expend and account for all CDBG-DR funds received under this Agreement in accordance with 2 C.F.R. § 200.302 and 2 C.F.R. § 200.303 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

The SUBRECIPIENT shall administer its program in accordance with Cost Principles as outlined in 2 C.F.R. § 200.400 through 2 C.F.R. § 200.476, as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

47. DOCUMENTATION AND RECORD KEEPING

The SUBRECIPIENT shall maintain all records required by applicable law to be maintained, including but not limited to the Federal regulations specified in (1) 2 C.F.R. Part 200; (2) 24 C.F.R. § 570.506; and (3) the applicable HUD Notices that are pertinent to the activities to be funded under this Agreement, as well as any additional records required by the PRDOH. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-DR programs, as modified by the HUD Notices;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG-DR funds;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG-DR program;

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- f. Financial records as required by (1) 24 C.F.R. § 570.502; and (2) 2 C.F.R. Part 200;
- g. Other records necessary to document compliance with Subpart K of 24 C.F.R. Part 570.

48. 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 SUBRECIPIENT which are related to this SRA, for the purpose of inspection, audits, examinations, and making excerpts, copies and transcriptions.

49. RECORD RETENTION AND TRANSMISSION OF RECORDS TO THE PRDOH

The SUBRECIPIENT shall retain all official records on programs and individual activities shall be retained for the greater of five (5) years, starting from the closeout of the grant between PRDOH and HUD, or the end of the affordability period for each housing activity, whichever is longer. If any other laws and regulations as described in 24 C.F.R. § 570.490 applies to a project, the record retention period may be extended. All records involved in litigation, claims, audits, negotiations, or other actions, which have started before the expiration date of their retention, will be kept until completion of the action and resolution of all issues or the end of the regular five (5) years period, whichever is longer. (See 2 C.F.R. § 200.334 and 24 C.F.R. § 570.490(d).)

Records shall be made available to PRDOH upon request.

50. CLIENT DATA AND OTHER SENSITIVE INFORMATION

In the event that the SUBRECIPIENT comes to possess client data and other sensitive information as a result of this Agreement, then the SUBRECIPIENT shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to PRDOH monitors or their designees for review upon request.

The SUBRECIPIENT must comply with 2 C.F.R. § 200.303 and shall take reasonable measures to safeguard protected personally identifiable information, as defined in 2 C.F.R. § 200.82, and other information HUD or the PRDOH designates as sensitive or the SUBRECIPIENT considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality. Additionally, the Subrecipient must comply with the PRDOH CDBG-DR Personally

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Identifiable Information, Confidentiality, and Nondisclosure Policy, as found in the CDBG-DR Website (<https://cdbg-dr.pr.gov/en/download/personally-identifiable-information-confidentiality-and-nondisclosure-policy/>), which is herein included and made integral part of this Agreement, as it may be updated from time to time

The SUBRECIPIENT shall comply with all State or local requirements concerning the privacy of personal records, consistent with 24 C.F.R. § 570.508 (local governments) and § 570.490(c) (States).

51. CLOSE-OUT

The SUBRECIPIENT's obligation to PRDOH shall not end until all close-out requirements are completed. Activities during this close-out period may include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the PRDOH), properly addressing Program Income (as that term is defined in Section VI (A)(19) of the HUD Notice 83 FR 5844, 5856 (February 9, 2018, as may be amended by HUD)), balances, and accounts receivable to the PRDOH), determining the custodianship of records, and the SUBRECIPIENT certification of compliance with the terms of this Agreement. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the SUBRECIPIENT has control over CDBG-DR funds, including Program Income.

Notwithstanding the terms of 24 C.F.R. § 200.343, upon the expiration of this Agreement, the SUBRECIPIENT shall transfer to the recipient any CDBG-DR funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG-DR funds, further, any real property under the SUBRECIPIENT's control that was acquired or improved in whole or in part with CDBG-DR funds (including CDBG-DR funds provided to the SUBRECIPIENT in the form of a loan) shall be treated in accordance with 24 C.F.R. § 570.503(b)(7).

52. AUDITS AND INSPECTIONS

All SUBRECIPIENT records with respect to any matters covered by this Agreement shall be made available to the PRDOH, HUD, and the Comptroller General of the United States, or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the SUBRECIPIENT within thirty (30) days after receipt by the SUBRECIPIENT. Failure of the SUBRECIPIENT to comply with the above audit requirements shall constitute a violation of this Agreement and may result in the withholding of future payments and/or termination.

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53. SINGLEAUDIT

The SUBRECIPIENTmustbe audited as required by 2 C.F.R.Part 200, Subpt. F, when the SUBRECIPIENT'sFederalawards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 C.F.R. § 200.501 (Audit requirem ents). Once said threshold is reached or exceeded, the SUBRECIPIENTshall notify the PRDOHandshall report that event in the corresponding monthly progress report, as provided in Part VI- Performance, Monitoring, and Reporting, Subpart B (Reporting) of this Agreement.

The SUBRECIPIENTshallprocureorotherwise arrange for the audit to be conducted for that year, as required in 2 C.F.R.§200.501(a)-(b); moreover, that it is properly performed and submitted when due in accordance with provisions that include but are not limited to those set forth in 2 C.F.R.§200.512(Report submission), as stated in 2 C.F.R.§200.508(a) (Auditee responsibilities).

Among other relevant provisions, the SUBRECIPIENTshallcomply with: (a) the Electronicsubmission of data and reports to the FederalAudit Clearinghouse (FAC) (2 C.F.R.§ 200.512(d)) and; (b) ensuring that reports do not include protected personally identifiable information as set forth in 2 C.F.R.§200.512(a)(2)).

54. INSPECTIONSAND MONITORING

The SUBRECIPIENTshallpermit the PRDOHand auditors to have access to the SUBRECIPIENT'srecordsand financial statements as necessary for the PRDOHto meet the requirements of 2 C.F.R.Part200.

55. CORRECTIVEACTIONS

The PRDOH may issue management decisions and may consider taking enforcement actions including but not limited to corrective actions in 24 C.F.R.§ 570.910if noncompliance is detected during monitoring and audits. The PRDOH may require the SUBRECIPIENTtotake timely and appropriate action on all deficiencies pertaining to the Federal award provided to the SUBRECIPIENTfromthe pass-through entity detected through audits, on-site reviews, and other means. A timely and appropriate action shall be predicated on reasonable standard wherein the SUBRECIPIENTutilizesallavailable resources to correct the noted issue or issues. In response to audit deficiencies or other findings of noncompliance with this Agreement, the PRDOHmay impose additional conditions on the use of the CDBG-DRfunds to ensure future compliance or provide training and technical assistance as needed to correct noncompliance.

56. PROCUREMENTAND CONTRACTOR OVERSIGHT

The SUBRECIPIENT shall ensure that every process of procurement of goods and services that may involve the use of CDBG-DR funds for local match adheres to the same procurement requirements that apply to procurements performed by local governments using Federal Emergency Management Agency's Public Assistance Program funds ("FEMAPA funds"). Therefore, the SUBRECIPIENT must comply with the federal procurement rules and regulations found in 2 C.F.R. §200.318 through §200.327, procurement requirements that include, but are not limited to: (a) providing full and open competition; (b) following required steps to ensure the use of small and minority businesses, women's business enterprises, and labor surplus area firms when possible; (c) performing a cost or price analysis; (d) evaluating and documenting contractor's integrity, compliance with public policy, record of past performance, and financial and technical resources; (e) ensuring that the contractor has not been suspended or debarred; (f) prohibiting the use of statutorily or administratively imposed state, local, or tribal geographic preferences in evaluating bids or proposal; (g) excluding contractors that may have an unfair competitive advantage, and; (h) maintaining records to detail the history of procurement considerations.

Besides the procurement requirements, compliance with all other applicable CDBG-DR Program regulation is required. In regard to the provisions of the Procurement Manual for CDBG-DR Programs, as found in the CDBG-DR Website (<https://cdbg-dr.pr.gov/en/download/procurement-manual-cdbg-dr-program/>), as it may be updated from time to time, the SUBRECIPIENT shall comply with any provision related to: minority, women, small, and Section 3 business participation; official files; as well as regulations related to low and very low-income persons or firms participation.

The SUBRECIPIENT shall ensure, as well, compliance with the procurement requirements included in the Exhibit A of this Agreement. The SUBRECIPIENT shall include all applicable PRDOH's conditions (as revised from time to time by the PRDOH in accordance with applicable law, rule or regulation) in any contract entered into under this Agreement. SUBRECIPIENT shall also require all contractors to flow down the PRDOH's Conditions, as well as termination for convenience of the PRDOH, to all subcontractors as well as the requirement to flow down such terms to all lower-tiered subcontractors. These Conditions include required terms for project contracts, HUD General Provisions, Participation by Minority Group Members and Women Requirements and Procedures for Contracts with Housing Trust Fund Corporation, Standard Clauses for Contracts with the PRDOH, and required diversity forms. The SUBRECIPIENT must comply with CDBG-DR regulations regarding debarred or suspended entities at 24 C.F.R. §570.609 or 24 C.F.R. §570.489(l) as appropriate. CDBG-DR funds may not be provided to excluded or disqualified persons.

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The SUBRECIPIENT shall maintain oversight of all activities under this Agreement and shall ensure that for any procured contract or Agreement, as applicable, its contractors perform according to the terms and conditions of the procured contracts or Agreements, and the terms and conditions of this Agreement.

PRDOH must obtain and maintain records to document how the procurement performed by the SUBRECIPIENT complied with FEMAPA procurement requirements, as amended from time to time. Additionally, if not completed by FEMA, PRDOH may need to take additional steps to evaluate the cost or price of the goods or services procured by the SUBRECIPIENT. To enable PRDOH to perform these activities, SUBRECIPIENT agrees to make available to PRDOH any and all documentation related to such performed procurement processes upon request.

FEMAPA applicants that procure goods or services before they know whether CDBG-DR funds are available for local match may establish in the procurement solicitation documents that the contract may be amended from time to time to expand the scope to include work funded by other Federal sources, subject to applicable requirements. This will allow the contract to be modified in the future to include terms mandated for CDBG-DR assisted contracts (e.g., ability to hire section 3 residents, ability to subcontract with section 3 businesses, comply with Davis Bacon, or add a liquidated damages provision).

57. NONDISCRIMINATION

The SUBRECIPIENT shall comply with 24 C.F.R. Part 6, which implements the provisions of Section 109 of Title I of the Housing and Community Development Act of 1974, 42 U.S.C. § 5309. Section 109 provides that no person in the United States shall, on the ground 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 Federal financial assistance.

The SUBRECIPIENT shall adhere to the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, 42 U.S.C. §§ 6101-6107 (Age Discrimination Act) and the prohibitions against discrimination on the basis of disability under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794 (Section 504). Section 109 of the Housing and Community Development Act of 1974 makes these requirements applicable to programs or activities funded in whole or in part with CDBG-DR funds. Thus, the SUBRECIPIENT shall comply with regulations of 24 C.F.R. Part 8, which implement Section 504 for HUD programs, and the regulations of 24 C.F.R. Part 146, which implement the Age Discrimination Act for HUD programs.

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The SUBRECIPIENT shall ensure that all CDBG-DR activities conducted by itself or its contractors are consistent with the applicable federal and local legal provisions, regulations, and policies that prohibit discrimination on the basis of race, creed, color, national origin, religion, sex, disability, familial status, actual or perceived sexual orientation or gender identity, marital status, or age, as established in the CDBG-DR Fair Housing and Equal Opportunity (FHEO) Policy for CDBG-DR Programs.¹

58. ARCHITECTURAL BARRIERS ACT AND THE AMERICANS WITH DISABILITIES ACT

The SUBRECIPIENT shall ensure that its Activities are consistent with requirements of Architectural Barriers Act and the Americans with Disabilities Act.

The Architectural Barriers Act of 1968, 42 U.S.C. §§ 4151-4156, requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that ensure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of “residential structure” as defined in 24 C.F.R. § 40.2 or the description of “facilities” in 41 C.F.R. § 102-76.60 are subject to the requirements of the Architectural Barriers Act of 1968 and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 C.F.R. Part 40 for residential structures, and 41 C.F.R. Subt. C, Ch. 102, for general type buildings).

The Americans with Disabilities Act of 1990 (“ADA”), 42 U.S.C. § 12101 et seq. (ADA), provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 26, 1993, that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable—that is, easily accomplishable and able to be carried out without much difficulty or expense.

The SUBRECIPIENT agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced

¹ Follow the link for document access at the CDBG-DR Website: <https://cdbg-dr.pr.gov/en/download/fair-housing-and-equal-opportunity-fheo-policy-for-cdbg-dr-programs/>.

in 24 C.F.R. § 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

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59. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 (24 C.F.R. PART 1)

1) General Compliance:

The SUBRECIPIENT shall comply with the requirements of Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d et seq., and 24 C.F.R. § 570.601 and § 570.602. No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this Agreement. The specific nondiscrimination provisions at 24 C.F.R. § 1.4 apply to the use of these funds. The SUBRECIPIENT shall not intimidate, threaten, coerce, or discriminate against any person for the purpose of interfering with any right or privilege secured by Title VI of the Civil Rights Act of 1964 or 24 C.F.R. Part 1, or because he or she has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under 24 C.F.R. Part 1. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of 24 C.F.R. Part 1, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

2) Assurances and Real Property Covenants:

As a condition to the approval of this Agreement and the extension of any Federal financial assistance, the SUBRECIPIENT assures that the program or activity described in this Agreement shall be conducted and the housing, accommodations, facilities, services, financial aid, or other benefits to be provided shall be operated and administered in compliance with all requirements imposed by or pursuant to this 24 C.F.R. Part 1.

If the Federal financial assistance under this Agreement is to provide or is in the form of personal property or real property or interest therein or structures thereon, the SUBRECIPIENT's assurance herein shall obligate the SUBRECIPIENT or, in the case of a subsequent transfer, the transferee, for the period during which the property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits, or for as long as the recipient retains ownership or possession of the property, whichever is longer. In all other cases the assurance shall obligate the SUBRECIPIENT for the period during which Federal financial assistance is extended pursuant to the contract or application.

This assurance gives the PRDOH and the United States a right to seek judicial enforcement of the assurance and the requirements on real property.

In the case of real property, structures or improvements thereon, or interests therein, acquired with Federal financial assistance under this Agreement or acquired with CDBG-DR funds and provided to the SUBRECIPIENT under this Agreement, the instrument effecting any disposition by the SUBRECIPIENT of such real property, structures or improvements thereon, or interests therein, shall contain a covenant running with the land assuring nondiscrimination for the period during which the real property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

If the SUBRECIPIENT receives real property interests or funds or for the acquisition of real property interests under this Agreement, to the extent that rights to space on, over, or under any such property are included as part of the program receiving such assistance, the nondiscrimination requirements of this part 1 shall extend to any facility located wholly or in part in such space.

3) Women- and Minority-Owned Businesses (W/MBE)

The SUBRECIPIENT shall take the affirmative steps listed in 2 C.F.R. § 200.321(b)(1) through (6) to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible when the SUBRECIPIENT procures property or services under this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in Section 3(a) of the Small Business Act, as amended, 15 U.S.C. § 632 (a), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian- Americans, and American Indians. The SUBRECIPIENT may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

In compliance with the CDBG-DR Minority and Women- Owned Business Enterprise Policy (M/WBEP Policy), the SUBRECIPIENT shall complete a utilization plan to identify how they plan on successfully achieving the contracting goals for MBE and WBE's. SUBRECIPIENT shall also complete quarterly reporting to provide information on contracting opportunities and payouts provided to WBE or MBE contractors or subcontractors. SUBRECIPIENT shall also document their efforts and submit those to PRDOH on a quarterly basis. See the M/WBE Policy, as found in the CDBG-DR Website (www.cdbg-dr.pr.gov) which is herein included and made integral part of this Agreement, as it may be updated from time to time.

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4) Notifications

The SUBRECIPIENT will send to each labor union or representative of workers with which it 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 worker's representative of the SUBRECIPIENT's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5) Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The SUBRECIPIENT shall, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that it is an Equal Opportunity or Affirmative Action employer.

60. LABOR STANDARDS

The SUBRECIPIENT shall comply with the labor standards in Section 110 of the Housing and Community Development Act of 1974, 42 U.S.C. § 5310, and ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this Agreement shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis Bacon Act, as amended (40 U.S.C. § 3141, et seq.), and 29 C.F.R. Parts 1, 3, 5, 6, and 7, provided, that this requirement shall apply to the rehabilitation of residential property only if such property contains not less than eight (8) units.

The SUBRECIPIENT agrees to comply with 18 U.S.C. § 874 and its implementing regulations of the U.S. Department of Labor at 29 C.F.R. Part 3 and Part 5. The SUBRECIPIENT shall maintain documentation that demonstrates compliance with applicable hour and wage requirements. Such documentation shall be made available to the PRDOH for review upon request.

The SUBRECIPIENT is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; or nepotism activities.

61. CONDUCT

1) Contracts

- a. Monitoring: As applicable, the SUBRECIPIENT will monitor all contracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported

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with documented evidence of follow-up actions taken to correct areas of noncompliance.

- b. Content: The SUBRECIPIENT shall cause all of the provisions of this contract in its entirety to be included in and made a part of any contract executed in the performance of this Agreement, as applicable.
- c. Selection Process: The SUBRECIPIENT shall ensure that all contracts awarded after the execution of this Agreement and in the performance of such, follow the procurement policies and procedures described in the paragraph 56 (Procurement and Contractor Oversight) of this Exhibit.
- d. Notification: The SUBRECIPIENT shall notify and provide a copy of any and all contracts related to this Agreement and CDBG-DR funds to the Contract Administration Area of the PRDOH CDBG-DR Legal Division within three (3) days of its execution. Additionally, the SUBRECIPIENT shall provide a copy of any and all subcontracts executed by its Contractors to the Contract Administration Area of the PRDOH CDBG-DR Legal Division within three (3) days of its execution.

2) Conflict of Interest

The SUBRECIPIENT agrees to abide by the provisions of 2 C.F.R. Part 200, as applicable, and 24 C.F.R. § 570.611, which include (but are not limited to) the following:

- a. It is presumed that the SUBRECIPIENT is subject to state and local ethics laws and regulations related to the conduct of its officers, employees or agents engaged in the award and administration of this Agreement.
- b. In the event the SUBRECIPIENT is not, the SUBRECIPIENT shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of this Agreement. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the Parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or Parties to sub Agreements. However, recipients may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions

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to be applied for violations of such standards by officers, employees, or agents of the recipient.

- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-DR assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or Agreement with respect to the CDBG-DR assisted activity, or with respect to the proceeds from the CDBG-DR assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the PRDOH, the SUBRECIPIENT, or any designated public agency.
- d. Clause of Governmental Ethics Certification of Absence of Conflict of Interests - The SUBRECIPIENT certifies that: (1) No public servant of the PRDOH has pecuniary interest in this contract. (2) No public servant of the PRDOH has solicited or accepted, directly or indirectly, for him (her), for any member of his family unit or for any other person, gifts, allowances, favors, services, donations, loans or any other thing of monetary value. (3) No public servant of the PRDOH related to this transaction, asked for or accepted any good of economic value, from any person or organization as payment for the duties and responsibilities of his employment. (4) No public servant of the PRDOH has solicited, directly or indirectly, for him (her), any member of his family unit, neither for any other person, business or organization, any good of economic value, including gifts, loans, promises, favors or services in exchange for his (her) obligations and performance of said public employment, to influence or favor any organization. (5) No public servant of the PRDOH has kinship relationship, within the fourth degree of consanguinity and second by affinity, with nobody in public employment that has faculty to influence and to participate in the institutional decisions of this Agreement.

62. CITIZEN GRIEVANCES

If the SUBRECIPIENT receives any complaint or grievance, it shall refer said complaint or grievance immediately to the PRDOH CDBG-DR Program so that PRDOH may respond appropriately.

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63. TECHNICAL ASSISTANCE AND TRAININGS

The SUBRECIPIENT shall attend any and all technical assistance and/or trainings that the PRDOH requires from time to time at its discretion. Failure to attend may be considered as cause for termination.

64. DISASTER RELIEF ACCOUNT

Pursuant to Federal Register Vol. 85, No. 17, 85 FR 4681 (January 27, 2020), PRDOH must comply with an additional requirement imposed by an Order of October 26, 2017, granted by the United States District Court for the District of Puerto Rico, as may be amended from time to time. As required by the Order, grant funds or disaster relief funds received by the Commonwealth of Puerto Rico or other Non-Federal Entities (as defined by 2 C.F.R. § 200.69) shall be deposited solely into a Disaster Relief Account.

As a result thereof, under the terms of the beforementioned Court order and under the conditions of this Agreement, any and all CDBG-DR/MIT funds subawarded by PRDOH to its SUBRECIPIENT shall be deposited into a new, separate, non-co-mingled, unencumbered account held in the name of the SUBRECIPIENT. The funds shall be used solely for eligible activities. Further, the SUBRECIPIENT shall provide and make available to PRDOH any and all documentation related to such account.

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

The SUBRECIPIENT 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.

Subrecipient 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.

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EXHIBIT G

SPECIAL CONDITIONS

ELECTRICAL POWER RELIABILITY AND RESILIENCE PROGRAM (ER2) MUNICIPALITY OF SAN JUAN | COMPETITIVE PROJECTS

1. Attend Training Curriculum:

Within sixty (60) days after this SRA is executed, Subrecipient shall participate in capacity-building activities directed at the development and implementation of effective internal controls of federal awards to ensure that the entity can manage federal awards in compliance with federal statutes and regulations. Subrecipient must complete the PRDOH Core Curriculum through its Learning Management System.

2. Needs Assessment:

Within sixty (60) days after this SRA is executed, Subrecipient shall participate in a Needs Assessment with PRDOH Staff and/or a PRDOH Technical Assistance Provider (TAP) and shall complete the recommendations resulting from the Needs Assessment to improve organizational capacity.

3. Staffing and Training Plan:

Within sixty (60) days after this SRA is executed, Subrecipient shall develop or update a staffing and training plan that identifies specific personnel responsible for implementation and compliance of key requirements, including citizen complaints, financial management, internal controls, procurement, monitoring, and CDBG-DR specific requirements (e.g., national objective) and submit the plan to the Program POC and Subrecipient Management Unit.

4. Policies and Procedures:

Within sixty (60) days after this SRA is executed, the Subrecipient shall develop, update, and implement all policies and procedures in compliance with PRDOH CDBG-DR policies and state and federal regulations.

In addition, the Subrecipient shall develop, update, and implement policies and procedures for all systems in place for tracking: finance, human resources, timekeeping, assets, and inventory (if applicable). Also, ensure to have policies and procedures that guarantee the security and privacy of systems including Personally Identifiable Information (PII).

5. Organizational Chart:

Within sixty (60) days after this SRA is executed the Subrecipient shall submit to the

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PRDOHCDBG-DRPrograman updated organizational chart for offices and divisions of the Subrecipientparticipating in the implementation and management of the CDBG-DRawarded funds, that clearly demonstrate appropriate segregation of duties in compliance with the Standards for Internal Control in the Federal Government established by the GAO, and in compliance with 2 C.F.R.§ 200.303. Furthermore, the organizational chart shall also include the position, title, and employee's name, clearly establishing the segregation of duties, including the finance division.

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DEPARTMENT OF

HOUSING

GOVERNMENT OF PUERTO RICO

Barbosa Ave. #606 , Building Juan C. Cordero Dávila, Río Piedras, PR 00918 | PO Box 21365 San Juan, PR 00928-1365
Tel. (787) 274-2527 | www.vivienda.pr.gov

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EXHIBIT H

SUBROGATION AND ASSIGNMENT PROVISIONS

ELECTRICAL POWER RELIABILITY AND RESILIENCE PROGRAM (ER2) MUNICIPALITY OF SAN JUAN | COMPETITIVE PROJECTS

1. General Provisions.
 - a) The Parties acknowledge that the following provisions of this Exhibit are hereto incorporated by reference and made an integral part of the aforementioned Subrecipient Agreement as Exhibit H.
 - b) Changes in the provisions of this Exhibit will require an amendment to the Subrecipient Agreement. Such amendment would result in the incorporation by reference of a modified Exhibit H to the Subrecipient Agreement.
2. Subrogation and Assignment Relating to Funds Received from the Puerto Rico Department of Housing – Electrical Power Reliability and Resiliency Program (ER2)- Municipality of San Juan (MSJ) | Competitive Projects
 - a) These provisions are incorporated into the Subrecipient Agreement in consideration of the commitment by PRDOH to evaluate the Subrecipient's application for the award of disaster assistance funds (the "Application") or the Subrecipient's receipt of CDBG-DR disaster recovery funds (the "Grant Proceeds") under the Program being administered by PRDOH.
 - b) Subrecipient understands and acknowledges that the Program is subject to the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. §§ 5121-5207 (the "Act") and that, under such Act, the Subrecipient may only receive assistance to the extent that the Subrecipient has a disaster recovery need that is not fully met by insurance or other forms of disaster assistance. Subrecipient further acknowledges that these provisions are intended to ensure that Subrecipient does not receive

duplicate benefits available to the Subrecipient from another source, for the same purposes as the Grant Proceeds provided under the Program, and that, any assistance determined to be duplicative must be deducted from the Program's calculation of the Subrecipient's total need before awarding assistance.

- c) Subrecipient hereby subrogates and assigns to PRDOH any and all of Subrecipient's future rights to, and any interest Subrecipient may have in, any reimbursement and all payments received or subsequently received from any grant, loan, insurance policy, or policies of any type (each individually, a "Policy" and collectively, the "Policies"), or under any subsidy, reimbursement or relief program related to or administered by the Federal Emergency Management Agency ("FEMA"), insurance payments, or any other federal, state or local government agency (each, individually, a "Disaster Program" and collectively, the "Disaster Programs") to the extent of all Grant Proceeds paid or to be paid under the Program and that are determined, in the sole discretion of PRDOH or its designated agent, to be a duplication of benefits ("DOB"). Any payments referred to in this paragraph, whether they are from Policies, FEMA, or any other source, and whether or not such amounts are a DOB, shall be referred to herein as "Proceeds"; any Proceeds that are determined to be a DOB shall be referred to herein as "DOB Proceeds".
- d) Subrecipient agrees that in the event that Subrecipient receives additional Proceeds related to disaster recovery that are not listed on the Duplication of Benefits Certification submitted in connection with the Application, Subrecipient will notify the PRDOH within ten (10) working days of receipt of the funds by sending a written notification to energycdbg@vivienda.pr.gov. PRDOH will, in turn, determine, in its sole discretion, if such Proceeds constitute DOB Proceeds. If any of the Proceeds are determined to be DOB Proceeds, the Subrecipient shall pay PRDOH the DOB Proceeds, to be disbursed as provided in Section 3 of this Agreement.

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3. Cooperation and Further Documentation.

- a) If PRDOH elects to pursue any of the claims Subrecipient has or may have under any Policies, Subrecipient agrees to assist and cooperate with PRDOH. Subrecipient's assistance and cooperation shall include, but shall not be limited to, allowing the suit to be brought in Subrecipient's name(s) and providing any additional documentation concerning such consent, giving depositions, providing documents, producing records and other evidence, testifying at trial, and any other form of assistance and cooperation reasonably requested by the PRDOH. Subrecipient also agrees to assist and cooperate in the attainment and collection of any DOB Proceeds that the Subrecipient would be entitled to under any applicable Disaster Assistance Program.
- b) If requested by PRDOH, Subrecipient agrees to execute such further and additional documents and instruments as may be requested to further and better subrogate and assign to PRDOH (to the extent of the Grant Proceeds paid to Subrecipient under the Program) the Policies, any amounts received under the Disaster Assistance Programs that are determined to be DOB Proceeds and/or any rights thereunder. Subrecipient further agrees to take, or cause to be taken, all actions and to do, or cause to be done, all things requested by the PRDOH to consummate and make effective the purposes of these provisions.
- c) Subrecipient expressly allows and authorizes PRDOH to request information from any company with which Subrecipient holds or held any insurance policy or policies of any type, any other company or entity - public or private - from which the Subrecipient has applied for or is receiving assistance (such as FEMA, or others), or any non-public or confidential information determined by PRDOH, in its sole discretion, to be reasonably necessary to monitor/ enforce its interest in the rights subrogated and assigned to it under this Agreement, and grant consent to such company or entity to release said information to the PRDOH.

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4. Agreement to Turn Over Proceeds; Future Reassignment.

- a) If Subrecipient (or, to the extent permitted by superior loan documents, any lender to which DOB Proceeds are payable) hereafter receives any DOB Proceeds, Subrecipient agrees to promptly pay such amounts to PRDOH, if Subrecipient received Grant Proceeds under the Program in an amount greater than the amount Subrecipient would have received if such DOB Proceeds had been considered in the calculation of Subrecipient's award.
- b) In the event that Subrecipient receives or is scheduled to receive any Proceeds not listed on its Duplication of Benefits Certification ("Subsequent Proceeds"), Subrecipient shall pay such Subsequent Proceeds directly to the PRDOH, and PRDOH will determine the amount, if any, of such Subsequent Proceeds that are DOB Proceeds ("Subsequent DOB Proceeds"). Subsequent Proceeds shall be disbursed as follows:
- (i) If Subrecipient has received full payment of the Grant Proceeds, Subrecipient shall remit any Subsequent DOB Proceeds to PRDOH. PRDOH shall return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.
 - (ii) If Subrecipient has received no payment of the Grant Proceeds, PRDOH shall reduce the payment of the Grant Proceeds to Subrecipient by the amount of the Subsequent DOB Proceeds and shall return all Subsequent Proceeds in excess of the Subsequent DOB Proceeds to Subrecipient.
 - (iii) If Subrecipient has received a portion of the Grant Proceeds, the following shall occur: (A) PRDOH shall reduce the remaining payments of the Grant Proceeds and return Subsequent DOB Proceeds in such amount to the Subrecipient, and (B) Subrecipient shall remit any remaining Subsequent DOB Proceeds to PRDOH. PRDOH shall also return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.
 - (iv) If the PRDOH determines that Subrecipient does not qualify to participate in the Program or the Subrecipient decides not to participate in the

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Program, PRDOH shall return the Subsequent Proceeds to Subrecipient, and the Agreement shall terminate.

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- c) Once PRDOH has recovered an amount equal to the Grant Proceeds paid to Subrecipient, PRDOH will reassign to Subrecipient any rights given to PRDOH under these provisions.
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5. Miscellaneous.

- a) Subrecipient hereby represents that all statements and representations made by Subrecipient regarding any Proceeds are true and correct, as of the date of the issuance of the Grant Proceeds.
- b) In any proceeding to enforce these provisions, PRDOH shall be entitled to recover all costs of enforcement, including PRDOH's attorney fees.
- c) The parties hereto each waive the right to have any judicial proceeding concerning any of the provisions hereof tried by a jury.
- d) Neither these provisions, nor any portion or provisions hereof may be changed, waived, or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by all parties hereto and approved by PRDOH.
- e) These provisions, and the rights and obligations of the parties shall be governed and construed by federal law and the laws of the Government of Puerto Rico without giving effect to conflict of law provisions. Any action arising out of or related to this Subrogation and Assignment provisions shall be brought within the Government of Puerto Rico.
- f) The captions of the various sections of this Subrogation and Assignment provisions have been inserted only for the purpose of convenience; such captions are not a part of the Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any provisions of this Subrogation.
- g) Subrecipient acknowledges that making a false, fictitious, or fraudulent statement or representation in this agreement is punishable under State and

Federal law (18 U.S.C.287, 1001,and 31 U.S.C.3729), and shall constitute a separate criminal offense each time a public benefit is fraudulently received.

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h) Subrecipient acknowledges that they have been informed and understand the penalties for making a materially false or misleading statement to obtain CDBG-DRfunds under the Program or any other of the PRDOH'sPrograms.

END OF DOCUMENT



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EXHIBIT I

NON-CONFLICT OF INTEREST CERTIFICATION


ELECTRICAL POWER RELIABILITY AND RESILIENCE PROGRAM (ER2)

MUNICIPALITY OF SAN JUAN | COMPETITIVE PROJECTS

The Subrecipient certifies that to the best of its knowledge:

1. No public servant of this executive agency has a pecuniary interest in this agreement, 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 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 of affinity, with any public servant who has the power to influence and participate in the institutional decisions of this executive agency.

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



Signature

Miguel A. Romero Lugo

Printed Name

Date

Mayor

Position

INSURANCE REQUIREMENTS AND BONDING SPECIFICATIONS

MUNICIPALITY OF SAN JUAN

CENTROMAS SALUD DR. RAFAEL (HOARE)

Infrastructure Electrical Power Reliability and Resilience (ER-2)

Program Community Development Block Grant – Disaster Recovery Energy

Puerto Rico Department of Housing

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A. In General

Municipality of San Juan (SUBRECIPIENT) shall obtain and maintain, at its own expense and for the duration of the contract including any warranty periods under the Contract are satisfied, the insurance coverages set forth below.

These insurance requirements are minimum requirements for the Contract and in no way limit any indemnity covenants in the Contract. Puerto Rico Department of Housing (PRDOH) does not warrant that these minimum limits are sufficient to protect the SUBRECIPIENT from liabilities that might arise out of the performance of the work under the Contract by the SUBRECIPIENT, its agents, representatives, employees, or subcontractors.

The insurance required hereunder shall not be interpreted to relieve the SUBRECIPIENT of any obligations under the Contract. The SUBRECIPIENT shall remain fully liable for all deductibles and amounts in excess of the coverage actually realized.

B. Minimum scope and limit of insurance:

Coverage should be at least as broad as to be requested in applicable acquisition processes:

1. Surety Bonds: The SUBRECIPIENT must provide or cause those conducting the work to provide and maintain bonds covering the faithful performance of the contract and payment of all obligations in the following amounts:

- a) Bid Bond: 5%of the contract value.
- b) Performance Bond: 100%ofthe contract value,including change orders.
- c) Payment Bond: 100%ofthe contract value,including change orders.

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2. Comm ercial General Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide and maintain Commercial General Liability Insurance (broad form coverage) insuring against claims for bodily injury, property damage, personal injury and advertising injury that shall be no less comprehensive and no more restrictive than the coverage provided by Insurance Services Office (ISO) form for Comm ercial General (CG 00-01). By its terms or appropriate endorsements such insurance shall include the following coverage, to wit: Bodily Injury, Property Damage, Fire Legal Liability, Personal Injury, Blanket Contractual, Independent Contractors, Premises Operations, Products and Completed Operations. The policy cannot be endorsed to exclude the perils of explosion (x), collapse (c) and underground (u) exposures without the specific written approval of the Owner.

If Commercial General Liability Insurance or other form with a general aggregate limit and products and completed operations aggregate limit is used, then the aggregate limits shall apply separately to the Project, or the SUBRECIPIENT may obtain separate insurance to provide the required limit which shall not be subject to depletion because of claims arising out of any other project or activity of the SUBRECIPIENT

Type of Coverage:	Occurrence Basis
Amount of Coverage	
• General Aggregate	\$2,000,000
• Each Occurrence	\$1,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Contractual Liability	\$1,000,000
• Fire Legal Liability	\$ 50,000
• Medical Expense	\$ 5,000

a) Policy will include the following additional insured language: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the SUBRECIPIENT.

b) Policy will contain a waiver of subrogation against Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, for losses arising from work performed by or on behalf of the SUBRECIPIENT”.

c) Duration of Coverage: liability policies shall continue coverage for a minimum of five (5) years for Completed Operations liability coverage. Such Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

3. Automobile Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide and maintain Comprehensive Automobile Liability Insurance insuring against claims for bodily injury and property damage and covering the ownership, maintenance or use of any auto or all owned/leased and non-owned and hired vehicles (Symbols 2, 8 and 9) used in the performance of the Work, both on and off the Project Site, including loading and unloading. The coverage be provided by Insurance Services Office form for Commercial Auto Coverage (CA-00-01) or equivalent.

Type of Coverage:	Occurrence Basis
Amount of Coverage:	\$1,000,000 combined single limit

a) Policy will include the following additional insured language: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the SUBRECIPIENT.

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b) Policy will contain a waiver of subrogation against: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, for losses arising from work performed by or on behalf of the SUBRECIPIENT.

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4. Workers’ Compensation and Employer’s Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide Worker’s Compensation Insurance with “Statutory Limits” as required by Act 45 of April 18, 1935, as amended, known as “The Workmen’s Accident Compensation Act” (Ley del Sistema de Compensaciones por Accidentes del Trabajo).

The SUBRECIPIENT must provide or cause those conducting the work to provide Employer Liability Insurance covering its legal obligation to pay damages because of bodily injury or occupational disease (including resulting death) sustained by an employee.

Amount of Coverage:	\$1,000,000	bodily injury by accident
	\$1,000,000	bodily injury by disease
	\$1,000,000	policy limit

5. Umbrella/Excess Liability

The SUBRECIPIENT must provide or cause those conducting the work to provide Umbrella/ Excess Liability insurance limits as follows:

Coverage:	Written on a following form basis over the primary policies: Commercial General Liability, Employers’ Liability and Automobile Liability Insurance.
-----------	---

Limits	Each occurrence	\$20,000,000
	General Aggregate	\$20,000,000
	SIR	\$10,000

a) Any such excess insurance shall be at least as broad as the SUBRECIPIENT's primary insurance.

b) Policy will include the following additional insured language: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the SUBRECIPIENT.

c) Duration of Coverage: umbrella/ excess liability policies shall continue coverage for a minimum of five (5) years for Completed Operations liability coverage. Such Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

6. Contractors Pollution Liability to indemnify for bodily injury, property damage, or amounts which the SUBRECIPIENT, its employees, its agents, or its Contractors are legally obligated to pay for cleanup/ remediation work arising out of or related to the services to be provided under this "Agreement". Pollution Liability policy must include contractual liability coverage.

Amount of Coverage:	Per Loss	\$5,000,000
	Aggregate	\$5,000,000

a) Coverage shall apply to sudden and gradual pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, natural gas, waste materials, or other irritants, contaminants, or pollutants (including asbestos). Policy shall cover the SUBRECIPIENT completed operations.

b) If the coverage is written on a claim-made basis, the SUBRECIPIENT warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract; and that continuous coverage will be maintained, or an extended discovery period will be exercised for a period of five (5) years beginning from the time that work under this contract is completed.

c) The policy shall be endorsed to include the following as Additional Insureds: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development

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(HUD), its officers, agents, and employees named as an additional insured with respect to liability and defense of suits arising out of the activities performed by, or on behalf of the SUBRECIPIENT, including completed operations.

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- d) Endorsements CA9948 and MCS-90 are required on the Automobile Liability Coverage if the SUBRECIPIENT or its Contractors transports any type of hazardous materials.

7. Professional Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide Professional Liability insurance with respect to negligent or wrongful acts, errors or omissions, or failure to render services in connection with the professional services to be provided under this “Agreement”. This insurance shall protect against claims arising from professional services of the insured, or by its employees, agents, or contractors, and includes coverage (or no exclusion) for contractual liability.

Amount of Coverage:	Per Claim	\$5,000,000
	Aggregate	\$5,000,000

- a) If the coverage is written on a claim-made basis, the SUBRECIPIENT warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract; and that continuous coverage will be maintained, or an extended discovery period will be exercised for a period of five (5) years beginning from the time that work under this contract is completed.

8. Builders’ Risk Insurance

Unless otherwise provided, SUBRECIPIENT will procure, pay for, and maintain, builder's risk (and/ or Installation Floater) in the amount of the initial Contract Sum, plus value of subsequent Contract modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a value-at-risk-at-time-of-loss (VARTOL) valuation clause (as defined in the builders’ risk policy).

- a) Such builders risk insurance shall end when the first of the following occurs:

- i. The PRDOH interest in the Work ceases;
 - ii. the policy expires or is cancelled; or
 - iii. the Work is accepted by PRDOH.
- b) SUBRECIPIENT is responsible for the deductible for any claim made against the policy. A separate certificate of insurance evidencing the coverage required herein shall be provided to PRDOH.
- c) The PRDOH shall be added as Additional Named Insured and Loss Payee.
- d) Policy must provide coverage from the time any covered property becomes the responsibility of the SUBRECIPIENT, and continue without interruption during construction, renovation, or installation, including any time during which the covered property is being transported to the construction installation site, or awaiting installation, whether on or off site.
- e) Builders' Risk Coverage shall be on a Special Covered Cause of Loss Form and shall include theft, vandalism, malicious mischief, collapse, false-work, temporary buildings and debris removal including demolition, increased cost of construction, architect's fees and expenses, flood (including water damage), earthquake, and if applicable, all below and above ground structures, piping, foundations including underground water and sewer mains, piling including the ground on which the structure rests and excavation, backfilling, filling, and grading. Equipment Breakdown Coverage (a.k.a. Boiler & Machinery) shall be included as required by the Contract Documents or by law, which shall specifically cover insured equipment during installation and testing (including hot testing, where applicable).
- f) The Builders' Risk shall be written for 100% of the completed value (replacement cost basis) of the work being performed. The Builders' Risk shall include the following provisions:
 - i. Replacement Cost Basis - including modification of the valuation clause to cover all costs needed to repair the

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structure or work (including overhead and profits) and will pay based on the values figured at the time of rebuilding or repairing, not at the time of loss.

- g) If the project does not involve new or major reconstruction, at the option of Puerto Rico Department of Housing (PRDOH), the SUBRECIPIENT may provide an Installation Floater Policy in lieu of a Builders Risk policy, with the similar coverage as the Builder's Risk policy. For such projects, an Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the SUBRECIPIENT's site.

9. Other Coverages:

The PRDOH reserves the right to require SUBRECIPIENT to obtain and maintain additional insurance coverages, provided that such requests are reasonable and consistent with industry standards. The SUBRECIPIENT shall secure these additional coverages within a reasonable time frame following the Department's request, ensuring continuous compliance with contractual obligations.

C. Other Provisions

1. Acceptability of Insurers

The insurance company providing any of the insurance coverage required herein shall be an Insurance Company duly authorized to do business in Puerto Rico and approved by the Office of the Commissioner Insurance of Puerto Rico and classified by A.M. Best Co. with a rating of no less than financial strength of A or have a financial size of IV or better.

If at any time an insurer issuing any such policy does not meet the minimum A. M. Best rating, the SUBRECIPIENT shall obtain a policy with an insurer that meets the A. M. Best rating and shall submit another certificate of insurance as required in the contract.

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2. Premiums, Deductibles and Self-Insured Retentions

The SUBRECIPIENT shall be responsible for payment of premiums for all of the insurance coverages required under this Section. The SUBRECIPIENT further agrees that for each claim, suit or action made against insurance provided hereunder, with respect to all matters for which the SUBRECIPIENT is responsible hereunder, the SUBRECIPIENT shall be solely responsible for all deductibles and self-insured retentions. Any deductible or self-insured retentions over \$50,000.00 in the SUBRECIPIENT insurance must be declared and approved in writing by PRDOH.

3. Claims Made Policies

If any coverage required is written on a claims-made coverage form:

- a) The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work.
- b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of contract work.
- c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work.
- d) A copy of the claims reporting requirements must be submitted to the Entity for review.

4. Proof of Insurance

The SUBRECIPIENT shall submit proof of the Comprehensive General Liability (CGL) insurance to the PRDOH before the execution of the Subrecipient Agreement. The SUBRECIPIENT shall also ensure that all other insurance policies and bonds required under this Agreement are secured by its subcontractors. The SUBRECIPIENT is responsible for providing to the PRDOH evidence of these additional insurance policies and bonds within five (5) days after the execution of each individual subcontract agreement.

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5. Verification of Coverage

The SUBRECIPIENT shall provide a Certificate or Certificates of Insurance, in a form satisfactory to Puerto Rico Department of Housing (PRDOH) (i.e., an ACORD Certificate), before commencing any work under the contract or agreement.

Certificates of Insurance shall:

- a) Be in the form acceptable to PRDOH (i.e., an ACORD Certificate);
- b) Disclose any Deductible, Self-Insured Retention, Aggregate Limit or any exclusion to the policy that materially changes the coverage required by the contract.;
- c) Project/contract number and project description shall be noted on the certificate of insurance.;
- d) Be signed by an authorized representative of the Insurance carriers; and
- e) Contain the following language in the Description of Operations/Locations/ Vehicles section:

“Additional Insured protection afforded is on a primary and non-contributory basis. A waiver of subrogation is granted in favor of the Additional Insureds.”

Only original documents (Certificate(s) and any Endorsements or other attachments) or electronic versions of the same that can be directly traced back to the Insurer, Agent or Broker via e-mail distribution or similar means will be accepted.

The PRDOH reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

All certificates required by this Agreement shall be sent directly to:

Sonia Damaris Rodríguez
Especialista en Seguros | CDBG-DR/MIT
Oficina de Recuperación de Desastres
Tel. (787) 274- 2527 ext. 4081
srodriguez@vivienda.pr.gov

6. Renewal Policies

The SUBRECIPIENT shall promptly deliver PRDOH a certificate of insurance with respect to each renewal policy, as necessary to demonstrate the maintenance of the required insurance coverage for the terms specified herein. Such certificate shall be delivered to PRDOH not less than 30 days prior to the expiration date of any policy and bear a notation evidencing payment of the premium thereof.

7. Cancellation and Modification of Insurance Coverages

The SUBRECIPIENT shall be responsible for immediately notifying the PRDOH in writing of any changes or cancellations of its insurance or may be found in breach of the contract and the contract could be terminated. This notice requirement does not waive the insurance requirements contained herein.

8. Policies Primary and Non-Contributory

All policies required above are to be primary and noncontributory with any insurance programs carried by the PRDOH.

9. Waiver of Subrogation

SUBRECIPIENT hereby grants to PRDOH a waiver of any right to subrogation which any insurer of said SUBRECIPIENT may acquire against PRDOH by virtue of the payment of any loss under such insurance. SUBRECIPIENT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not PRDOH has received a waiver of subrogation endorsement from the insurer.

10. Special Risks or Circumstances

The PRDOH reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

11. Subcontractors

The SUBRECIPIENT and its Contractors shall include all subcontractors as insureds under its policies or shall be responsible for verifying and maintaining the certificates provided by each subcontractor. Subcontractors shall be subject to all of the requirements stated herein. The agency reserves the right to request copies of subcontractor's certificates at any time.

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12. No Recourse

There shall be no recourse against PRDOH for the payment of premiums or other amounts with respect to the insurance required from the SUBRECIPIENT under this Section.

13. Limits of Coverage

If the SUBRECIPIENT maintains higher limits than the minimums shown below, PRDOH requires and shall be entitled to coverage for the higher limits maintained by the SUBRECIPIENT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PRDOH.

14. Indemnification/ Hold Harmless Agreement

SUBRECIPIENT agrees to protect, defend, indemnify, save, and hold harmless, Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, employees, and volunteers, from and against any and all claims, damages, expenses, and liability arising out of injury or death to any person or the damage, loss, or destruction of any property which may occur, or in any way grow out of, any act or omission of SUBRECIPIENT, its contractors, agents, servants, and employees, or any and all costs, expenses and/or attorney fees incurred by SUBRECIPIENT as a result of any claims, demands, suits or causes of action, except those claims, demands, suits, or causes of action arising out of the negligence of, Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, employees, and volunteers. SUBRECIPIENT agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands, suits, or causes of action at its sole expense and agrees to bear all other costs and expenses related thereto, even if the claims, demands, suits, or causes of action are groundless, false or fraudulent.

15. 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 in amounts or limits, etc., with respect to insurance requirements, the conditions

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EXHIBIT J-1

of insurance and bonds established in these Insurance Requirements and Bonding Specifications shall prevail over any other insurance specifications.

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INSURANCE REQUIREMENTS AND BONDING SPECIFICATIONS

MUNICIPALITY OF SAN JUAN

SAN JUAN SPORT COMPLEX- BITHORN-CLEMENTE-PEDRIN

Infrastructure Electrical Power Reliability and Resilience (ER-2)

Program Community Development Block Grant – Disaster Recovery Energy

Puerto Rico Department of Housing

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A. In General

Municipality of San Juan (SUBRECIPIENT) shall obtain and maintain, at its own expense and for the duration of the contract including any warranty periods under the Contract are satisfied, the insurance coverages set forth below.

These insurance requirements are minimum requirements for the Contract and in no way limit any indemnity covenants in the Contract. Puerto Rico Department of Housing (PRDOH) does not warrant that these minimum limits are sufficient to protect the SUBRECIPIENT from liabilities that might arise out of the performance of the work under the Contract by the SUBRECIPIENT, its agents, representatives, employees, or subcontractors.

The insurance required hereunder shall not be interpreted to relieve the SUBRECIPIENT of any obligations under the Contract. The SUBRECIPIENT shall remain fully liable for all deductibles and amounts in excess of the coverage actually realized.

B. Minimum scope and limit of insurance:

Coverage should be at least as broad as to be requested in applicable acquisition processes:

1. Surety Bonds: The SUBRECIPIENT must provide or cause those conducting the work to provide and maintain bonds covering the faithful performance of the contract and payment of all obligations in the following amounts:

- a) Bid Bond: 5%of the contract value.
- b) Performance Bond: 100%ofthe contract value,including change orders.
- c) Payment Bond: 100%ofthe contract value,including change orders.

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2. Comm ercial General Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide and maintain Commercial General Liability Insurance (broad form coverage) insuring against claims for bodily injury, property damage, personal injury and advertising injury that shall be no less comprehensive and no more restrictive than the coverage provided by Insurance Services Office (ISO) form for Comm ercial General (CG 00-01). By its terms or appropriate endorsements such insurance shall include the following coverage, to wit: Bodily Injury, Property Damage, Fire Legal Liability, Personal Injury, Blanket Contractual, Independent Contractors, Premises Operations, Products and Completed Operations. The policy cannot be endorsed to exclude the perils of explosion (x), collapse (c) and underground (u) exposures without the specific written approval of the Owner.

If Commercial General Liability Insurance or other form with a general aggregate limit and products and completed operations aggregate limit is used, then the aggregate limits shall apply separately to the Project, or the SUBRECIPIENT may obtain separate insurance to provide the required limit which shall not be subject to depletion because of claims arising out of any other project or activity of the SUBRECIPIENT

Type of Coverage:	Occurrence Basis
Amount of Coverage	
• General Aggregate	\$2,000,000
• Each Occurrence	\$1,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Contractual Liability	\$1,000,000
• Fire Legal Liability	\$ 50,000
• Medical Expense	\$ 5,000

a) Policy will include the following additional insured language: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the SUBRECIPIENT.

b) Policy will contain a waiver of subrogation against Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, for losses arising from work performed by or on behalf of the SUBRECIPIENT”.

c) Duration of Coverage: liability policies shall continue coverage for a minimum of five (5) years for Completed Operations liability coverage. Such Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

3. Automobile Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide and maintain Comprehensive Automobile Liability Insurance insuring against claims for bodily injury and property damage and covering the ownership, maintenance or use of any auto or all owned/leased and non-owned and hired vehicles (Symbols 2, 8 and 9) used in the performance of the Work, both on and off the Project Site, including loading and unloading. The coverage be provided by Insurance Services Office form for Commercial Auto Coverage (CA-00-01) or equivalent.

Type of Coverage:	Occurrence Basis
Amount of Coverage:	\$1,000,000 combined single limit

a) Policy will include the following additional insured language: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the SUBRECIPIENT.

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b) Policy will contain a waiver of subrogation against: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, for losses arising from work performed by or on behalf of the SUBRECIPIENT.

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4. Workers’ Compensation and Employer’s Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide Worker’s Compensation Insurance with “Statutory Limits” as required by Act 45 of April 18, 1935, as amended, known as “The Workmen’s Accident Compensation Act” (Ley del Sistema de Compensaciones por Accidentes del Trabajo).

The SUBRECIPIENT must provide or cause those conducting the work to provide Employer Liability Insurance covering its legal obligation to pay damages because of bodily injury or occupational disease (including resulting death) sustained by an employee.

Amount of Coverage:	\$1,000,000	bodily injury by accident
	\$1,000,000	bodily injury by disease
	\$1,000,000	policy limit

5. Umbrella/Excess Liability

The SUBRECIPIENT must provide or cause those conducting the work to provide Umbrella/ Excess Liability insurance limits as follows:

Coverage:	Written on a following form basis over the primary policies: Commercial General Liability, Employers’ Liability and Automobile Liability Insurance.
-----------	---

Limits	Each occurrence	\$50,000,000
	General Aggregate	\$50,000,000
	SIR	\$10,000

a) Any such excess insurance shall be at least as broad as the SUBRECIPIENT's primary insurance.

b) Policy will include the following additional insured language: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the SUBRECIPIENT.

c) Duration of Coverage: umbrella/ excess liability policies shall continue coverage for a minimum of five (5) years for Completed Operations liability coverage. Such Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

6. Contractors Pollution Liability to indemnify for bodily injury, property damage, or amounts which the SUBRECIPIENT, its employees, its agents, or its Contractors are legally obligated to pay for cleanup/ remediation work arising out of or related to the services to be provided under this "Agreement". Pollution Liability policy must include contractual liability coverage.

Amount of Coverage:	Per Loss	\$10,000,000
	Aggregate	\$10,000,000

a) Coverage shall apply to sudden and gradual pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, natural gas, waste materials, or other irritants, contaminants, or pollutants (including asbestos). Policy shall cover the SUBRECIPIENT completed operations.

b) If the coverage is written on a claim s-made basis, the SUBRECIPIENT warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract; and that continuous coverage will be maintained, or an extended discovery period will be exercised for a period of five (5) years beginning from the time that work under this contract is completed.

c) The policy shall be endorsed to include the following as Additional Insureds: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development

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(HUD), its officers, agents, and employees named as an additional insured with respect to liability and defense of suits arising out of the activities performed by, or on behalf of the SUBRECIPIENT, including completed operations.

- d) Endorsements CA9948 and MCS-90 are required on the Automobile Liability Coverage if the SUBRECIPIENT or its Contractors transports any type of hazardous materials.

7. Professional Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide Professional Liability insurance with respect to negligent or wrongful acts, errors or omissions, or failure to render services in connection with the professional services to be provided under this "Agreement". This insurance shall protect against claims arising from professional services of the insured, or by its employees, agents, or contractors, and includes coverage (or no exclusion) for contractual liability.

Amount of Coverage:	Per Claim	\$10,000,000
	Aggregate	\$10,000,000

- a) If the coverage is written on a claim-made basis, the SUBRECIPIENT warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract; and that continuous coverage will be maintained, or an extended discovery period will be exercised for a period of five (5) years beginning from the time that work under this contract is completed.

8. Builders' Risk Insurance

Unless otherwise provided, SUBRECIPIENT will procure, pay for, and maintain, builder's risk (and/ or Installation Floater) in the amount of the initial Contract Sum, plus value of subsequent Contract modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a value-at-risk-at-time-of-loss (VARTOL) valuation clause (as defined in the builders' risk policy).

- a) Such builders risk insurance shall end when the first of the following occurs:

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- i. The PRDOH interest in the Work ceases;
 - ii. the policy expires or is cancelled; or
 - iii. the Work is accepted by PRDOH.
- b) SUBRECIPIENT is responsible for the deductible for any claim made against the policy. A separate certificate of insurance evidencing the coverage required herein shall be provided to PRDOH.
- c) The PRDOH shall be added as Additional Named Insured and Loss Payee.
- d) Policy must provide coverage from the time any covered property becomes the responsibility of the SUBRECIPIENT, and continue without interruption during construction, renovation, or installation, including any time during which the covered property is being transported to the construction installation site, or awaiting installation, whether on or off site.
- e) Builders' Risk Coverage shall be on a Special Covered Cause of Loss Form and shall include theft, vandalism, malicious mischief, collapse, false-work, temporary buildings and debris removal including demolition, increased cost of construction, architect's fees and expenses, flood (including water damage), earthquake, and if applicable, all below and above ground structures, piping, foundations including underground water and sewer mains, piling including the ground on which the structure rests and excavation, backfilling, filling, and grading. Equipment Breakdown Coverage (a.k.a. Boiler & Machinery) shall be included as required by the Contract Documents or by law, which shall specifically cover insured equipment during installation and testing (including hot testing, where applicable).
- f) The Builders' Risk shall be written for 100% of the completed value (replacement cost basis) of the work being performed. The Builders' Risk shall include the following provisions:
 - i. Replacement Cost Basis - including modification of the valuation clause to cover all costs needed to repair the

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structure or work (including overhead and profits) and will pay based on the values figured at the time of rebuilding or repairing, not at the time of loss.

- g) If the project does not involve new or major reconstruction, at the option of Puerto Rico Department of Housing (PRDOH), the SUBRECIPIENT may provide an Installation Floater Policy in lieu of a Builders Risk policy, with the similar coverage as the Builder's Risk policy. For such projects, an Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the SUBRECIPIENT's site.

9. Other Coverages:

The PRDOH reserves the right to require SUBRECIPIENT to obtain and maintain additional insurance coverages, provided that such requests are reasonable and consistent with industry standards. The SUBRECIPIENT shall secure these additional coverages within a reasonable time frame following the Department's request, ensuring continuous compliance with contractual obligations.

C. Other Provisions

1. Acceptability of Insurers

The insurance company providing any of the insurance coverage required herein shall be an Insurance Company duly authorized to do business in Puerto Rico and approved by the Office of the Commissioner Insurance of Puerto Rico and classified by A.M. Best Co. with a rating of no less than financial strength of A or have a financial size of IV or better.

If at any time an insurer issuing any such policy does not meet the minimum A.M. Best rating, the SUBRECIPIENT shall obtain a policy with an insurer that meets the A.M. Best rating and shall submit another certificate of insurance as required in the contract.

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2. Premiums, Deductibles and Self-Insured Retentions

The SUBRECIPIENT shall be responsible for payment of premiums for all of the insurance coverages required under this Section. The SUBRECIPIENT further agrees that for each claim, suit or action made against insurance provided hereunder, with respect to all matters for which the SUBRECIPIENT is responsible hereunder, the SUBRECIPIENT shall be solely responsible for all deductibles and self-insured retentions. Any deductible or self-insured retentions over \$50,000.00 in the SUBRECIPIENT insurance must be declared and approved in writing by PRDOH.

3. Claims Made Policies

If any coverage required is written on a claims-made coverage form:

- a) The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work.
- b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of contract work.
- c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work.
- d) A copy of the claims reporting requirements must be submitted to the Entity for review.

4. Proof of Insurance

The SUBRECIPIENT shall submit proof of the Comprehensive General Liability (CGL) insurance to the PRDOH before the execution of the Subrecipient Agreement. The SUBRECIPIENT shall also ensure that all other insurance policies and bonds required under this Agreement are secured by its subcontractors. The SUBRECIPIENT is responsible for providing to the PRDOH evidence of these additional insurance policies and bonds within five (5) days after the execution of each individual subcontract agreement.

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5. Verification of Coverage

The SUBRECIPIENT shall provide a Certificate or Certificates of Insurance, in a form satisfactory to Puerto Rico Department of Housing (PRDOH) (i.e., an ACORD Certificate), before commencing any work under the contract or agreement.

Certificates of Insurance shall:

- a) Be in the form acceptable to PRDOH (i.e., an ACORD Certificate);
- b) Disclose any Deductible, Self-Insured Retention, Aggregate Limit or any exclusion to the policy that materially changes the coverage required by the contract.;
- c) Project/contract number and project description shall be noted on the certificate of insurance.;
- d) Be signed by an authorized representative of the Insurance carriers; and
- e) Contain the following language in the Description of Operations/Locations/ Vehicles section:

“Additional Insured protection afforded is on a primary and non-contributory basis. A waiver of subrogation is granted in favor of the Additional Insureds.”

Only original documents (Certificate(s) and any Endorsements or other attachments) or electronic versions of the same that can be directly traced back to the Insurer, Agent or Broker via e-mail distribution or similar means will be accepted.

The PRDOH reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

All certificates required by this Agreement shall be sent directly to:

Sonia Damaris Rodríguez
Especialista en Seguros | CDBG-DR/MIT
Oficina de Recuperación de Desastres
Tel. (787) 274- 2527 ext. 4081
srodriguez@vivienda.pr.gov

6. Renewal Policies

The SUBRECIPIENT shall promptly deliver PRDOH a certificate of insurance with respect to each renewal policy, as necessary to demonstrate the maintenance of the required insurance coverage for the terms specified herein. Such certificate shall be delivered to PRDOH not less than 30 days prior to the expiration date of any policy and bear a notation evidencing payment of the premium thereof.

7. Cancellation and Modification of Insurance Coverages

The SUBRECIPIENT shall be responsible for immediately notifying the PRDOH in writing of any changes or cancellations of its insurance or may be found in breach of the contract and the contract could be terminated. This notice requirement does not waive the insurance requirements contained herein.

8. Policies Primary and Non-Contributory

All policies required above are to be primary and noncontributory with any insurance programs carried by the PRDOH.

9. Waiver of Subrogation

SUBRECIPIENT hereby grants to PRDOH a waiver of any right to subrogation which any insurer of said SUBRECIPIENT may acquire against PRDOH by virtue of the payment of any loss under such insurance. SUBRECIPIENT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not PRDOH has received a waiver of subrogation endorsement from the insurer.

10. Special Risks or Circumstances

The PRDOH reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

11. Subcontractors

The SUBRECIPIENT and its Contractors shall include all subcontractors as insureds under its policies or shall be responsible for verifying and maintaining the certificates provided by each subcontractor. Subcontractors shall be subject to all of the requirements stated herein. The agency reserves the right to request copies of subcontractor's certificates at any time.

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12. No Recourse

There shall be no recourse against PRDOH for the payment of premiums or other amounts with respect to the insurance required from the SUBRECIPIENT under this Section.

13. Limits of Coverage

If the SUBRECIPIENT maintains higher limits than the minimums shown below, PRDOH requires and shall be entitled to coverage for the higher limits maintained by the SUBRECIPIENT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PRDOH.

14. Indemnification/ Hold Harmless Agreement

SUBRECIPIENT agrees to protect, defend, indemnify, save, and hold harmless, Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, employees, and volunteers, from and against any and all claims, damages, expenses, and liability arising out of injury or death to any person or the damage, loss, or destruction of any property which may occur, or in any way grow out of, any act or omission of SUBRECIPIENT, its contractors, agents, servants, and employees, or any and all costs, expenses and/or attorney fees incurred by SUBRECIPIENT as a result of any claims, demands, suits or causes of action, except those claims, demands, suits, or causes of action arising out of the negligence of, Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, employees, and volunteers. SUBRECIPIENT agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands, suits, or causes of action at its sole expense and agrees to bear all other costs and expenses related thereto, even if the claims, demands, suits, or causes of action are groundless, false or fraudulent.

15. 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 in amounts or limits, etc., with respect to insurance requirements, the conditions

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EXHIBIT J-2

of insurance and bonds established in these Insurance Requirements and Bonding Specifications shall prevail over any other insurance specifications.

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INSURANCE REQUIREMENTS AND BONDING SPECIFICATIONS
MUNICIPALITY OF SAN JUAN
ESCUELA CIENCIAS/MATEMÁTICAS Y DEPORTES BEKAH COLBERG
Infrastructure Electrical Power Reliability and Resilience (ER-2)
Program Community Development Block Grant – Disaster Recovery Energy
Puerto Rico Department of Housing

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A. In General

Municipality of San Juan (SUBRECIPIENT) shall obtain and maintain, at its own expense and for the duration of the contract including any warranty periods under the Contract are satisfied, the insurance coverages set forth below.

These insurance requirements are minimum requirements for the Contract and in no way limit any indemnity covenants in the Contract. Puerto Rico Department of Housing (PRDOH) does not warrant that these minimum limits are sufficient to protect the SUBRECIPIENT from liabilities that might arise out of the performance of the work under the Contract by the SUBRECIPIENT, its agents, representatives, employees, or subcontractors.

The insurance required hereunder shall not be interpreted to relieve the SUBRECIPIENT of any obligations under the Contract. The SUBRECIPIENT shall remain fully liable for all deductibles and amounts in excess of the coverage actually realized.

B. Minimum scope and limit of insurance:

Coverage should be at least as broad as to be requested in applicable acquisition processes:

1. Surety Bonds: The SUBRECIPIENT must provide or cause those conducting the work to provide and maintain bonds covering the faithful performance of the contract and payment of all obligations in the following amounts:

- a) Bid Bond: 5%of the contract value.
- b) Performance Bond: 100%ofthe contract value,including change orders.
- c) Payment Bond: 100%ofthe contract value,including change orders.

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2. Comm ercial General Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide and maintain Commercial General Liability Insurance (broad form coverage) insuring against claims for bodily injury, property damage, personal injury and advertising injury that shall be no less comprehensive and no more restrictive than the coverage provided by Insurance Services Office (ISO) form for Comm ercial General (CG 00-01). By its terms or appropriate endorsements such insurance shall include the following coverage, to wit: Bodily Injury, Property Damage, Fire Legal Liability, Personal Injury, Blanket Contractual, Independent Contractors, Premises Operations, Products and Completed Operations. The policy cannot be endorsed to exclude the perils of explosion (x), collapse (c) and underground (u) exposures without the specific written approval of the Owner.

If Commercial General Liability Insurance or other form with a general aggregate limit and products and completed operations aggregate limit is used, then the aggregate limits shall apply separately to the Project, or the SUBRECIPIENT may obtain separate insurance to provide the required limit which shall not be subject to depletion because of claims arising out of any other project or activity of the SUBRECIPIENT

Type of Coverage:	Occurrence Basis
Amount of Coverage	
• General Aggregate	\$2,000,000
• Each Occurrence	\$1,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Contractual Liability	\$1,000,000
• Fire Legal Liability	\$ 50,000
• Medical Expense	\$ 5,000

a) Policy will include the following additional insured language: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the SUBRECIPIENT.

b) Policy will contain a waiver of subrogation against Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, for losses arising from work performed by or on behalf of the SUBRECIPIENT”.

c) Duration of Coverage: liability policies shall continue coverage for a minimum of five (5) years for Completed Operations liability coverage. Such Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

3. Automobile Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide and maintain Comprehensive Automobile Liability Insurance insuring against claims for bodily injury and property damage and covering the ownership, maintenance or use of any auto or all owned/leased and non-owned and hired vehicles (Symbols 2, 8 and 9) used in the performance of the Work, both on and off the Project Site, including loading and unloading. The coverage be provided by Insurance Services Office form for Commercial Auto Coverage (CA-00-01) or equivalent.

Type of Coverage:	Occurrence Basis
Amount of Coverage:	\$1,000,000 combined single limit

a) Policy will include the following additional insured language: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the SUBRECIPIENT.

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b) Policy will contain a waiver of subrogation against: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, for losses arising from work performed by or on behalf of the SUBRECIPIENT.

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4. Workers’ Compensation and Employer’s Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide Worker’s Compensation Insurance with “Statutory Limits” as required by Act 45 of April 18, 1935, as amended, known as “The Workmen’s Accident Compensation Act” (Ley del Sistema de Compensaciones por Accidentes del Trabajo).

The SUBRECIPIENT must provide or cause those conducting the work to provide Employer Liability Insurance covering its legal obligation to pay damages because of bodily injury or occupational disease (including resulting death) sustained by an employee.

Amount of Coverage:	\$1,000,000	bodily injury by accident
	\$1,000,000	bodily injury by disease
	\$1,000,000	policy limit

5. Umbrella/Excess Liability

The SUBRECIPIENT must provide or cause those conducting the work to provide Umbrella/ Excess Liability insurance limits as follows:

Coverage:	Written on a following form basis over the primary policies: Commercial General Liability, Employers’ Liability and Automobile Liability Insurance.
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Limits	Each occurrence	\$15,000,000
	General Aggregate	\$15,000,000
	SIR	\$10,000

a) Any such excess insurance shall be at least as broad as the SUBRECIPIENT's primary insurance.

b) Policy will include the following additional insured language: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the SUBRECIPIENT.

c) Duration of Coverage: umbrella/ excess liability policies shall continue coverage for a minimum of five (5) years for Completed Operations liability coverage. Such Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

6. Contractors Pollution Liability to indemnify for bodily injury, property damage, or amounts which the SUBRECIPIENT, its employees, its agents, or its Contractors are legally obligated to pay for cleanup/ remediation work arising out of or related to the services to be provided under this "Agreement". Pollution Liability policy must include contractual liability coverage.

Amount of Coverage:	Per Loss	\$3000,000
	Aggregate	\$3,000,000

a) Coverage shall apply to sudden and gradual pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, natural gas, waste materials, or other irritants, contaminants, or pollutants (including asbestos). Policy shall cover the SUBRECIPIENT completed operations.

b) If the coverage is written on a claim-made basis, the SUBRECIPIENT warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract; and that continuous coverage will be maintained, or an extended discovery period will be exercised for a period of five (5) years beginning from the time that work under this contract is completed.

c) The policy shall be endorsed to include the following as Additional Insureds: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development

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(HUD), its officers, agents, and employees named as an additional insured with respect to liability and defense of suits arising out of the activities performed by, or on behalf of the SUBRECIPIENT, including completed operations.

- d) Endorsements CA9948 and MCS-90 are required on the Automobile Liability Coverage if the SUBRECIPIENT or its Contractors transports any type of hazardous materials.

7. Professional Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide Professional Liability insurance with respect to negligent or wrongful acts, errors or omissions, or failure to render services in connection with the professional services to be provided under this "Agreement". This insurance shall protect against claims arising from professional services of the insured, or by its employees, agents, or contractors, and includes coverage (or no exclusion) for contractual liability.

Amount of Coverage:	Per Claim	\$5,000,000
	Aggregate	\$5,000,000

- a) If the coverage is written on a claim-made basis, the SUBRECIPIENT warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract; and that continuous coverage will be maintained, or an extended discovery period will be exercised for a period of five (5) years beginning from the time that work under this contract is completed.

8. Builders' Risk Insurance

Unless otherwise provided, SUBRECIPIENT will procure, pay for, and maintain, builder's risk (and/ or Installation Floater) in the amount of the initial Contract Sum, plus value of subsequent Contract modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a value-at-risk-at-time-of-loss (VARTOL) valuation clause (as defined in the builders' risk policy).

- a) Such builders risk insurance shall end when the first of the following occurs:

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- i. The PRDOH interest in the Work ceases;
 - ii. the policy expires or is cancelled; or
 - iii. the Work is accepted by PRDOH.
- b) SUBRECIPIENT is responsible for the deductible for any claim made against the policy. A separate certificate of insurance evidencing the coverage required herein shall be provided to PRDOH.
- c) The PRDOH shall be added as Additional Named Insured and Loss Payee.
- d) Policy must provide coverage from the time any covered property becomes the responsibility of the SUBRECIPIENT, and continue without interruption during construction, renovation, or installation, including any time during which the covered property is being transported to the construction installation site, or awaiting installation, whether on or off site.
- e) Builders' Risk Coverage shall be on a Special Covered Cause of Loss Form and shall include theft, vandalism, malicious mischief, collapse, false-work, temporary buildings and debris removal including demolition, increased cost of construction, architect's fees and expenses, flood (including water damage), earthquake, and if applicable, all below and above ground structures, piping, foundations including underground water and sewer mains, piling including the ground on which the structure rests and excavation, backfilling, filling, and grading. Equipment Breakdown Coverage (a.k.a. Boiler & Machinery) shall be included as required by the Contract Documents or by law, which shall specifically cover insured equipment during installation and testing (including hot testing, where applicable).
- f) The Builders' Risk shall be written for 100% of the completed value (replacement cost basis) of the work being performed. The Builders' Risk shall include the following provisions:
 - i. Replacement Cost Basis - including modification of the valuation clause to cover all costs needed to repair the

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structure or work (including overhead and profits) and will pay based on the values figured at the time of rebuilding or repairing, not at the time of loss.

- g) If the project does not involve new or major reconstruction, at the option of Puerto Rico Department of Housing (PRDOH), the SUBRECIPIENT may provide an Installation Floater Policy in lieu of a Builders Risk policy, with the similar coverage as the Builder's Risk policy. For such projects, an Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the SUBRECIPIENT's site.

9. Other Coverages:

The PRDOH reserves the right to require SUBRECIPIENT to obtain and maintain additional insurance coverages, provided that such requests are reasonable and consistent with industry standards. The SUBRECIPIENT shall secure these additional coverages within a reasonable time frame following the Department's request, ensuring continuous compliance with contractual obligations.

C. Other Provisions

1. Acceptability of Insurers

The insurance company providing any of the insurance coverage required herein shall be an Insurance Company duly authorized to do business in Puerto Rico and approved by the Office of the Commissioner Insurance of Puerto Rico and classified by A.M. Best Co. with a rating of no less than financial strength of A or have a financial size of IV or better.

If at any time an insurer issuing any such policy does not meet the minimum A.M. Best rating, the SUBRECIPIENT shall obtain a policy with an insurer that meets the A.M. Best rating and shall submit another certificate of insurance as required in the contract.

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2. Premiums, Deductibles and Self-Insured Retentions

The SUBRECIPIENT shall be responsible for payment of premiums for all of the insurance coverages required under this Section. The SUBRECIPIENT further agrees that for each claim, suit or action made against insurance provided hereunder, with respect to all matters for which the SUBRECIPIENT is responsible hereunder, the SUBRECIPIENT shall be solely responsible for all deductibles and self-insured retentions. Any deductible or self-insured retentions over \$50,000.00 in the SUBRECIPIENT insurance must be declared and approved in writing by PRDOH.

3. Claims Made Policies

If any coverage required is written on a claims-made coverage form:

- a) The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work.
- b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of contract work.
- c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work.
- d) A copy of the claims reporting requirements must be submitted to the Entity for review.

4. Proof of Insurance

The SUBRECIPIENT shall submit proof of the Comprehensive General Liability (CGL) insurance to the PRDOH before the execution of the Subrecipient Agreement. The SUBRECIPIENT shall also ensure that all other insurance policies and bonds required under this Agreement are secured by its subcontractors. The SUBRECIPIENT is responsible for providing to the PRDOH evidence of these additional insurance policies and bonds within five (5) days after the execution of each individual subcontract agreement.

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5. Verification of Coverage

The SUBRECIPIENT shall provide a Certificate or Certificates of Insurance, in a form satisfactory to Puerto Rico Department of Housing (PRDOH) (i.e., an ACORD Certificate), before commencing any work under the contract or agreement.

Certificates of Insurance shall:

- a) Be in the form acceptable to PRDOH (i.e., an ACORD Certificate);
- b) Disclose any Deductible, Self-Insured Retention, Aggregate Limit or any exclusion to the policy that materially changes the coverage required by the contract.;
- c) Project/contract number and project description shall be noted on the certificate of insurance.;
- d) Be signed by an authorized representative of the Insurance carriers; and
- e) Contain the following language in the Description of Operations/Locations/ Vehicles section:

“Additional Insured protection afforded is on a primary and non-contributory basis. A waiver of subrogation is granted in favor of the Additional Insureds.”

Only original documents (Certificate(s) and any Endorsements or other attachments) or electronic versions of the same that can be directly traced back to the Insurer, Agent or Broker via e-mail distribution or similar means will be accepted.

The PRDOH reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

All certificates required by this Agreement shall be sent directly to:

Sonia Damaris Rodríguez
Especialista en Seguros | CDBG-DR/MIT
Oficina de Recuperación de Desastres
Tel. (787) 274- 2527 ext. 4081
srodriguez@vivienda.pr.gov

6. Renewal Policies

The SUBRECIPIENT shall promptly deliver PRDOH a certificate of insurance with respect to each renewal policy, as necessary to demonstrate the maintenance of the required insurance coverage for the terms specified herein. Such certificate shall be delivered to PRDOH not less than 30 days prior to the expiration date of any policy and bear a notation evidencing payment of the premium thereof.

7. Cancellation and Modification of Insurance Coverages

The SUBRECIPIENT shall be responsible for immediately notifying the PRDOH in writing of any changes or cancellations of its insurance or may be found in breach of the contract and the contract could be terminated. This notice requirement does not waive the insurance requirements contained herein.

8. Policies Primary and Non-Contributory

All policies required above are to be primary and noncontributory with any insurance programs carried by the PRDOH.

9. Waiver of Subrogation

SUBRECIPIENT hereby grants to PRDOH a waiver of any right to subrogation which any insurer of said SUBRECIPIENT may acquire against PRDOH by virtue of the payment of any loss under such insurance. SUBRECIPIENT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not PRDOH has received a waiver of subrogation endorsement from the insurer.

10. Special Risks or Circumstances

The PRDOH reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

11. Subcontractors

The SUBRECIPIENT and its Contractors shall include all subcontractors as insureds under its policies or shall be responsible for verifying and maintaining the certificates provided by each subcontractor. Subcontractors shall be subject to all of the requirements stated herein. The agency reserves the right to request copies of subcontractor's certificates at any time.

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12. No Recourse

There shall be no recourse against PRDOH for the payment of premiums or other amounts with respect to the insurance required from the SUBRECIPIENT under this Section.

13. Limits of Coverage

If the SUBRECIPIENT maintains higher limits than the minimums shown below, PRDOH requires and shall be entitled to coverage for the higher limits maintained by the SUBRECIPIENT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PRDOH.

14. Indemnification/ Hold Harmless Agreement

SUBRECIPIENT agrees to protect, defend, indemnify, save, and hold harmless, Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, employees, and volunteers, from and against any and all claims, damages, expenses, and liability arising out of injury or death to any person or the damage, loss, or destruction of any property which may occur, or in any way grow out of, any act or omission of SUBRECIPIENT, its contractors, agents, servants, and employees, or any and all costs, expenses and/or attorney fees incurred by SUBRECIPIENT as a result of any claims, demands, suits or causes of action, except those claims, demands, suits, or causes of action arising out of the negligence of, Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, employees, and volunteers. SUBRECIPIENT agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands, suits, or causes of action at its sole expense and agrees to bear all other costs and expenses related thereto, even if the claims, demands, suits, or causes of action are groundless, false or fraudulent.

15. 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 in amounts or limits, etc., with respect to insurance requirements, the conditions

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EXHIBIT J-3

of insurance and bonds established in these Insurance Requirements and Bonding Specifications shall prevail over any other insurance specifications.

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INSURANCE REQUIREMENTS AND BONDING SPECIFICATIONS

MUNICIPALITY OF SAN JUAN

PLAZA DEL MERCADO DE RIO PIEDRAS

Infrastructure Electrical Power Reliability and Resilience (ER-2)

Program Community Development Block Grant – Disaster Recovery Energy

Puerto Rico Department of Housing

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A. In General

Municipality of San Juan (SUBRECIPIENT) shall obtain and maintain, at its own expense and for the duration of the contract including any warranty periods under the Contract are satisfied, the insurance coverages set forth below.

These insurance requirements are minimum requirements for the Contract and in no way limit any indemnity covenants in the Contract. Puerto Rico Department of Housing (PRDOH) does not warrant that these minimum limits are sufficient to protect the SUBRECIPIENT from liabilities that might arise out of the performance of the work under the Contract by the SUBRECIPIENT, its agents, representatives, employees, or subcontractors.

The insurance required hereunder shall not be interpreted to relieve the SUBRECIPIENT of any obligations under the Contract. The SUBRECIPIENT shall remain fully liable for all deductibles and amounts in excess of the coverage actually realized.

B. Minimum scope and limit of insurance:

Coverage should be at least as broad as to be requested in applicable acquisition processes:

1. Surety Bonds: The SUBRECIPIENT must provide or cause those conducting the work to provide and maintain bonds covering the faithful performance of the contract and payment of all obligations in the following amounts:

- a) Bid Bond: 5%of the contract value.
- b) Performance Bond: 100%ofthe contract value,including change orders.
- c) Payment Bond: 100%ofthe contract value,including change orders.

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2. Comm ercial General Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide and maintain Commercial General Liability Insurance (broad form coverage) insuring against claims for bodily injury, property damage, personal injury and advertising injury that shall be no less comprehensive and no more restrictive than the coverage provided by Insurance Services Office (ISO) form for Comm ercial General (CG 00-01). By its terms or appropriate endorsements such insurance shall include the following coverage, to wit: Bodily Injury, Property Damage, Fire Legal Liability, Personal Injury, Blanket Contractual, Independent Contractors, Premises Operations, Products and Completed Operations. The policy cannot be endorsed to exclude the perils of explosion (x), collapse (c) and underground (u) exposures without the specific written approval of the Owner.

If Commercial General Liability Insurance or other form with a general aggregate limit and products and completed operations aggregate limit is used, then the aggregate limits shall apply separately to the Project, or the SUBRECIPIENT may obtain separate insurance to provide the required limit which shall not be subject to depletion because of claims arising out of any other project or activity of the SUBRECIPIENT

Type of Coverage:	Occurrence Basis
Amount of Coverage	
• General Aggregate	\$2,000,000
• Each Occurrence	\$1,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Contractual Liability	\$1,000,000
• Fire Legal Liability	\$ 50,000
• Medical Expense	\$ 5,000

a) Policy will include the following additional insured language: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the SUBRECIPIENT.

b) Policy will contain a waiver of subrogation against Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, for losses arising from work performed by or on behalf of the SUBRECIPIENT”.

c) Duration of Coverage: liability policies shall continue coverage for a minimum of five (5) years for Completed Operations liability coverage. Such Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

3. Automobile Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide and maintain Comprehensive Automobile Liability Insurance insuring against claims for bodily injury and property damage and covering the ownership, maintenance or use of any auto or all owned/leased and non-owned and hired vehicles (Symbols 2, 8 and 9) used in the performance of the Work, both on and off the Project Site, including loading and unloading. The coverage be provided by Insurance Services Office form for Commercial Auto Coverage (CA-00-01) or equivalent.

Type of Coverage:	Occurrence Basis
Amount of Coverage:	\$1,000,000 combined single limit

a) Policy will include the following additional insured language: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the SUBRECIPIENT.

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b) Policy will contain a waiver of subrogation against: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, for losses arising from work performed by or on behalf of the SUBRECIPIENT.

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4. Workers’ Compensation and Employer’s Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide Worker’s Compensation Insurance with “Statutory Limits” as required by Act 45 of April 18, 1935, as amended, known as “The Workmen’s Accident Compensation Act” (Ley del Sistema de Compensaciones por Accidentes del Trabajo).

The SUBRECIPIENT must provide or cause those conducting the work to provide Employer Liability Insurance covering its legal obligation to pay damages because of bodily injury or occupational disease (including resulting death) sustained by an employee.

Amount of Coverage:	\$1,000,000	bodily injury by accident
	\$1,000,000	bodily injury by disease
	\$1,000,000	policy limit

5. Umbrella/Excess Liability

The SUBRECIPIENT must provide or cause those conducting the work to provide Umbrella/ Excess Liability insurance limits as follows:

Coverage: Written on a following form basis over the primary policies: Commercial General Liability, Employers’ Liability and Automobile Liability Insurance.

Limits	Each occurrence	\$15,000,000
	General Aggregate	\$15,000,000
	SIR	\$10,000

a) Any such excess insurance shall be at least as broad as the SUBRECIPIENT’s primary insurance.

b) Policy will include the following additional insured language: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the SUBRECIPIENT.

c) Duration of Coverage: umbrella/ excess liability policies shall continue coverage for a minimum of five (5) years for Completed Operations liability coverage. Such Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

6. Contractors Pollution Liability to indemnify for bodily injury, property damage, or amounts which the SUBRECIPIENT, its employees, its agents, or its Contractors are legally obligated to pay for cleanup/ remediation work arising out of or related to the services to be provided under this "Agreement". Pollution Liability policy must include contractual liability coverage.

Amount of Coverage:	Per Loss	\$3,000,000
	Aggregate	\$3,000,000

a) Coverage shall apply to sudden and gradual pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, natural gas, waste materials, or other irritants, contaminants, or pollutants (including asbestos). Policy shall cover the SUBRECIPIENT completed operations.

b) If the coverage is written on a claim-made basis, the SUBRECIPIENT warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract; and that continuous coverage will be maintained, or an extended discovery period will be exercised for a period of five (5) years beginning from the time that work under this contract is completed.

c) The policy shall be endorsed to include the following as Additional Insureds: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development

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(HUD), its officers, agents, and employees named as an additional insured with respect to liability and defense of suits arising out of the activities performed by, or on behalf of the SUBRECIPIENT, including completed operations.

- d) Endorsements CA9948 and MCS-90 are required on the Automobile Liability Coverage if the SUBRECIPIENT or its Contractors transports any type of hazardous materials.

7. Professional Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide Professional Liability insurance with respect to negligent or wrongful acts, errors or omissions, or failure to render services in connection with the professional services to be provided under this "Agreement". This insurance shall protect against claims arising from professional services of the insured, or by its employees, agents, or contractors, and includes coverage (or no exclusion) for contractual liability.

Amount of Coverage:	Per Claim	\$5,000,000
	Aggregate	\$5,000,000

- a) If the coverage is written on a claim-made basis, the SUBRECIPIENT warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract; and that continuous coverage will be maintained, or an extended discovery period will be exercised for a period of five (5) years beginning from the time that work under this contract is completed.

8. Builders' Risk Insurance

Unless otherwise provided, SUBRECIPIENT will procure, pay for, and maintain, builder's risk (and/ or Installation Floater) in the amount of the initial Contract Sum, plus value of subsequent Contract modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a value-at-risk-at-time-of-loss (VARTOL) valuation clause (as defined in the builders' risk policy).

- a) Such builders risk insurance shall end when the first of the following occurs:

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- i. The PRDOH interest in the Work ceases;
 - ii. the policy expires or is cancelled; or
 - iii. the Work is accepted by PRDOH.
- b) SUBRECIPIENT is responsible for the deductible for any claim made against the policy. A separate certificate of insurance evidencing the coverage required herein shall be provided to PRDOH.
- c) The PRDOH shall be added as Additional Named Insured and Loss Payee.
- d) Policy must provide coverage from the time any covered property becomes the responsibility of the SUBRECIPIENT, and continue without interruption during construction, renovation, or installation, including any time during which the covered property is being transported to the construction installation site, or awaiting installation, whether on or off site.
- e) Builders' Risk Coverage shall be on a Special Covered Cause of Loss Form and shall include theft, vandalism, malicious mischief, collapse, false-work, temporary buildings and debris removal including demolition, increased cost of construction, architect's fees and expenses, flood (including water damage), earthquake, and if applicable, all below and above ground structures, piping, foundations including underground water and sewer mains, piling including the ground on which the structure rests and excavation, backfilling, filling, and grading. Equipment Breakdown Coverage (a.k.a. Boiler & Machinery) shall be included as required by the Contract Documents or by law, which shall specifically cover insured equipment during installation and testing (including hot testing, where applicable).
- f) The Builders' Risk shall be written for 100% of the completed value (replacement cost basis) of the work being performed. The Builders' Risk shall include the following provisions:
 - i. Replacement Cost Basis - including modification of the valuation clause to cover all costs needed to repair the

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structure or work (including overhead and profits) and will pay based on the values figured at the time of rebuilding or repairing, not at the time of loss.

- g) If the project does not involve new or major reconstruction, at the option of Puerto Rico Department of Housing (PRDOH), the SUBRECIPIENT may provide an Installation Floater Policy in lieu of a Builders Risk policy, with the similar coverage as the Builder's Risk policy. For such projects, an Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the SUBRECIPIENT's site.

9. Other Coverages:

The PRDOH reserves the right to require SUBRECIPIENT to obtain and maintain additional insurance coverages, provided that such requests are reasonable and consistent with industry standards. The SUBRECIPIENT shall secure these additional coverages within a reasonable time frame following the Department's request, ensuring continuous compliance with contractual obligations.

C. Other Provisions

1. Acceptability of Insurers

The insurance company providing any of the insurance coverage required herein shall be an Insurance Company duly authorized to do business in Puerto Rico and approved by the Office of the Commissioner Insurance of Puerto Rico and classified by A.M. Best Co. with a rating of no less than financial strength of A or have a financial size of IV or better.

If at any time an insurer issuing any such policy does not meet the minimum A. M. Best rating, the SUBRECIPIENT shall obtain a policy with an insurer that meets the A. M. Best rating and shall submit another certificate of insurance as required in the contract.

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2. Premiums, Deductibles and Self-Insured Retentions

The SUBRECIPIENT shall be responsible for payment of premiums for all of the insurance coverages required under this Section. The SUBRECIPIENT further agrees that for each claim, suit or action made against insurance provided hereunder, with respect to all matters for which the SUBRECIPIENT is responsible hereunder, the SUBRECIPIENT shall be solely responsible for all deductibles and self-insured retentions. Any deductible or self-insured retentions over \$50,000.00 in the SUBRECIPIENT insurance must be declared and approved in writing by PRDOH.

3. Claims Made Policies

If any coverage required is written on a claims-made coverage form:

- a) The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work.
- b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of contract work.
- c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work.
- d) A copy of the claims reporting requirements must be submitted to the Entity for review.

4. Proof of Insurance

The SUBRECIPIENT shall submit proof of the Comprehensive General Liability (CGL) insurance to the PRDOH before the execution of the Subrecipient Agreement. The SUBRECIPIENT shall also ensure that all other insurance policies and bonds required under this Agreement are secured by its subcontractors. The SUBRECIPIENT is responsible for providing to the PRDOH evidence of these additional insurance policies and bonds within five (5) days after the execution of each individual subcontract agreement.

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5. Verification of Coverage

The SUBRECIPIENT shall provide a Certificate or Certificates of Insurance, in a form satisfactory to Puerto Rico Department of Housing (PRDOH) (i.e., an ACORD Certificate), before commencing any work under the contract or agreement.

Certificates of Insurance shall:

- a) Be in the form acceptable to PRDOH (i.e., an ACORD Certificate);
- b) Disclose any Deductible, Self-Insured Retention, Aggregate Limit or any exclusion to the policy that materially changes the coverage required by the contract.;
- c) Project/contract number and project description shall be noted on the certificate of insurance.;
- d) Be signed by an authorized representative of the Insurance carriers; and
- e) Contain the following language in the Description of Operations/Locations/ Vehicles section:

“Additional Insured protection afforded is on a primary and non-contributory basis. A waiver of subrogation is granted in favor of the Additional Insureds.”

Only original documents (Certificate(s) and any Endorsements or other attachments) or electronic versions of the same that can be directly traced back to the Insurer, Agent or Broker via e-mail distribution or similar means will be accepted.

The PRDOH reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

All certificates required by this Agreement shall be sent directly to:

Sonia Damaris Rodríguez
Especialista en Seguros | CDBG-DR/MIT
Oficina de Recuperación de Desastres
Tel. (787) 274- 2527 ext. 4081
srodriguez@vivienda.pr.gov

6. Renewal Policies

The SUBRECIPIENT shall promptly deliver PRDOH a certificate of insurance with respect to each renewal policy, as necessary to demonstrate the maintenance of the required insurance coverage for the terms specified herein. Such certificate shall be delivered to PRDOH not less than 30 days prior to the expiration date of any policy and bear a notation evidencing payment of the premium thereof.

7. Cancellation and Modification of Insurance Coverages

The SUBRECIPIENT shall be responsible for immediately notifying the PRDOH in writing of any changes or cancellations of its insurance or may be found in breach of the contract and the contract could be terminated. This notice requirement does not waive the insurance requirements contained herein.

8. Policies Primary and Non-Contributory

All policies required above are to be primary and noncontributory with any insurance programs carried by the PRDOH.

9. Waiver of Subrogation

SUBRECIPIENT hereby grants to PRDOH a waiver of any right to subrogation which any insurer of said SUBRECIPIENT may acquire against PRDOH by virtue of the payment of any loss under such insurance. SUBRECIPIENT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not PRDOH has received a waiver of subrogation endorsement from the insurer.

10. Special Risks or Circumstances

The PRDOH reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

11. Subcontractors

The SUBRECIPIENT and its Contractors shall include all subcontractors as insureds under its policies or shall be responsible for verifying and maintaining the certificates provided by each subcontractor. Subcontractors shall be subject to all of the requirements stated herein. The agency reserves the right to request copies of subcontractor's certificates at any time.

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12. No Recourse

There shall be no recourse against PRDOH for the payment of premiums or other amounts with respect to the insurance required from the SUBRECIPIENT under this Section.

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13. Limits of Coverage

If the SUBRECIPIENT maintains higher limits than the minimums shown below, PRDOH requires and shall be entitled to coverage for the higher limits maintained by the SUBRECIPIENT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PRDOH.

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14. Indemnification/ Hold Harmless Agreement

SUBRECIPIENT agrees to protect, defend, indemnify, save, and hold harmless, Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, employees, and volunteers, from and against any and all claims, damages, expenses, and liability arising out of injury or death to any person or the damage, loss, or destruction of any property which may occur, or in any way grow out of, any act or omission of SUBRECIPIENT, its contractors, agents, servants, and employees, or any and all costs, expenses and/or attorney fees incurred by SUBRECIPIENT as a result of any claims, demands, suits or causes of action, except those claims, demands, suits, or causes of action arising out of the negligence of, Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, employees, and volunteers. SUBRECIPIENT agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands, suits, or causes of action at its sole expense and agrees to bear all other costs and expenses related thereto, even if the claims, demands, suits, or causes of action are groundless, false or fraudulent.

15. 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 in amounts or limits, etc., with respect to insurance requirements, the conditions



EXHIBIT J-4

of insurance and bonds established in these Insurance Requirements and Bonding Specifications shall prevail over any other insurance specifications.

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INSURANCE REQUIREMENTS AND BONDING SPECIFICATIONS

MUNICIPALITY OF SAN JUAN

CDT - DR. J. ANTON (RIO PIEDRAS)

Infrastructure Electrical Power Reliability and Resilience (ER-2)

Program Community Development Block Grant – Disaster Recovery Energy

Puerto Rico Department of Housing

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A. In General

Municipality of San Juan (SUBRECIPIENT) shall obtain and maintain, at its own expense and for the duration of the contract including any warranty periods under the Contract are satisfied, the insurance coverages set forth below.

These insurance requirements are minimum requirements for the Contract and in no way limit any indemnity covenants in the Contract. Puerto Rico Department of Housing (PRDOH) does not warrant that these minimum limits are sufficient to protect the SUBRECIPIENT from liabilities that might arise out of the performance of the work under the Contract by the SUBRECIPIENT, its agents, representatives, employees, or subcontractors.

The insurance required hereunder shall not be interpreted to relieve the SUBRECIPIENT of any obligations under the Contract. The SUBRECIPIENT shall remain fully liable for all deductibles and amounts in excess of the coverage actually realized.

B. Minimum scope and limit of insurance:

Coverage should be at least as broad as to be requested in applicable acquisition processes:

1. Surety Bonds: The SUBRECIPIENT must provide or cause those conducting the work to provide and maintain bonds covering the faithful performance of the contract and payment of all obligations in the following amounts:

- a) Bid Bond: 5%of the contract value.
- b) Performance Bond: 100%ofthe contract value,including change orders.
- c) Payment Bond: 100%ofthe contract value,including change orders.

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2. Comm ercial General Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide and maintain Commercial General Liability Insurance (broad form coverage) insuring against claims for bodily injury, property damage, personal injury and advertising injury that shall be no less comprehensive and no more restrictive than the coverage provided by Insurance Services Office (ISO) form for Comm ercial General (CG 00-01). By its terms or appropriate endorsements such insurance shall include the following coverage, to wit: Bodily Injury, Property Damage, Fire Legal Liability, Personal Injury, Blanket Contractual, Independent Contractors, Premises Operations, Products and Completed Operations. The policy cannot be endorsed to exclude the perils of explosion (x), collapse (c) and underground (u) exposures without the specific written approval of the Owner.

If Commercial General Liability Insurance or other form with a general aggregate limit and products and completed operations aggregate limit is used, then the aggregate limits shall apply separately to the Project, or the SUBRECIPIENT may obtain separate insurance to provide the required limit which shall not be subject to depletion because of claims arising out of any other project or activity of the SUBRECIPIENT

Type of Coverage:	Occurrence Basis
Amount of Coverage	
• General Aggregate	\$2,000,000
• Each Occurrence	\$1,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Contractual Liability	\$1,000,000
• Fire Legal Liability	\$ 50,000
• Medical Expense	\$ 5,000

a) Policy will include the following additional insured language: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the SUBRECIPIENT.

b) Policy will contain a waiver of subrogation against Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, for losses arising from work performed by or on behalf of the SUBRECIPIENT”.

c) Duration of Coverage: liability policies shall continue coverage for a minimum of five (5) years for Completed Operations liability coverage. Such Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

3. Automobile Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide and maintain Comprehensive Automobile Liability Insurance insuring against claims for bodily injury and property damage and covering the ownership, maintenance or use of any auto or all owned/leased and non-owned and hired vehicles (Symbols 2, 8 and 9) used in the performance of the Work, both on and off the Project Site, including loading and unloading. The coverage be provided by Insurance Services Office form for Commercial Auto Coverage (CA-00-01) or equivalent.

Type of Coverage:

Occurrence Basis

Amount of Coverage:

\$1,000,000 combined single limit

a) Policy will include the following additional insured language: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the SUBRECIPIENT.

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b) Policy will contain a waiver of subrogation against: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, for losses arising from work performed by or on behalf of the SUBRECIPIENT.

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4. Workers’ Compensation and Employer’s Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide Worker’s Compensation Insurance with “Statutory Limits” as required by Act 45 of April 18, 1935, as amended, known as “The Workmen’s Accident Compensation Act” (Ley del Sistema de Compensaciones por Accidentes del Trabajo).

The SUBRECIPIENT must provide or cause those conducting the work to provide Employer Liability Insurance covering its legal obligation to pay damages because of bodily injury or occupational disease (including resulting death) sustained by an employee.

Amount of Coverage:	\$1,000,000	bodily injury by accident
	\$1,000,000	bodily injury by disease
	\$1,000,000	policy limit

5. Umbrella/Excess Liability

The SUBRECIPIENT must provide or cause those conducting the work to provide Umbrella/ Excess Liability insurance limits as follows:

Coverage:	Written on a following form basis over the primary policies: Commercial General Liability, Employers’ Liability and Automobile Liability Insurance.
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Limits	Each occurrence	\$15,000,000
	General Aggregate	\$15,000,000
	SIR	\$10,000

a) Any such excess insurance shall be at least as broad as the SUBRECIPIENT's primary insurance.

b) Policy will include the following additional insured language: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the SUBRECIPIENT.

c) Duration of Coverage: umbrella/ excess liability policies shall continue coverage for a minimum of five (5) years for Completed Operations liability coverage. Such Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

6. Contractors Pollution Liability to indemnify for bodily injury, property damage, or amounts which the SUBRECIPIENT, its employees, its agents, or its Contractors are legally obligated to pay for cleanup/ remediation work arising out of or related to the services to be provided under this "Agreement". Pollution Liability policy must include contractual liability coverage.

Amount of Coverage:	Per Loss	\$5,000,000
	Aggregate	\$5,000,000

a) Coverage shall apply to sudden and gradual pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, natural gas, waste materials, or other irritants, contaminants, or pollutants (including asbestos). Policy shall cover the SUBRECIPIENT completed operations.

b) If the coverage is written on a claim-made basis, the SUBRECIPIENT warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract; and that continuous coverage will be maintained, or an extended discovery period will be exercised for a period of five (5) years beginning from the time that work under this contract is completed.

c) The policy shall be endorsed to include the following as Additional Insureds: Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development

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(HUD), its officers, agents, and employees named as an additional insured with respect to liability and defense of suits arising out of the activities performed by, or on behalf of the SUBRECIPIENT, including completed operations.

- d) Endorsements CA9948 and MCS-90 are required on the Automobile Liability Coverage if the SUBRECIPIENT or its Contractors transports any type of hazardous materials.

7. Professional Liability Insurance

The SUBRECIPIENT must provide or cause those conducting the work to provide Professional Liability insurance with respect to negligent or wrongful acts, errors or omissions, or failure to render services in connection with the professional services to be provided under this "Agreement". This insurance shall protect against claims arising from professional services of the insured, or by its employees, agents, or contractors, and includes coverage (or no exclusion) for contractual liability.

Amount of Coverage:	Per Claim	\$5,000,000
	Aggregate	\$5,000,000

- a) If the coverage is written on a claim-made basis, the SUBRECIPIENT warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Contract; and that continuous coverage will be maintained, or an extended discovery period will be exercised for a period of five (5) years beginning from the time that work under this contract is completed.

8. Builders' Risk Insurance

Unless otherwise provided, SUBRECIPIENT will procure, pay for, and maintain, builder's risk (and/ or Installation Floater) in the amount of the initial Contract Sum, plus value of subsequent Contract modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a value-at-risk-at-time-of-loss (VARTOL) valuation clause (as defined in the builders' risk policy).

- a) Such builders risk insurance shall end when the first of the following occurs:

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- i. The PRDOH interest in the Work ceases;
 - ii. the policy expires or is cancelled; or
 - iii. the Work is accepted by PRDOH.
- b) SUBRECIPIENT is responsible for the deductible for any claim made against the policy. A separate certificate of insurance evidencing the coverage required herein shall be provided to PRDOH.
- c) The PRDOH shall be added as Additional Named Insured and Loss Payee.
- d) Policy must provide coverage from the time any covered property becomes the responsibility of the SUBRECIPIENT, and continue without interruption during construction, renovation, or installation, including any time during which the covered property is being transported to the construction installation site, or awaiting installation, whether on or off site.
- e) Builders' Risk Coverage shall be on a Special Covered Cause of Loss Form and shall include theft, vandalism, malicious mischief, collapse, false-work, temporary buildings and debris removal including demolition, increased cost of construction, architect's fees and expenses, flood (including water damage), earthquake, and if applicable, all below and above ground structures, piping, foundations including underground water and sewer mains, piling including the ground on which the structure rests and excavation, backfilling, filling, and grading. Equipment Breakdown Coverage (a.k.a. Boiler & Machinery) shall be included as required by the Contract Documents or by law, which shall specifically cover insured equipment during installation and testing (including hot testing, where applicable).
- f) The Builders' Risk shall be written for 100% of the completed value (replacement cost basis) of the work being performed. The Builders' Risk shall include the following provisions:
 - i. Replacement Cost Basis - including modification of the valuation clause to cover all costs needed to repair the

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structure or work (including overhead and profits) and will pay based on the values figured at the time of rebuilding or repairing, not at the time of loss.

- g) If the project does not involve new or major reconstruction, at the option of Puerto Rico Department of Housing (PRDOH), the SUBRECIPIENT may provide an Installation Floater Policy in lieu of a Builders Risk policy, with the similar coverage as the Builder's Risk policy. For such projects, an Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the SUBRECIPIENT's site.

9. Other Coverages:

The PRDOH reserves the right to require SUBRECIPIENT to obtain and maintain additional insurance coverages, provided that such requests are reasonable and consistent with industry standards. The SUBRECIPIENT shall secure these additional coverages within a reasonable time frame following the Department's request, ensuring continuous compliance with contractual obligations.

C. Other Provisions

1. Acceptability of Insurers

The insurance company providing any of the insurance coverage required herein shall be an Insurance Company duly authorized to do business in Puerto Rico and approved by the Office of the Commissioner Insurance of Puerto Rico and classified by A.M. Best Co. with a rating of no less than financial strength of A or have a financial size of IV or better.

If at any time an insurer issuing any such policy does not meet the minimum A. M. Best rating, the SUBRECIPIENT shall obtain a policy with an insurer that meets the A. M. Best rating and shall submit another certificate of insurance as required in the contract.

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2. Premiums, Deductibles and Self-Insured Retentions

The SUBRECIPIENT shall be responsible for payment of premiums for all of the insurance coverages required under this Section. The SUBRECIPIENT further agrees that for each claim, suit or action made against insurance provided hereunder, with respect to all matters for which the SUBRECIPIENT is responsible hereunder, the SUBRECIPIENT shall be solely responsible for all deductibles and self-insured retentions. Any deductible or self-insured retentions over \$50,000.00 in the SUBRECIPIENT insurance must be declared and approved in writing by PRDOH.

3. Claims Made Policies

If any coverage required is written on a claims-made coverage form:

- a) The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work.
- b) Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of contract work.
- c) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work.
- d) A copy of the claims reporting requirements must be submitted to the Entity for review.

4. Proof of Insurance

The SUBRECIPIENT shall submit proof of the Comprehensive General Liability (CGL) insurance to the PRDOH before the execution of the Subrecipient Agreement. The SUBRECIPIENT shall also ensure that all other insurance policies and bonds required under this Agreement are secured by its subcontractors. The SUBRECIPIENT is responsible for providing to the PRDOH evidence of these additional insurance policies and bonds within five (5) days after the execution of each individual subcontract agreement.

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5. Verification of Coverage

The SUBRECIPIENT shall provide a Certificate or Certificates of Insurance, in a form satisfactory to Puerto Rico Department of Housing (PRDOH) (i.e., an ACORD Certificate), before commencing any work under the contract or agreement.

Certificates of Insurance shall:

- a) Be in the form acceptable to PRDOH (i.e., an ACORD Certificate);
- b) Disclose any Deductible, Self-Insured Retention, Aggregate Limit or any exclusion to the policy that materially changes the coverage required by the contract.;
- c) Project/contract number and project description shall be noted on the certificate of insurance.;
- d) Be signed by an authorized representative of the Insurance carriers; and
- e) Contain the following language in the Description of Operations/Locations/ Vehicles section:

“Additional Insured protection afforded is on a primary and non-contributory basis. A waiver of subrogation is granted in favor of the Additional Insureds.”

Only original documents (Certificate(s) and any Endorsements or other attachments) or electronic versions of the same that can be directly traced back to the Insurer, Agent or Broker via e-mail distribution or similar means will be accepted.

The PRDOH reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

All certificates required by this Agreement shall be sent directly to:

Sonia Damaris Rodríguez
Especialista en Seguros | CDBG-DR/MIT
Oficina de Recuperación de Desastres
Tel. (787) 274- 2527 ext. 4081
srodriguez@vivienda.pr.gov

6. Renewal Policies

The SUBRECIPIENT shall promptly deliver PRDOH a certificate of insurance with respect to each renewal policy, as necessary to demonstrate the maintenance of the required insurance coverage for the terms specified herein. Such certificate shall be delivered to PRDOH not less than 30 days prior to the expiration date of any policy and bear a notation evidencing payment of the premium thereof.

7. Cancellation and Modification of Insurance Coverages

The SUBRECIPIENT shall be responsible for immediately notifying the PRDOH in writing of any changes or cancellations of its insurance or may be found in breach of the contract and the contract could be terminated. This notice requirement does not waive the insurance requirements contained herein.

8. Policies Primary and Non-Contributory

All policies required above are to be primary and noncontributory with any insurance programs carried by the PRDOH.

9. Waiver of Subrogation

SUBRECIPIENT hereby grants to PRDOH a waiver of any right to subrogation which any insurer of said SUBRECIPIENT may acquire against PRDOH by virtue of the payment of any loss under such insurance. SUBRECIPIENT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not PRDOH has received a waiver of subrogation endorsement from the insurer.

10. Special Risks or Circumstances

The PRDOH reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

11. Subcontractors

The SUBRECIPIENT and its Contractors shall include all subcontractors as insureds under its policies or shall be responsible for verifying and maintaining the certificates provided by each subcontractor. Subcontractors shall be subject to all of the requirements stated herein. The agency reserves the right to request copies of subcontractor's certificates at any time.

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12. No Recourse

There shall be no recourse against PRDOH for the payment of premiums or other amounts with respect to the insurance required from the SUBRECIPIENT under this Section.

13. Limits of Coverage

If the SUBRECIPIENT maintains higher limits than the minimums shown below, PRDOH requires and shall be entitled to coverage for the higher limits maintained by the SUBRECIPIENT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to PRDOH.

14. Indemnification/ Hold Harmless Agreement

SUBRECIPIENT agrees to protect, defend, indemnify, save, and hold harmless, Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, employees, and volunteers, from and against any and all claims, damages, expenses, and liability arising out of injury or death to any person or the damage, loss, or destruction of any property which may occur, or in any way grow out of, any act or omission of SUBRECIPIENT, its contractors, agents, servants, and employees, or any and all costs, expenses and/or attorney fees incurred by SUBRECIPIENT as a result of any claims, demands, suits or causes of action, except those claims, demands, suits, or causes of action arising out of the negligence of, Puerto Rico Department of Housing (PRDOH), Puerto Rico Government, US Department of Housing and Urban Development (HUD), its officers, officials, agents, employees, and volunteers. SUBRECIPIENT agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands, suits, or causes of action at its sole expense and agrees to bear all other costs and expenses related thereto, even if the claims, demands, suits, or causes of action are groundless, false or fraudulent.

15. 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 in amounts or limits, etc., with respect to insurance requirements, the conditions

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of insurance and bonds established in these Insurance Requirements and Bonding Specifications shall prevail over any other insurance specifications.

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