



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

COMMUNITY DEVELOPMENT BLOCK GRANT – MITIGATION (CDBG-MIT)

**AGREEMENT FOR
SINGLE-FAMILY HOUSING DEVELOPMENT INITIATIVE
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND
PORTALES DE CAROLINA CDBG-MIT LLC**



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This **AGREEMENT FOR SINGLE-FAMILY HOUSING DEVELOPMENT INITIATIVE** (**Agreement** or **Contract**) is entered into in San Juan, Puerto Rico, this 8 of March, 2024, by and between the **PUERTO RICO DEPARTMENT OF HOUSING (PRDOH)**, a public agency created under Act No. 97 of June 10, 1972, as amended, 3 LPRA § 441, *et seq.*, known as the "Organic Act of Department of Housing" with principal offices at 606 Barbosa Avenue, San Juan, Puerto Rico, herein represented by William O. Rodríguez Rodríguez, attorney, of legal age, single, and resident of Guaynabo, Puerto Rico, in his capacity as Secretary; and **PORTALES DE CAROLINA CDBG-MIT LLC (CONTRACTOR)**, with principal offices in 517 Carr. 5 STE 5, Cataño, Puerto Rico, herein represented by María Carnero Collada, in her capacity as Secretary, of legal age, married, and resident of Guaynabo, Puerto Rico, duly authorized by Corporate Resolution issued on March 30, 2023; collectively referred to herein as the "Parties".

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

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

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

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

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

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

accountability and is committed to the responsible, efficient, and transparent administration of CDBG-DR grant funding.

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

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

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

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

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

WHEREAS, the PRDOH is interested in contracting with developers to purchase new completed and compliant detached single-family housing developments (**units**) in the contracted Period of Performance (**POP**). The developer will support PRDOH's objectives of ensuring compliance with all CDBG-MIT HUD and applicable federal and local requirements, rules and regulations, as well as in PRDOH's objectives of the Action Plan, as amended, and adequately coordinating and monitoring all CDBG-MIT related activities.

WHEREAS, on December 21, 2022, the PRDOH issued the Request for Proposal "CDBG-MIT-RFP-2022-04" (**RFP**) with CDBG-MIT funds. This request was placed through CDBG-DR/CDBG-MIT website and the Registro Único de Subastas (**RUS**). Through this procurement process, the PRDOH received **twenty-seven (27) proposals**. The proposals were evaluated by an Evaluation Committee appointed pursuant to Administrative Order No. 23-20 dated April 17, 2023. The Evaluation Committee performed an evaluation of the proposals based on the criteria stated in the RFP.

WHEREAS, on March 31, 2023, the CONTRACTOR submitted a proposal, which fully complied with the requirements set forth by the PRDOH.

WHEREAS, the PRDOH desires to enter into an agreement with **PORTALES DE CAROLINA CDBG-MIT LLC**, to purchase new completed detached single-family housing (**units**) developments and accepts the CONTRACTOR's Proposal and reasonable costs, and the CONTRACTOR by its acceptance of the terms and conditions of this Agreement is ready, willing and able to provide the requested deliverables contemplated under this Agreement.

WHEREAS, the completed single-family units object of this contract was acquired by PRDOH with the use of CDBG-DR and CDBG-MIT funds for the purpose of offering it to

eligible participants of its programs. That is, the funds are intended for an activity that meets a national objective, as required by 24 C.F.R. §570.208. This decision was made due to the shortage of properties in Puerto Rico and the rigorous requirements established by federal provisions governing CDBG-DR and CDBG-MIT funds. Therefore, it is clarified that the value stipulated in this contract does not reflect the fair market value of the real property, but rather the cost that PRDOH paid for these properties to be built in accordance with the federal provisions.

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

I. TYPE OF CONTRACT

Contract Type: This is a fixed unit price contract. Under this Agreement, PRDOH will purchase completed single-family units (**Completed Units**) at the contracted price established in the **Attachment C** (Compensation Schedule). Completed Units are defined as those units that comply with all requirements established in this Agreement, particularly: conditions established in Section 17 of **Attachment B** (Scope of Work); have been assessed and accepted by PRDOH pursuant to Section 18 of **Attachment B** and its subsections; were designed and constructed following Section 7.1, Section 8.2, Section 8.4 through Section 13, Section 15, and Section 19 of **Attachment B** and comply with the design standards and requirements of **Attachment H** (Minimum Architectural and Design Standards) of this Agreement and as published for the RFP; and must be ready for purchase pursuant to Section 21 and 21.1 of **Attachment B**. All changes and/or modifications to this Agreement shall be in writing and must be signed by both Parties.

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

Attachment A	Proposal
Attachment B	Scope of Work
Attachment C	Compensation Schedule
Attachment D	Performance Requirements
Attachment E	HUD General Provisions
Attachment F	Contractor Certification Requirement
Attachment G	Non-Conflict of Interest Certification
Attachment H	Minimum Architectural and Design Standards

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

II. TERM OF AGREEMENT

A. This Agreement shall be in effect and enforceable between the parties from the date of its execution. The Term of this Agreement will be for a period of **nine hundred thirteen (913) days**. CONTRACTOR must comply with applicable Environmental Review Process regulations pursuant to 2 C.F.R. part 58 (including requirements established in Sections 3, 7.1, 8.3, 12, 13, and 16 of **Attachment B**).

The Term of the Agreement will be concurrent with the Period of Performance (**POP**) of **seven hundred thirty (730) days** that will automatically commence once PRDOH receives the Authorization to Use Grant Funds (**AUGF**) from HUD and PRDOH notifies CONTRACTOR of said approval.

CONTRACTOR must attain Completed Units as defined in Section I of this Agreement within the POP. Likewise, PRDOH will purchase Completed Units, during or within the established POP at the contracted unit sales price established in this Agreement. CONTRACTOR acknowledges and accepts that PRDOH is not obligated to purchase a unit for which a determination of Completed Unit, as defined in Section I of this Agreement was not established within the POP.

B. Contract Extensions: PRDOH may, at its sole and total discretion, extend the POP, and therefore the total Term of the Agreement, for an additional term of **three hundred and sixty-five (365) days** upon mutual written agreement of the parties.

C. The term of this Agreement shall not exceed the lifetime of the initial Grant Agreement between PRDOH and HUD, unless the term of the initial Grant Agreement is extended by HUD, in which case the Agreement shall not exceed said extended period.

III. SCOPE OF SERVICES

The CONTRACTOR will provide the deliverables described in **Attachment B** (Scope of Work) of the Agreement. As such, PRDOH is not contracting from CONTRACTOR for engineering, architectural, consulting, or other related services. The Parties agree that the CONTRACTOR shall furnish all permits, consents, licenses, equipment, software, and supplies necessary to complete the deliverables, at the CONTRACTOR's sole cost. CONTRACTOR must resolve and bear the costs of any process required for the transfer and use of the property (including, but not limited to, occupancy permits, deeds, permits, liens, infrastructure, public areas, easements, segregation, and registration) within the Term of the Agreement as established in Sections 7.1, 8.2, 8.4, 8.5, 16, 17, 18.2 and 21.1 of Attachment B.

According to the attached and assessed Proposal (**Attachment A**), the CONTRACTOR development proposed 61 single-family units with a two-car garage when it was awarded and notified on July 20, 2023. The CONTRACTOR notified and certified that due to an error in the project lot measurements submitted with the Proposal, it is not possible to build 61 single-family units with a two-car garage. Given that building 61 single-family units with a two-car garage would not be structurally possible and the need of new housing units is imperative, the Parties thus agreed to the development of 51 single-family units with a two-car garage. As a result, the proposed number 61 single-family units with a two-car garage deliverable will be reduced in the Agreement and its attachments, to attest to the adjustments of the units granted by the PRDOH Bid Board. The approved adjustments are hereby in compliance with the minimum of units required in the competitive process.

IV. COMPENSATION AND PAYMENT

A. The PRDOH agrees to pay the CONTRACTOR for Completed Units, as defined in Section I of this Agreement rendered in accordance with the rates and amounts described in **Attachment C** of this Agreement. PRDOH must assess and accept each completed single-family unit prior to purchasing to confirm compliance with all requirements and to determine if it is a Completed Unit as defined in Section I of this Agreement. PRDOH's assessment of units includes evaluation construction and design intent, minimum architectural design standards, green building standards, quality standards, occupancy permits, safety and overall compliance with regulatory agencies requirements.

- B.** The PRDOH will pay the CONTRACTOR, for Completed Units a maximum amount not to exceed **EIGHTEEN MILLION SIX HUNDRED FIVE THOUSAND DOLLARS (\$18,605,000.00)**; **Account Numbers:** mith07sfh-doh-lm 6090-01-000 / r02h07rrr-doh-lm 6090-01-000.
- C.** Such payment shall be compensation for all allowable Completed Units required, performed, and accepted under this Agreement included in **Attachment B, Attachment C and Attachment D** and as established in the Price Forms submitted in the Proposal.

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No other costs, payments or expenses will be reimbursed by PRDOH. The CONTRACTOR must secure finance to perform the tasks under this Agreement through completion, issue required payments and comply with fiscal responsibilities and is responsible for all tasks and activities required to complete a housing unit as established in Sections 7, 8.2, and 21 of **Attachment B**. PRDOH is not liable nor will it issue payments, reimbursements, progress payments of any kind or finance to cover CONTRACTOR's operations and compliance with this Agreement. Hence, CONTRACTOR, and not PRDOH, is responsible for the costs associated with:

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1. Insurance, bonds, taxes, patents, fees and any other applicable costs referenced in Section 8.6 of **Attachment B**, and Notes 2 and 3 of Price Form H-1 submitted by CONTRACTOR in its Proposal.
 2. Costs and work associated with engineering, architectural, consulting, and other related services, including compliance with applicable laws, rules and regulations referenced in Section 8.6 of **Attachment B**, and Notes 2 and 3 of Price Form H-1 submitted by CONTRACTOR in its Proposal.
 3. Tasks performed to complete all pre-construction, permitting, and construction activities including, but not limited to: unforeseen circumstances or conditions; accidents; payments to suppliers, manufacturers, subcontractors, and other third parties; increase in the cost of materials and/or labor; payment/costs for patents, taxes, filing of permits, contributions to agencies (e.g., LUMA, PREPA, PRASA, JRTPR, ACT for its acronyms in Spanish) or any other project expenses.

Identification and references to costs above are not meant to be exhaustive.

D. Any additional funds to purchase additional Completed Units requested by the PRDOH to the CONTRACTOR will be subject to evaluation before acceptance as well as funds availability and will require an amendment to this Agreement.

E. The CONTRACTOR and PRDOH may proceed to coordinate acquisition of Completed Units through a real estate closing transaction. Prior or during the real estate closing transaction, CONTRACTOR must have submitted all required documentation including, but not limited, to those identified in Sections 18, 19 and 21 (including the subsection) of **Attachment B**. If PRDOH determines that the submitted deliverables and supporting documents are acceptable, then the purchase will be approved for payment.

F. Once the single-family unit is completed, the CONTRACTOR will submit a Completed Unit pre-assessment package to PRDOH:

PRDOH or its representative shall review the package within 3 business days and once approved, shall schedule and perform the assessment visit within 7 business days.

- If any deficiencies are identified, the CONTRACTOR shall remedy any deficiencies, provide evidence of all remedies, and certify the deficiencies have been remedied to PRDOH within 10 business days.
- Within 5 business days of receipt, PRDOH shall review the evidence and certification of remedies of deficiencies, including re-assessment, if required.
- Once the unit is determined to be completed by PRDOH, the CONTRACTOR shall submit the invoice for the completed unit(s).

- Within 45 business days of the invoice being approved by PRDOH Program POC, PRDOH will issue payment to the CONTRACTOR for each accepted unit.
- Simultaneously, within 90 calendar days of the determination of completion, PRDOH shall notify its request to schedule the real estate closing event for the respective unit(s).
- CONTRACTOR shall complete the real estate closing process of the Completed Unit no later than the forty-five (45) calendar days from the date PRDOH issued payment to CONTRACTOR.
- PRDOH will not reimburse any payments of interest.

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G. Payments to the CONTRACTOR for Completed Units shall be made by electronic funds transfer (**EFT**). PRDOH reserves the right to conduct any audits it deems necessary. The CONTRACTOR agrees to cooperate fully with any such audit or audits.

H. While performing the activities under this Agreement, the CONTRACTOR must adhere to applicable requirements of the CDBG-MIT grant. If the CONTRACTOR performs ineligible activities under the CDBG-MIT grant or program, the single- family housing units may be ineligible for purchase.

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

J. The CONTRACTOR acknowledges and agrees to repay any CDBG-MIT funds used for ineligible costs.

K. In order for the CONTRACTOR to receive payment for any work performed hereunder, the following certification must be included in each application for payment submitted to the PRDOH for payment:

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

V. REIMBURSABLE EXPENSES

The PRDOH will not reimburse any costs incurred by the CONTRACTOR not included in the approved Proposal or in an executed written amendment including, but not limited, to those excluded in **Attachment B** and **Attachment C**.

Likewise, at no point before, during or after the POP, can CONTRACTOR request from PRDOH funds or payments for operating and maintenance of access control, gates, security, tele-entry, or common areas maintenance fees or similar payments under applicable Federal Regulations as part of this Agreement. CONTRACTOR must not

impose a charge on the beneficiaries of the purchased units under the concept.

VI. ADDITIONAL SERVICES

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

VII. OWNERSHIP AND USE OF DOCUMENTS

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- A. With the exception of the CONTRACTOR's working papers, the CONTRACTOR acknowledges the PRDOH's ownership of all information, drafts, documents, reports, papers, and other materials developed and prepared by the CONTRACTOR, its agents or representatives, for purposes of performing key obligations hereunder. In the event of any termination, the CONTRACTOR shall deliver such information, drafts, reports, papers and other materials to the PRDOH, in document form or as computer program data, and the CONTRACTOR recognizes the PRDOH's right to request such documentation or computer program data. If the CONTRACTOR fails to deliver said information, the PRDOH may seek a judicial order to enforce its rights.
- B. Proof of expenditures incurred by the CONTRACTOR on behalf of PRDOH shall be made available to PRDOH. The CONTRACTOR agrees to maintain accurate records and files of all contract documents, correspondence, book estimates, bills, and other information related to the CONTRACTOR account. These documents shall be open for the PRDOH examination at all reasonable times during the term of this Agreement, and up to **five (5) years** from the closeout of the grant to the state, or the period required by other local applicable laws and regulations.

VIII. DOCUMENTATION AND RECORDKEEPING

- A. **Records to be Maintained:** The CONTRACTOR shall maintain records of the state and units of general local government, including supporting documentation, which shall be retained for the greater of **five (5) years** from the closeout of the grant to the state, or the period required by other local applicable laws and regulations. Such records include but are not limited to: Records providing a full description of each activity undertaken; Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-MIT program; Records required to determine the eligibility of activities; Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG-MIT assistance; Records documenting compliance with the fair housing and equal opportunity requirements of the CDBG-MIT program regulations; Financial records as required by 24 C.F.R. § 570.506, and 2 C.F.R. part 200, including records necessary to demonstrate compliance with all applicable procurement requirements; and other records necessary to document compliance with this Agreement, any other applicable Federal statutes and regulations, and the terms and conditions of PRDOH's Federal award.
- B. **Access to Records:** The CONTRACTOR shall permit the PRDOH and auditors to have access to the CONTRACTOR's records and financial statements as necessary for the PRDOH to meet its audit requirements under the Federal award.
- C. **Record Retention and Transmission of Records to the PRDOH:** Prior to close out of this Agreement, the CONTRACTOR must transmit to the PRDOH records sufficient for the

PRDOH to demonstrate that all costs under this Agreement met the requirements of the Federal award.

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- D. **CONTRACTOR's Data and Privileged Information:** The CONTRACTOR is required to maintain confidential data demonstrating client eligibility for activities provided under this Agreement. Such data may include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of activities provided.
- E. **PII Policy:** The CONTRACTOR must comply with the PRDOH CDBG-MIT Personal Identifiable Information Policy, as found in the CDBG-MIT/DR Website (www.cdbg-dr.pr.gov), which is herein included and made an integral part of this Agreement, as it may be updated from time to time.

IX. ACCESS TO RECORDS

- A. The CONTRACTOR agrees to provide the Government of Puerto Rico, PRDOH, HUD's Secretary, the Comptroller General of the United States, or any of their authorized representative's access to any books, documents, papers, and records of the CONTRACTOR which are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions.
- B. The CONTRACTOR agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

X. NON-DISCLOSURE AND CONFIDENTIALITY

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

irreparable damage that could not be remedied or compensated adequately only by mere monetary retribution. The CONTRACTOR further agrees that money damages may not be a sufficient remedy for any breach of this Section. Accordingly, the CONTRACTOR agrees that PRDOH shall have the right to seek injunctive relief and the specific performance of the provisions of this Section to enjoin a breach or attempted breach of the provision hereof, such right being in addition to any and all other rights and remedies that are available to PRDOH by law, equity, or otherwise.

XI. PERFORMANCE WARRANTY

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

XII. TERMINATION

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

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extent to which the performance of the work under this Agreement is terminated, and the effective date of termination. Upon receipt of such notice, the CONTRACTOR shall immediately discontinue all services affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. In the event of a termination by Notice, the PRDOH shall be liable only for payment of services rendered up to and including the effective date of termination. PRDOH shall make payment, in accordance with the terms of this Agreement, of any amounts due to CONTRACTOR for allowable services rendered prior to the termination notice.

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

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

XIII. PENALTIES AND LIQUIDATED DAMAGES

A. Penalties

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

B. Liquidated damages

The CONTRACTOR shall pay to PRDOH, as liquidated damages, **one hundred dollars (\$100.00)**, per Completed Unit, for each calendar day that CONTRACTOR fails to complete the real estate closing within the **forty-five (45) business days** after PRDOH notified its request to schedule the real estate closing event, as established in Section IV of this Agreement, until deemed in compliance subject to a maximum of **one thousand five hundred dollars (\$1,500.00)**, per Completed Unit, established in this Contract between PRDOH and the CONTRACTOR, in accordance with **Attachment B** and **Attachment D**. Said sum, in view of the difficulty of accurately ascertaining the loss which PRDOH will suffer by reason of delay in the completion of the Work hereunder, is hereby fixed and agreed as the liquidated damages that PRDOH will suffer by reason of such delay. Liquidated damages received hereunder are not

intended to be nor shall they be treated as either a partial or full waiver or discharge of the PRDOH's right to indemnification,

or the CONTRACTOR's obligation to indemnify the PRDOH pursuant to this Contract, or to any other remedy provided for in this Contract or by Law. Liquidated damages may be assessed at the sole discretion of PRDOH. For the purpose of applying and calculating such liquidated damages, a grace period of **ten (10) business days** shall be observed. The PRDOH may deduct and retain out of the monies which may become due hereunder, the amount of any such liquidated damages; and in case the amount which may become due hereunder shall be less than the amount of liquidated damages due to the PRDOH per the formula above, the CONTRACTOR shall be liable to pay the difference.

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XIV. LIABILITY

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

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

XV. INSURANCE

The CONTRACTOR shall maintain the insurance policies that are typically required for the construction of single-family housing developments or projects in force and effect for the term of the Agreement starting from the execution and ending at the completion of all services to be provided hereunder. Up until the closing, when the PRDOH will acquire the units, the CONTRACTOR is required to provide insurance for each unit of the project. Any deductible amount, under any of the policies, will be assumed in whole by the CONTRACTOR for any and all losses, claims, expenses, suits, damages, costs, demands or liabilities, joint and several of whatever kind and nature arising from the Agreement resulting from this solicitation by and between the CONTRACTOR and PRDOH. The PRDOH shall not be held responsible under any circumstances for payments of any nature regarding deductibles of any Commercial Liability Policies for the aforementioned Agreement.

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

The CONTRACTOR expressly understands and agrees that whenever the CONTRACTOR is covered by other primary, excess, or excess contingent insurance that, any insurance or self-insurance program maintained by PRDOH shall apply in excess of and will not contribute with insurance provided by the CONTRACTOR under this Agreement.

XVI. HOLD HARMLESS

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

XVII. FORCE MAJEURE

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

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

XVIII. CONFLICTS OF INTEREST

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

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

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

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

The provisions of this clause shall be included in all subcontracts and/or consulting

agreements wherein the work to be performed is similar to the activities performed by the CONTRACTOR. The CONTRACTOR shall include in such subcontracts and consulting agreements any necessary provision to eliminate or neutralize conflicts of interest.

XIX. INDEPENDENT CONTRACTOR

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

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

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

XX. NOTICES

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

To: PRDOH

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

San Juan, Puerto Rico 00918

To: CONTRACTOR María Carnero Collada
Secretary
Carolina CDBG-MIT LLC
PO Box 3891
Guaynabo, PR 00970

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XXI. THIRD PARTIES

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

XXII. SUBCONTRACTS

A. General: All subcontracts shall contain the applicable provisions describe in **Attachment E** (HUD General Provisions), as well as applicable provisions set forth in 2 C.F.R. § 200.101. The PRDOH shall review subcontracts as part of the compliance, monitoring, and oversight process performed by PRDOH or upon request.

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

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

C. Monitoring: CONTRACTOR shall diligently monitor all subcontracted services. If CONTRACTOR discovers any areas of noncompliance, CONTRACTOR shall provide the PRDOH summarized written reports supported with documented evidence of corrective action.

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

E. Notification: Within **three (3) business days** of its execution, the CONTRACTOR shall notify the Contract Administration Area of the PRDOH CDBG-MIT Legal Division and provide a copy of all subcontracts related to this Agreement and CDBG-MIT funds, as well as any other subcontracts listed in **Attachment F** (Contractor Certification Requirement). The CONTRACTOR is in charge of obtaining all certifications from the subcontractors listed in Article XXIII of this Agreement that are required for technical, professional, or consulting services, as well as submitting them with the copy of the subcontract and adhering to all other

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

XXIII. CERTIFICATION OF COMPLIANCE WITH LEGAL REQUIREMENTS

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

- A. Compliance with Executive Order No. 24:** Pursuant to Executive Order No.24 of June 18, 1991, the CONTRACTOR certifies and guarantees that at the signing of this Agreement it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last **five (5) years**. The CONTRACTOR further certifies that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The CONTRACTOR shall hand out, to the satisfaction of the PRDOH and whenever requested by the PRDOH during the term of this Agreement, the necessary documentation to support its compliance of this clause. The CONTRACTOR will be given a specific amount of time by the PRDOH to produce said documents. During the term of this Agreement, the CONTRACTOR agrees to pay and/or to remain current with any repayment plan agreed to by the CONTRACTOR with the Government of Puerto Rico.
- B. Compliance with Executive Order 52:** Pursuant to Executive Order No. 52 of August 28, 1992, amending Executive Order No.1991-24, the CONTRACTOR certifies and warrants that it has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment plan in connection with any such unpaid items and is in full compliance with the terms thereof. The CONTRACTOR accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every CONTRACTOR and subcontractor whose service the CONTRACTOR has secured in connection with the services to be rendered under this Agreement and shall forward evidence to PRDOH as to its compliance with this requirement.
- C. Compliance with Circular Letter No. 1300-16-16 of the Puerto Rico Department of Treasury:** The CONTRACTOR accepts and acknowledges its responsibility of acquiring the certifications required in the Puerto Rico Department of Treasury Circular Letter No. 1300-16-16 issued on January 19, 2016. All certifications must be submitted during their term of validity, in accordance with applicable laws. Certifications expired or issued more than **sixty (60) calendar days** prior to the contract date will not be accepted. The last payment to be made under the contract will only be issued if the 'Debt Certifications' by the Puerto Rico Department of Treasury indicate that the CONTRACTOR has no debt with the Department of Treasury. The CONTRACTOR agrees to cancel any debt that cannot be clarified with the Department of the Treasury through a withholding made by PRDOH from the payments to which it is entitled to receive under the contract.
- D. Social Security and Income Tax Retentions:** The CONTRACTOR will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income from this Agreement.

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- E. Government of Puerto Rico Municipal Tax Collection Center (CRIM, for its Spanish acronym):** The CONTRACTOR certifies and guarantees that at the signing of this Agreement it has no current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center. The CONTRACTOR further certifies to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. The CONTRACTOR shall hand out, to the satisfaction of the PRDOH and whenever requested by the PRDOH during the term of this Agreement, the necessary documentation to support its compliance of this clause. The CONTRACTOR will deliver upon request any documentation requested under this clause as per request of PRDOH. During the Term of this Agreement, the CONTRACTOR agrees to pay and/or to remain current with any repayment plan agreed to by the CONTRACTOR with the Government of Puerto Rico with regards to its property taxes.
- F. Income Tax Withholding (if applicable):** The PRDOH shall retain the corresponding amount from all payments made to the CONTRACTOR, as required by the Puerto Rico Internal Revenue Code. The PRDOH will advance such withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as *Departamento de Hacienda del Gobierno de Puerto Rico*). The PRDOH will adjust such withholdings provided the CONTRACTOR produces satisfactory evidence of partial or total exemption from withholding.
- G. Compliance with Act No. 45 of April 18, 1935, as amended, 11 LPRA § 1, et seq.:** The CONTRACTOR certifies and guarantees that at the signing of this Agreement has valid workers' compensation insurance issued by the State Insurance Fund Corporation (**CFSE**, for its Spanish Acronym), as established by Act No. 45-1935, known as the "Puerto Rico Workers' Accident Compensation Act". If the CONTRACTOR does not currently have a valid workers' compensation insurance policy from CFSE, it certifies that it will obtain one within the next **ninety (90) calendar days** and that it will keep the policy active for the duration of the Agreement and until final payment. Failure to obtain insurance could affect this Agreement's payments and obligations.
- H. Government of Puerto Rico's Agency for the Collection of Child Support (ASUME, for its Spanish acronym):** The CONTRACTOR certifies and guarantees that at the signing of this Agreement that the CONTRACTOR nor any of its Partners, if applicable, have any debt or outstanding debt collection legal procedures with regards to child support payments that may be registered with the Government of Puerto Rico's Child Support Administration. The CONTRACTOR hereby certifies that it is a limited liability company organized and existing in good standing under the laws of the Government of Puerto Rico. The CONTRACTOR shall present to the satisfaction of PRDOH, the necessary documentation to substantiate the same. The CONTRACTOR will be given a specific amount of time by PRDOH to deliver said documents.
- I. Compliance with Act No. 168-2000, as amended, 8 LPRA § 711, et seq.:** The CONTRACTOR is in full compliance with Act No. 168-2000, as amended, known as "Act for the Improvement of Elderly Support of Puerto Rico."
- J. Compliance with Act No. 1-2012, as amended, 3 LPRA § 1854, et seq.:** The PRDOH and the CONTRACTOR hereby certify that in signing this Agreement they are in compliance with Act No. 1-2012, as amended, known as the "Puerto Rico Government Ethics Act of 2011", in connection with the possibility of a conflict of interest.

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

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

M. Non-Conviction: The CONTRACTOR certifies that it has not been convicted nor accused of a felony or misdemeanor against the government, public faith and function, or that involves public property or funds, either federal or local in origin. Furthermore, CONTRACTOR also certifies that:

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

N. Other payments or compensation: The CONTRACTOR certifies that it does not receive payment or compensation for regular services rendered as an official or

public employee to another government entity, agency, public corporation or municipality, and knows the ethical standards of his profession and assumes responsibility for his actions.

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

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

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

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

XXV. COMPLIANCE WITH THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO (FOMB) POLICY: REVIEW OF CONTRACTS, AS MODIFIED ON APRIL 30, 2021, REGARDING PROFESSIONAL SERVICES

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

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

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

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

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

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

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

The CONTRACTOR acknowledges that HUD financial assistance will be used to fund the Agreement only. Also, the CONTRACTOR shall comply with all applicable Federal, state and local laws, rules, regulations, and policies relating to CDBG-MIT and CDBG Program services. This includes without limitation, applicable Federal Registers; 2 C.F.R. part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Housing and Community Development Act of 1974; 24 C.F.R. part 570 Community Development Block Grant; applicable waivers; Fair Housing Act, 24 C.F.R. part 35, 24 C.F.R. part 58 (including requirements established in Sections 3, 7.1, 8.3, 12, 13, and 16 of **Attachment B**), 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. Also, the CONTRACTOR shall comply, without limitation, with those set forth in **Attachment E** and in compliance with all the requirements described in **Attachment F**.

XXVIII. CDBG-MIT POLICIES AND PROCEDURES

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

XXIX. SECTION 3 CLAUSE

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

very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 C.F.R. part 75, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediments that would prevent them from complying with the part 75 regulations.

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

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

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

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

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

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

I. The CONTRACTOR agrees to submit, and shall require its subcontractors to submit to them, quarterly reports to the PRDOH detailing the total number of labor hours worked on the Section 3 Project, the total number of labor hours worked by Section 3 Workers,

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and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 Workers and Targeted Section 3 Workers.

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

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

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

XXXI. EQUAL OPPORTUNITY

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

clause.

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- B. The CONTRACTOR will, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
 - C. When applicable, the CONTRACTOR will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the CONTRACTOR's commitments under this Section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
 - D. The CONTRACTOR will comply with all provisions of Exec. Order No. 11246 of September 24, 1965, as amended by Exec. Order No. 11375 of October 13, 1967, and as supplemented by the rules, regulations, and relevant orders of the United States Secretary of Labor.
 - E. The CONTRACTOR will furnish all information and reports required by Exec. Order No. 11246 of September 24, 1965, as amended, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
 - F. In the event of the CONTRACTOR's noncompliance with the nondiscrimination clauses of this Agreement or with any of the said rules, regulations, or orders, this Agreement may be canceled, terminated, or suspended in whole or in part and the CONTRACTOR may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Exec. Order No. 11246 of September 24, 1965, as amended, and such other sanctions as may be imposed and remedies invoked as provided in Exec. Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
 - G. The CONTRACTOR will include the portion of the sentence immediately preceding paragraph (A) and the provisions of paragraphs (A) through (F) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Exec. Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance. Provided, however, that in the event a CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the CONTRACTOR may request the United States to enter into such litigation to protect the interests of the United States.

XXXII. SOLID WASTE DISPOSAL ACT

- 1) In the performance of this contract, the CONTRACTOR shall make maximum use of products containing recovered materials that are Environmental Protection Agency (EPA)- designated items unless the product cannot be acquired:

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- a. Competitively within a timeframe providing for compliance with the contract performance schedule;
 - b. Meeting contract performance requirements; or
 - c. At a reasonable price.
- 2) Information about this requirement, along with the list of EPA- designated items, is available at EPA's Comprehensive Procurement Guidelines website, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.
- 3) CONTRACTOR must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include:
- a. procuring only items designated in guidelines of the EPA at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds ten thousand dollars (\$10,000) or the value of the quantity acquired during the preceding fiscal year exceeded ten thousand dollars (\$10,000);
 - b. procuring solid waste management services in a manner that maximizes energy and resource recovery; and
 - c. establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

XXXIII. DRUG FREE WORKPLACE

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

XXXIV. SUSPENSION AND DEBARMENT

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

XXXV. SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION

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

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XXXVI. NO OBLIGATION BY THE FEDERAL GOVERNMENT

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

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

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

XXXVIII. BANKRUPTCY

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

XXXIX. ENTIRE AGREEMENT

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

XL. MODIFICATION OF AGREEMENT

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

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

XLI. BINDING EFFECT

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

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

XLII. ASSIGNMENT OF RIGHTS

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

XLIII. NON-WAIVER

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

XLIV. ORDER OF PRECEDENCE

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

XLV. GOVERNING LAW JURISDICTION

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

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

A. Consolidation or Merger

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

proposed plan to achieve the transition of duties (Scope of Work or Scope of Services), tasks, and performance goals or requirements to the resulting or surviving entity.

Upon the consolidation or the merger becoming effective and supporting evidence of such event is notified to PRDOH, execution of an Amendment to the Agreement

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

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

B. Change of Name

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

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

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

C. Dissolution

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

XLVII. HEADINGS

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

XLVIII. FEDERAL FUNDING

The fulfillment of this Agreement is based on those funds being made available to the PRDOH as the lead administrative agency for Recovery. All expenditures under this

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Agreement must be made in accordance with this Agreement, the policies and procedures promulgated under the CDBG-MIT Program, and any other applicable laws. Further, CONTRACTOR acknowledges that all funds are subject to recapture and repayment for non-compliance.

XLIX. RECAPTURE OF FUNDS

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

L. OVERPAYMENT

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

LI. SEVERABILITY

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

LII. COUNTERPARTS

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

LIII. SURVIVAL OF TERMS AND CONDITIONS

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

PUERTO RICO DEPARTMENT OF HOUSING

PORTALES DE CAROLINA CDBG-MIT LLC

William O. Rodríguez Rodríguez
William O. Rodríguez Rodríguez (Mar 8, 2024 10:37 AST)

William O. Rodríguez Rodríguez, Esq.
Secretary

Maria Carnero
Maria Carnero (Feb 29, 2024 09:30 AST)

María Carnero Collada
Secretary

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A-2: QUALIFICATIONS & WORK APPROACH

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Executive Summary

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SECTION 6.2 QUALIFICATION REQUIREMENTS

6.2.1 Proposer's Qualification and Experience – EXECUTIVE SUMMARY

Reference is hereby made to that certain *Request for Proposals for Single-Family Housing Development Initiatives under the Community Development Block Grant Mitigation*, CDBG-MIT-RFP-2022-04 issued by the Puerto Rico Department of Housing (the "PRDOH") on December 21, 2022 (as the same may have been amended, modified or supplemented from time to time, the "RFP"). In response to the RFP and in accordance with the provisions of Section 6.2.1 of the RFP, **Portales de Carolina CDBG-MIT LLC** (hereinafter, "Portales") hereby respectfully submits an Executive Summary of its proposal to the PRDOH.

I. Overview of the Project

Portales is proposing the construction of a new development called Portales de Carolina ("Project") which will consist of sixty (61) single-family units located in the heart of Carolina, Puerto Rico's metropolitan area, in an existing access-controlled community known as Portal del Este. The new Project would be complementary to the existing condominium units, giving the new residents a sense of existing community. Portales de Carolina will have neighborhood recreational facilities and playground areas for children.

The Project is located in the Metropolis neighborhood of Carolina, Puerto Rico, a short drive away from PR-26, PR-3 and PR-66, a privileged location for families that commute on a daily basis to the San Juan / Eastern part of the island. Other recent developments in this area include *Chalets de la Fuente* and *Paseo Del Rey*.

The area is also known for its active business and commercial communities in the vicinity, such as the industrial / commercial areas of *Martín González*, *La Cerámica*, *Plaza Carolina*, the *Luis Muñoz Marín International Airport (SJU)* and *Base Muñiz*. Right across the street from the Project there is a supermarket, a community pharmacy and other small shops that will provide access to the residents of the Project with groceries, medicine and essentials within a 2 minute walk. The Project is also close to schools and

universities, such as Universidad Ana G. Méndez (UNE) and the University of Puerto Rico, and the Calvary Baptist school. Therefore, the residents of the Project will enjoy plenty of job offerings and educational opportunities within minutes' drive from their homes, as well as proximity to their existing businesses, schools or employment. Finally, the Project is very close to the UPR Hospital in Carolina, as well as Centro Médico and other major hospitals in the San Juan metropolitan area. Thus, the residents of the Project should not have any problems accessing proper health care.

II. Principals / Owners

Portales' owner/members are GIB Development LLC, (an entity controlled by Mr. Sender Shub ("Shub"), with a fifty percent (50%) membership interest, and Mr. Manuel Batlle ("Batlle") with the other fifty (50%).

Mr. Shub has over 34 years of extensive experience in the construction and development of residential and commercial projects. He has been very active in the past 12 – 15 years in the development of residential multi-family and single-family homes, similar to the ones required pursuant to the RFP. Shub owns, develops, and manages multiple real estate projects, including residential housing, office buildings, industrial warehouses, commercial buildings, shopping centers, and hotels throughout the eastern United States and Puerto Rico. He has been responsible for over 2,000 housing units built and delivered in Puerto Rico and is involved with Assisted Living and Memory Care Facilities in Texas. Mr. Shub also operates and manages over 1,000,000 square feet of commercial space and 500,000 square feet of industrial space in Puerto Rico, Texas, and Florida.

Mr. Manuel Batlle is a housing developer with an educational background in economics. He holds a degree in Economics and has used his extensive knowledge to become a highly successful developer in the housing industry. With a deep understanding of economic principles and trends, Mr. Batlle is able to assess the viability of potential housing projects and identify opportunities to create affordable, high-quality housing that meets the needs of a diverse range of clients. He strongly believes in striking a balance between economic feasibility and social responsibility to create housing solutions that are profitable while also making a positive impact on the community.

Portales will use all of the experience of its members in order to position itself as an industry leader in the residential housing development market. The economies of scale, purchasing power, financial resources, bonding capacity, human resources, know-how and experience from the Portales' members will make Portales one of the premier proponents for the program contemplated under the Single Family – Housing Development Initiatives ("SF-HDI") under the Community Development Block Grant Disaster Mitigation ("CDBG-MIT").

GIB Development LLC and Mr. Batlle are also members / principals of various other entities that will also be submitting proposals under the SF-HDI under the CDBG-MIT. In compliance with the terms and conditions of the *Request for Proposals*, those entities and projects are being submitted as separate proposers, but the composition of the teams and other components of the proposals will be very similar in content and nature to the one being submitted by Portales.

III. Team Members

To comply and exceed with the services that will be rendered under the SF-HDI and successfully develop the Project, Portales has teamed up with highly experienced and talented contractors with years of experience in their respective industries. These contractors are not members of Portales or affiliated with Portales, but will be engaged through construction agreements and/or subcontractor agreements. Portales reserves the right to engage a combination of or just a single one of these contractors to assist with the construction and development of the Project. The potential contractors and/or subcontractors may include the following, all of which have executed letter of intent to work with Portales:

SS Contractors Inc. – SS Contractors Inc. ("SSC") was founded by its principal, Steven Santana Meléndez, in 2020 upon parting ways with his long time employers Benkar Construction, Inc. and Blessing Palace Construction, Inc. SSC's recent experience in the construction of single and multifamily homes in Puerto Rico includes Palacios del Sol in Humacao, Palacios del Mar in Humacao, Estancias de Los Artesanos in Las Piedras, Portal de Loiza in Loiza, Los Eucaliptos in Canóvanas, Arboleda in Humacao, Laderas de

Guaynabo, Montecielo in Guaynabo, Residences at Rio in Bayamón and Olympic Hills in Las Piedras.

Overall, SSC brings to the Portales team an experienced and capable builder, who will be relied upon for efficiency and effectiveness in the field.

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Constructora López y Rivera, Inc.. – Constructora Lopez y Rivera, Inc. ("Constructora") was founded in 2004 by principals Felipe López Ortiz and Edwin Rivera Reyes. Constructora brings a team of proven and experienced builders that have worked both in commercial, as well as residential developments.

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Constructora is able to work in any component of the project, be it sitework or house construction. Some examples of their recent work include work for Empresas VRM at Chalets de la Fuente II, Caguas Milenio II, Villas del Prado and Colinas del Prado. They have also worked on the construction of various Walgreens stores (Bayamón – Plaza Tropical, Bayamón – Picadilly and Isabella), as well as in projects for the municipality of Vega Alta.

Portales may rely on Constructora for both sitework, as well as house construction.

Rolei Eléctrica, LLC – Rolei Eléctric, LLC ("Rolei") has principals Eduardo Chardón Casals, P.E.; Jorge Leiseca, P.E.; and Juan Leisca, P.E., M.B.A. Rolei was established in 1968 with the purpose of providing reliable and durable designs of electromechanical systems, as well as carrying out their implementation. Rolei has designed the electrical infrastructure of over 90,000 housing units, including both interior, site and offsite work.

Rolei's experience is extensive. Within their earned stripes notable highlights are the Four Seasons at Cayo Largo, the design-build of a 38KV & 13KV for PREPA, the Gas to Energy Fajardo Landfill project, Riviera residential project in Bayamón, Mylan Pharmaceuticals and plenty of PREPA post-María work.

Rolei's team will bring significant experience in the design of the electrical components of the Project, as well as the implementation thereof.

Aside from the aforementioned contractors, Portales has engaged **Jota-Arkitekts, LLC** ("Jota"), through principal Jose F. "Pachi" García Cosculluela, to act as the lead design professional for the Project. Jota has extensive experience in the design of single-family residences, including in connection with other CDBG-DR programs. Jota has already provided Portales with plans and specifications for the houses that will be built in the Project, and is a vital part of its team.

IV. The House

The proposed house for the Project will prioritize the use of resistant materials and construction techniques to ensure the safety and well-being of its occupants in the face of natural disasters and other external threats. This will include incorporating hurricane-resistant windows and doors, reinforced concrete walls, and other features to withstand severe weather conditions.

The proposed house for the Project will consist of a single-family, one-level, detached home, with a total area of 1,209 square feet. The home will be designed to provide a comfortable and functional living space for its occupants, with accommodation such as three (3) bedrooms that feature natural light, ventilation, and ceiling fans with integrated LED-type lights. The bedrooms will also be equipped with closets that feature wall-mounted cabinetry, providing ample storage space.

In addition to the bedrooms, the home will feature two (2) bathrooms, each with a window, shower, and water-resistant vanities. The bathrooms will be designed to provide a comfortable and functional space for their intended use, while also incorporating features that promote natural lighting and ventilation.

Ceiling fans and LED lighting have been designed for every living area, including the bedrooms, living room, and dining room. Additionally, the home will be equipped with solar panels 3 kW DC PV modules and 9 kWh 48V voltage lithium-ion, allowing it to generate its own energy and reduce reliance on the grid. A 500-gallon cistern has also been included as a resiliency measure.

The proposed house will have an open-concept design to provide a spacious and flexible living area. The kitchen flows seamlessly into the dining and living room, creating a sense of openness and connection between the spaces. The living room has access to the backyard through storm resistant doors, which incentivizes the use of exterior areas and creates a natural indoor-outdoor flow.

In general, the Portales's team will provide its residents with resilient, green, eco-friendly homes which will endure the inclement weather of the Caribbean and provide a comfortable, healthy living environment for years to come. Our proposed Project and the houses to be constructed thereon combine functionality, durability, and aesthetic appeal to create a space that meets the needs of modern families while respecting the natural environment.

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A-2: QUALIFICATIONS & WORK APPROACH

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Organizational Structure
and Staff Qualifications

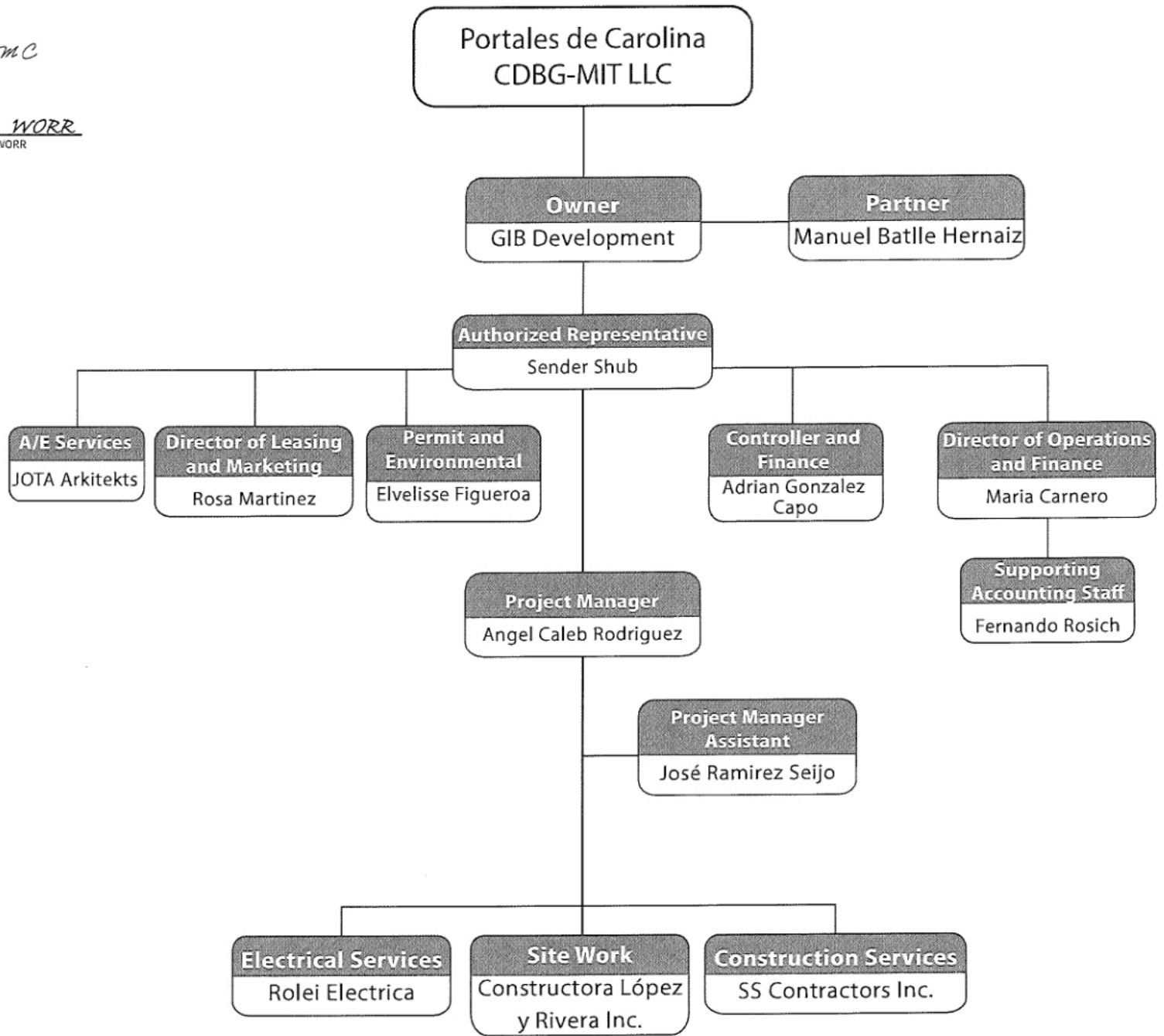


Organizational Chart - Key Staff

Portales de Carolina at Carolina

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Sender Chub is a highly successful entrepreneur and business owner with over 34 years of experience in the real estate development, construction, management, retail, and manufacturing of soft goods and general merchandise. He has been responsible for over 2,000 housing units built and delivered in Puerto Rico and is involved with Assisted Living and Memory Care Facilities in Texas. Shub also operates and manages over 1,000,000 sf of commercial space and 500,000 sf of industrial space in Puerto Rico, Texas, and Florida. He was the President of Me Salve, Inc. for 32 years, which owned and operated a chain of retail clothing stores with over 100 locations throughout Puerto Rico. Shub also owned affiliated companies dedicated to importing, manufacturing, wholesale, and retail sales of consumable and non-consumable products. For approximately 15 years, he directed an apparel manufacturing plant consisting of a 20,000 square foot facility with approximately 40 employees. Shub earned his B.A. in Business Administration with a major in Economics and Finance from Clark University in 1986. He has an extensive network of professional references, including industry leaders from the banking, manufacturing, and entrepreneurial industry.

Adrian Gonzalez Capo is a certified public accountant with expertise in tax compliance and accounting. He graduated with a Bachelor in Business Administration majoring in Accounting, Magna Cum Laude from the University of Puerto Rico in 1997. He has worked for several companies, including Ernst & Young, where he performed individual and corporate tax services such as compliance, consulting, and tax planning work. In his most recent position at GIB Development LLC, he has been the Controller since 2020. In this role, he oversees daily accounting operations for over 50 companies consisting of real estate, project development, and other companies. He also prepares all tax compliance work in all jurisdictions, delivers audit preparation and coordinates annual financial audit, and supervises personnel in charge. Adrian's computer skills include proficiency in various tax programs, Microsoft Word, Excel & Power Point, Peachtree, Quickbooks Pro, Acumatica Cloud Accounting, and Peoplesoft.

Angel Caleb Rodriguez is an experienced Project Manager in the development and construction business with over 14 years of experience in managing complex construction projects in the multifamily housing industry. His experience includes managing multiple multifamily construction projects ranging from \$5M to \$80M+ in scope,

negotiating and managing contracts with vendors, ensuring safety compliance, and leading project teams. Rodriguez holds a Bachelor's degree in Business Administration from the University of Sacred Heart in San Juan, PR, and is a licensed Real Estate Agent #C-17499. His core competencies include project planning and execution, budget and resource management, contract negotiation and management, and regulatory compliance.

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Fernando J. Rosich is a dedicated and detail-oriented accountant seeking to gain further experience in the accounting field and provide his service to a company. He holds a Bachelor's Degree in Business Administration with a major in Accounting from the University of Puerto Rico, where he excelled in Business Accounting classes. His work experience includes being an Accountant at 4S Equity | GIB Development, LLC, where he performs General Ledger Accounting, prepares Monthly Financial Reports and examines Financial Statements for multiple entities, reconciles accounts on a monthly basis, and more. Fernando has a wide range of skills and abilities, including experience with Microsoft Office, Accounting Software such as QuickBooks, Sage 50, and MRI Accounting Software, and is bilingual in Spanish and English. He is known for his attention to detail, organization, responsibility, and proactivity, and is eager to learn and works well with others.

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Jose R. Ramirez Seijo has managed operations and plants in different sectors. He directed commercial and real estate engineering at 4S Equity/GIB Development, Inc. He created and implemented process improvements and maintained a work order system with priorities and technical documentation. He budgeted and scheduled capital improvement projects. Ramirez Seijo was the engineering director at PR Steel, LLC, where he developed and implemented manufacturing and process innovations. He also maintained a work order system with priorities and technical documentation, controlled and maintained good manufacturing practices (GMPs), and designed and completed capital improvement projects, including budgets and deadlines. Ramirez Seijo previously managed production, utilities, maintenance, and inventories at Pan American Properties, Corp. He reviewed and solved daily operations difficulties, managed and maintained GMPs and other regulations, and reviewed and discussed manufacturing concerns and down time analysis plans with production and maintenance

management. Ramirez Seijo's management skills go beyond operations. Motivated, innovative, and a great communicator, he has outstanding interpersonal skills. He is a self-starter, responsible, and well-organized team player who can operate alone or with minimal supervision. Jeff Sacks Car General Manager Workshop.

Maria Isabel Carnero is a dynamic leader with over 20 years of experience in the retail, distribution, construction, and real estate industries. She is an expert in financial and operational management, budgeting, forecasting, and process improvement. As Director of Operations and Finance for 4S Equity/GIB Development LLC, she is responsible for coordinating all daily operations, overseeing business activities, and ensuring the attainment of corporate goals. She has a proven track record of developing and leading high-performance teams, cultivating strong relationships with external stakeholders, and executing strategic plans that align resources and objectives with a company's overall vision. Maria Isabel Carnero is also highly skilled in risk management, compliance, and is fully bilingual in Spanish and English. She holds a Bachelor's degree in Accounting from the Universidad de Puerto Rico in Rio Piedras and is knowledgeable in various accounting software such as MAS90, MRI, Sage, and QuickBooks.

Rosa Martinez Mangual has 30+ years of experience in the property management industry, she is a skilled professional with expertise in strategic business planning, accounting, management, leasing, and marketing. Martinez Mangual has worked with various companies in Puerto Rico, including 4S Equity LLC/ GIB Development LLC, Epic Management of Puerto Rico, Developers Diversified Realty, CPG/PMI Property Management Inc./TJAC Inc. She holds a Bachelor's Degree in Business Administration from the University of Puerto Rico and is a Certified Marketing Director and Certified Retail Specialist by the International Council of Shopping Centers. She is fully bilingual in Spanish and English and has excellent computer skills.

Manuel A. Batlle Hernaiz is an experienced professional with over 25 years in the development and construction business, having delivered over 4,800 units as single and multi-family homes. He also owns two commercial properties with tenants such as KFC, Wendy's, Advance Auto Part, and Fresenius Health Care. Prior to his career in real estate, he served as an Economic Advisor to the Governor and Vice President of the Government Development Bank. He holds a BA in Economics from Swarthmore

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College. Mr. Battle brings a wealth of experience and expertise to any project he undertakes, with a focus on delivering high-quality results on time and within budget.

Elvelisse Figueroa Hernández is an accomplished Environmental Consultant that provides environmental consulting services for residential, commercial, industrial, and institutional projects. With a background as an agronomist in the Department of Natural and Environmental Resources (DNER), Elvelisse has over 12 years of experience in the field, including the evaluation of environmental procedures, tree inventory, mitigation plans, and habitat and flora and fauna assessments. Elvelisse has managed over 300 permit applications and location inquiries through the OGPe Permit Portal (SBP), ensuring strict compliance with state and federal laws and regulations. She has worked with notable clients such as Walgreens of Puerto Rico, Doctors' Center Hospital, Interamerican University of Puerto Rico, and Ferries del Caribe, among others. Elvelisse holds a BA in Agricultural Sciences from the University of Puerto Rico, Mayaguez Campus, and has taken a course in Horticulture in Temperate Climates at Rutgers University. She has expertise in environmental assessments, SPCC, wetlands studies, SWPPP, environmental risk assessment, construction and use permits, and fuel spill management.

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A-2: QUALIFICATIONS & WORK APPROACH

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Technical Proposal (Section 6.3)

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SECTION 6.3 PROPOSED PLAN OF ACTION WORK APPROACH

6.3.1 PROPOSED SITE & DESIGN

Portales CDBG-MIT LLC ("Portales") is proposing developing a single-family home community (the "Project"). The new Project would be complementary to the existing condominium units, giving the new residents a sense of existing community. The Project will consist of a total of sixty-one (61) single-family homes within the existing community.

The Project is located in the Metropólis neighborhood of Carolina, Puerto Rico, a short drive away from PR-26, PR-3 and PR-66, granting the Project which a privileged location for families that commute on a daily basis to the San Juan / Bayamón area or to Eastern part of the island. Other recent developments in this area include *Chalets de la Fuente* and *Paseo Del Rey*.

Furthermore, given that it is located within a larger parcel where other condominium buildings were recently developed, all of the predevelopment work regarding environmental assessments, zoning approvals, permitting and engineering studies has been completed. Portales's Project can move forward quickly, as it is almost shovel ready. The prior construction within the site also provides a clear understanding of the Project's layout, boundaries and scope. This is a considerable advantage for the Project, as it will allow the Portales team to focus on the performance of the actual development and the delivery of high-quality homes that meet the unique needs of the Puerto Rico Department of Housing ("PRDOH"), while minimizing pre-development costs and time.

PROJECT SITE CONCEPTUAL DESIGN DRAWINGS

Attached to this proposal and to form a part hereof the A/E team is submitting all of the available conceptual Site plans in 11"x17" tabloid size. But regardless of, we are confident our A/E team will have the project fully designed before the contract award date.

SITE DESIGN NARRATIVE

The Project's site will consist of 61 single-family housing lots with a typical lot size of 276.00 sq. m. to be built within an existing development known as Portales and which currently consists of __ units within three (3) four (4)-story condominium buildings which have been sold and delivered to third party purchasers at market rates. The Project's site also contemplates the construction of neighborhood communal facilities which shall include a gazebo with bathrooms, children's playground, a half basketball court and other green areas. The Project's site will also require the construction of a retention pond for rainwater collection, with a total area of 793.8257 square meters, which will be located in the Project's eastern area.

The existing condominium buildings within the Portal Del Este development are located in the property's southeastern boundary and includes a guardhouse and an electronic gate for access control. This access control will also provide security for the Project. New residents will be expected to contribute towards the homeowner association dues for the payment of maintenance for the gate and/or security.

The Project also bounds the Roberto Clemente public housing development which is also located within PR-860 in Carolina, Puerto Rico. Another recent residential development within the immediate vicinity is the Chalets de la Fuente condominium and single family development. Furthermore, literally across the street from the Project, there is a small strip mall (Metropolis Shopping Center) that includes a supermarket (Supermercados Plaza Loiza), a community pharmacy, a pizzeria, a bakery and other small shops.

Furthermore, the Project's main infrastructure has already been developed, such as the earth movement, access roads, water pumps and wells, power infrastructure, sanitary infrastructure and other similar components. The Project would still require the construction of the retention pond, neighborhood facilities and other interconnecting roads and sidewalk, as well as the water, sewage, rainwater collection, power and data components related to the sixty (60) single family units.

The Project is conveniently located within an existing residential development with the following coordinates: **Lat: 18.369778, Long: -65.981141**. The Project's boundaries will be: to the NORTH, the Camino Los Parceleros; to the EAST, with remnant land; to the SOUTH,

with the existing condominium units in Portal del Este; and to the WEST, with the existing condominium units and PR-860.

The Project already enjoys ingress and egress access to and from PR-840. The area is also known for its active business and commercial communities in the vicinity, such as the industrial / commercial areas of *Martín González*, *La Cerámica*, *Plaza Carolina*, the *Luis Muñoz Marín International Airport (SJU)* and *Base Muñiz*. The Project is also close to schools and universities, such as *Universidad Ana G. Méndez (UNE)* and the *University of Puerto Rico*. There is also a *Calvary Baptist Christian School* behind behind the Project. Therefore, the residents of the Project will enjoy plenty of job offerings and educational opportunities within minutes' drive from their homes, as well as proximity to their existing businesses, schools or employment.

Finally, the Project is very close to the *UPR Hospital in Carolina*, as well as *Centro Médico* and other major hospitals in the *San Juan metropolitan area*. Thus, the residents of the Project should not have any problems accessing proper health care.

PROPOSED ACCESS

The Project is accessed via the existing guard gate that sits in the Project's boundary with PR-860. PR-860 sits within a five (5) minute drive from PR-3, PR-66 and PR-26, some of the main roads connecting the *San Juan* with the eastern part of the island.

AVAILABLE INFRASTRUCTURE

The Project will benefit from existing infrastructure related to the *Portal del Este* condominium development, such as the entrance, guard house and gate, as well as water and electricity offsite work completed for purposes of the condominium project. More importantly, the availability of existing infrastructure, such as roads, water, and sewer systems, can help reduce the cost of the project, as the heavy lifting for the infrastructure has already been completed. Additionally, existing infrastructure ensures that the development is integrated into the existing community.

The use of existing infrastructure from the adjacent condominium reduces the environmental impact of the development. This leads to a more sustainable development process, with a lower carbon footprint, and a reduced impact on the natural environment.

RISK OF LANDSLIDE OR FLOOD

The Project has been designed with the highest level of technical expertise and attention to detail to ensure that it does not pose a flood or landslide risk to the area. The site was carefully selected based on a comprehensive analysis of a range of factors, including topography, soil conditions, drainage patterns, and hydrological data.

To mitigate the risk of flooding, the Project incorporates a range of measures, including the construction of a stormwater management system (retention pond) that is designed to capture and treat runoff from the site, and which is based on an HH study. The system is designed with the most recent 2018 Puerto Rico Building Code requirements to slow the flow of water and allow it to percolate into the ground, reducing the risk of flooding in downstream areas.

In addition, the Project incorporates measures to reduce the risk of landslides. Although the site is a virtually flat area, the Project's site was analyzed to determine the soil types and slope stability. Using the data obtained from studies and analyzes, the development was designed with appropriate grading and drainage systems to manage surface water and prevent soil erosion. Additionally, a comprehensive geotechnical investigation for the Project was conducted.

To ensure the highest level of safety, the Project was designed to meet or exceed the regulatory requirements established by the Puerto Rico Building code. The development has been carefully planned, designed, and constructed to ensure that it does not pose a flood or landslide risk area, providing a safe and secure living environment for our fellow Puerto Ricans.

6.3.2 PROPOSED HOUSING UNITS & DESIGN

HOUSING UNITS CONCEPTUAL DESIGN DRAWINGS

The proposed design for the Single-Family Housing Development Initiative for the Puerto Rico Department of Housing will prioritize the use of resistant materials and construction techniques to ensure the safety and well-being of its occupants in the face of natural disasters and other external threats. This will include incorporating hurricane-resistant

windows and doors, reinforced concrete walls, and other features to withstand severe weather conditions.

In addition to safety considerations, our design will prioritize creating a healthy living environment for occupants. We will use high-quality materials that are free from harmful chemicals and toxins, and promote natural ventilation and lighting to enhance indoor air quality. We will also incorporate energy-efficient features to reduce the development's carbon footprint and promote a sustainable living environment for the long term.

Throughout the design process, we will ensure compliance with all relevant building codes and zoning regulations. We will conduct a thorough analysis of the site and its surrounding environment to identify any potential environmental impacts, and develop appropriate mitigation strategies to minimize those impacts.

HOUSING UNIT DESIGN NARRATIVE

The proposed design for the Single-Family Housing Development Initiative for the Puerto Rico Department of Housing will consist of a single-family, one-level, detached home, with a total area of 1,209 square feet. The home will be designed to provide a comfortable and functional living space for its occupants, with accommodations such as three (3) bedrooms that feature natural light, ventilation, and ceiling fans with integrated LED-type lights. The bedrooms will also be equipped with closets that feature wall-mounted cabinetry, providing ample storage space.

In addition to the bedrooms, the home will feature two (2) bathrooms, each with a window, shower, and water-resistant vanities. The bathrooms will be designed to provide a comfortable and functional space for their intended use, while also incorporating features that promote natural lighting and ventilation.

The design of the home will prioritize the use of high-quality materials and construction techniques, ensuring that the development is both durable and efficient. This will include the use of hurricane-resistant windows and doors, as well as reinforced concrete walls to ensure the safety and well-being of its occupants during severe weather conditions. The home will also feature energy-efficient lighting and appliances, reducing its environmental impact while also lowering energy costs for its occupants.



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To ensure comfort and energy efficiency, ceiling fans and LED lighting have been designed for every living area, including the bedrooms, living room, and dining room. Additionally, the home is equipped with solar panels 3 kW DC PV modules and 9 kWh 48V

voltage lithium-ion, allowing it to generate its own energy and reduce reliance on the grid. A 500-gallon cistern has also been included as a resiliency measure.

The open-concept design of the home provides a spacious and flexible living area. The kitchen flows seamlessly into the dining and living room, creating a sense of openness and connection between the spaces. The living room has access to the backyard through storm resistant doors, which incentivizes the use of exterior areas and creates a natural indoor-outdoor flow.

The home has been constructed with energy efficient storm impact-resistant windows to provide added protection against inclement weather conditions. Additionally, the home has been designed to be ADA compliant or adaptable, ensuring that it can accommodate the needs of individuals with disabilities and support aging in place.

Additionally, the residential unit will provide a kitchen with a rough-in for a gas stove and an electric-powered circuit outlet for the electric stove, water resistant cabinets, an open space living and dining area with ceiling fans with integrated LED type lights, a laundry area with rough-in in the interior of the unit, linen closet and an ADA compliant covered garage for two vehicle.

To further enhance the comfort and aesthetic appeal of the residential unit, ceramic or porcelain finishes will be provided on all floors and baseboards. This will ensure a durable and low-maintenance surface that is also visually pleasing.

In addition, all interior and exterior surfaces will be painted with a high-quality paint, providing a durable finish that is resistant to wear and tear, and easy to clean. The use of LED lighting throughout the unit will further promote energy efficiency, reducing electricity consumption and lowering energy bills for the occupants.

By incorporating these features into the design, the proposed Single Family Housing Development Initiative will provide a functional, comfortable, and sustainable living space that will meet the needs and expectations of its occupants while contributing to the overall economic and social development of Puerto Rico..

To comply with the requirements of Executive Order No. OE-2018-033 and Act 109 of 1985, the proposed residential model will use standard construction methods such as reinforced concrete, with locally manufactured cement blocks and flat roofs with a composite of reinforced concrete and a 3-year aged solar reflectance. The design features for the proposed model are readily adaptable to accommodate "ADA" details and features to comply with the 2010 ADA Standards for Accessible Design and a minimum of 5% of the proposed project will comply with ADA standards.

The building envelope materials will be selected and designed to meet specifications and standards such as impact resistance windows and doors, fire rating, energy efficiency, air and water infiltration security, and privacy. Windows will be installed as specified by the supplier and to meet the requirements of the Single-Family Housing Mitigation Program. All doors will provide a minimum of 32 inches of clear door opening width.

To ensure the security of all external systems, the solar water heater, photovoltaic system with batteries storage, and water storage system will be installed and secured following specifications and regulations to withstand hurricane-force winds. To reduce environmental impact, all products and appliances provided will comply with Energy Star, and Water sense as per 83 FR 5844. The photovoltaic system will be performed by a licensed engineer and comply with Regulation No. 7796 of January 19, 2010, and installed by a certified installer per Article 17 of Regulation No. 7796. The provided P.V. system will have the capacity of running critical loads, household appliances, and life support devices, to enable its residents to shelter in place during electrical outages. The provided photovoltaic package will supply a minimum of 3kw PV modules 48V voltage lithium-ion battery bank with a minimum output of 9kwh and autonomy for 2 hours. An automatic transfer switch will be installed to allow for system operation in standalone mode.

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A 500-gallon water storage system located on the roof will provide domestic water to the occupants of the residence. The ¾ horsepower electrical water pump, control, and a diaphragm-type pressurized tank will be installed to provide a backup water supply with adequate pressure and without damaging the water fixture. The system will be connected to the utility's main water line with a water level control valve and backflow preventer located on ground level. To comply with FDA and NSF, the provided water storage will be constructed with ultraviolet (UV) and corrosion-resistant materials approved for potable water and food-grade application. To ensure water level changes, the storage tank will be vented in a downward position and will include a protective screen for pest control. After installation, the water storage system's disinfection will be provided per manufacturer standards and recommendations.

In general, the Portales's team will provide its residents with resilient, green, eco-friendly homes which will endure the inclement weather of the Caribbean and provide a comfortable, healthy living environment for years to come. Our proposed design combines functionality, durability, and aesthetic appeal to create a space that meets the needs of modern families while respecting the natural environment.

Our primary approach relies on passive design methods that will minimize energy and water consumption, while maximizing natural lighting, ventilation, and comfort. The location of the homes will be chosen with careful consideration of solar orientation and prevailing winds to maximize natural lighting and ventilation.

The massing of the homes will be optimized to reduce the surface area exposed to the sun, while the use of thermal mass and insulation will ensure that indoor temperatures remain stable throughout the day. Windows will be strategically placed to allow for natural ventilation, while minimizing solar heat gain. The use of modern technology principles of passive design such as, but not limited to location, landscape, orientation, massing, shading, thermal mass, and insulation will play important and exclusive roles in our proposed models as we describe below:

- **THERMAL & ENERGY EFFICIENCY**

- ROOF: The roof will be a concrete slab with a minimum three-year aged solar reflectance index of 55 and 3-year aged thermal emittance of 0.75 as

per table C402.3 of the 2018 International Energy Conservation Code. The roof will be designed with an adequate slope to ensure proper water drainage and prevent leaks.

- o OVERHANGS: Compact, but rather efficient roof overhangs will be provided on top of exterior doors as required by the ICC/ASHRAE 700-2015.
- o WINDOWS: We will install windows with low-e transmission materials that meet the 2018 Puerto Rico Energy Conservation Code. This will help to improve energy efficiency and reduce the need for artificial heating and cooling. The windows will also be strategically placed to maximize natural light and ventilation, further reducing energy consumption.

Overall, our proposed site design will prioritize sustainability and energy efficiency, providing residents with a comfortable and environmentally conscious living space.

- **VENTILATION**

- o WINDOWS: Windows will be strategically located in either adjacent walls or at opposite ends of each wall rather than in the same location to take advantage of cross ventilation in every room. This will ensure taking advantage of the constant trade winds typical of our Caribbean location and enhance the energy efficiency of our proposed housing units and therefore limiting the energy consumption. As per sections R401.2.1 and R303.1 from the I.R.C., habitable room windows will have a 14% of the room area as a minimum opening size for the ventilation requirement. All bathrooms will be provided with operable windows for ventilation purposes.

- **LIGHTING/ILLUMINATION**

- o WINDOWS: As per section R303.1 from the PRBC. and the ICC/ASHRAE 700-2015, all our models habitable rooms windows will have an 8% of the room area as a minimum glazing size for light requirement compliance.

- **POWER**

Photovoltaic System: The house will be equipped with a photovoltaic system with battery storage system designed to meet the needs of each household and will be integrated with the local power grid to ensure

seamless power supply. The use of a photovoltaic system will reduce the overall energy consumption of the development and will provide a reliable and sustainable source of energy for its residents. The battery storage system will ensure that excess energy generated during the day is stored and made available for use during the night or in case of power outages. This will provide an added layer of security for the residents in case of any unforeseen events.

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- **CODE COMPLIANCE**

The proposed design for single-family homes will comply with required codes and regulations such as International Building Code 2018 edition (I.B.C.), International Residential Code 2018 Edition (I.R.C.), International Fire Code 2018 Edition, International Plumbing Code 2018 Edition, International Mechanical Code 2018 Edition, International Conservation Code 2018 Edition (I.E.C.C.), Puerto Rico Building Code 2018 (P.R.B.C.), National Fire Protection Association (N.F.P.A.) and the American Concrete Institute to ensure durability, safety, and efficiency. Also, but not limited to, our proposed models will comply with the Americans with Disabilities Act 2010 (A.D.A.), Fair Housing Act (F.H.A.), Uniform Federal Accessibility Standards (U.F.A.S.) (504), and American National Standards Institute (A.N.S.I.).

- **ENERGY EFFICIENCY CODE**

- **Our group has selected the ICC/ASHRAE 700-2015 of The National Green Building standard.**
 - **ROOF:** The roof will be a concrete slab with a minimum three-year aged solar reflectance index of 55 and 3-year aged thermal emittance of 0.75 as per table C402.3 of the 2018 International Energy Conservation Code (I.E.C.C.)
 - **WINDOWS/FENESTRATIONS/GLAZING:** Our proposed models' windows will comply with section R401.2.1.4 (Tropical Climate) of the I.E.C.C. 2018 edition by providing a solar heat gain coefficient of less than or equal to .40. This will enhance the

interior environment by reducing heat gain, therefore, minimizing energy consumption costs and climate control.

- SOLAR WATER HEATER: A solar water heater will be installed on all our models assuring a lower utility power cost.

- **WIND LOADS**

- WINDOWS: Windows will be designed, manufactured, and installed with an assembly compliant with the 170-m.p.h. wind resistance required by section 1609 of the P.R.B.C. and I.B.C. 2018.
- WALLS: The walls of our residential models will comply with the new adopted P.R.B.C. 2018 wind load factor as they will be built either out of reinforced concrete or CMU walls.

- **ACCESSIBILITY AS PER A.D.A., U.F.A.S., F.H.A., A.N.S.I.**

- BATHROOMS: Bathrooms will be provided with a 32-inch minimum width clearance opening and with the required maneuvering clearances within the provided equipment and accessories as per A.D.A.
- DOORS: Provided doors in all unit models will have a minimum clear width of 32" as per section R311.2 of the I.R.C. 2018 and A.D.A.
- HALLWAYS: Hallways will have a minimum of 36 inches wide clearance as per section R311.6 of the I.R.C. 2018 and A.D.A.

- **LIFE SAFETY, MEANS OF EGRESS, AND EMERGENCY EXIT**

- WINDOWS: As per section R303.1 of the I.R.C. all rooms will have a window operable to provide a minimum opening of 5.7 square feet (4% of the floor area), located at a maximum height of 36" above the finished floor (R312.1.2 I.R.C. 2018) and with a minimum of 20" in width and 24" minimum in height (R310.2 I.R.C. 2018).
- BEDROOMS: All bedrooms will be equipped with smoke detectors as required by section R314 of the I.R.C. 2018 and the NFPA 72 and UL 2034 listed.

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- HALLWAY: Hallways will be equipped with a smoke detector as well as the required carbon monoxide detector. These detectors will be strategically placed to ensure the earliest possible detection of any potential threats, ensuring the safety and well-being of all residents.

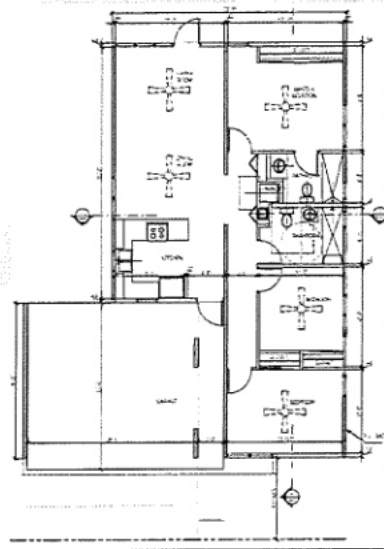
- **MINIMUM ROOM AREAS AND HEIGHTS**

- HABITABLE ROOMS: All habitable rooms will have an area of not less than 70 square feet and a minimum dimension of 7' in any horizontal dimension as per sections R304.1 and R304.2 of the I.R.C. 2018. All habitable spaces will have a ceiling height of 8 feet.
- BATHROOMS: All bathrooms will have a minimum ceiling height of 8 feet.
- SHOWER STALLS: All shower walls will be finished with a nonabsorbent surface to a height of no less than 6 feet above the floor as per section R307.2 of the I.R.C. 2018.
- WINDOWS: All emergency windows required at every sleeping room as per section R312.1.2 of the I.R.C.2018 will have a windowsill height of not more than 36 inches above the floor.

SPACE PROVIDED

The Project's home model M2 features all the requirements of the Design Criteria outlined in the RFP well as all the spaces a family needs to live comfortably. The homes sit on plots of land which have a minimum of 275 square meters. The distribution of the site means there are going to be units with lots that are larger than 275 square meters. The two-car garage with a 434 square foot are also provides space for families with more than 1 car.

On the inside of the house has a comfortable layout with a 173.50 sq. ft. master bedroom with its own 65 sq. ft. bathroom. Two additional bedrooms with



109.70 sq. ft. and 148 sq. ft., respectively, provide ample sleeping and leisure area for other family members. Bathrooms will be provided with a 32-inch minimum clearance opening and with the required maneuvering clearances within the provided equipment and accessories as per A.D.A. Finally, the living area with 134.3 sq. ft., dining room with 134.30 sq. ft., and kitchen with 123.50 sq. ft. offer sufficient space for interaction with friends and family.

AREA CALCULATIONS

Our proposed model units are composed of the following areas:

MODEL			
SPACE	SPACES INCLUDED	REMARKS	AREA (SQ.FT.)
DINING ROOM			134.3
LIVING ROOM			134.3
KITCHEN			123.5
BEDROOM 1	CLOSET		109.7
BEDROOM 2	CLOSET		148.0
MASTER BEDROOM	CLOSET		173.5
HALLWAY			92.3
LAUNDRY			15.9
BATHROOM 1			46.0
BATHROOM 2		ACCESSIBLE	65.0
PORCH			60.0
WALLS			106.5
TOTAL HOUSE			1,209
GARAGE			434.0

LAYOUT FUNCTIONALITY

The 3 bedroom and 2-bathroom Portales home is designed with the modern family in mind. We designed the home deviating from the traditional "social interest" layout where bedrooms are all situated in the back and the patio is accessed from the side. Our layout follows the Department of Housing request of openness where the kitchen, dining, and living room all flow without restrictions all the way to the back yard.

PROPOSED CONSTRUCTION METHOD

The Portales's team in charge of supervising the development of the Project, recommends a way of construction that utilizes a phased approach. This strategy will

assure the building of reinforced concrete dwellings in a manner that is both efficient and of high quality. During the first stage of the Project, Portales will begin to clear and prepare the site for construction by performing any necessary grading and excavation work. This will ensure that the building surface will be level. As soon as the land has been prepared, we will get started on the foundation work, which includes the installation of reinforced concrete footings and foundation walls. These will serve as a stable basis upon which to build the homes.

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During the second phase of the building process, our highly qualified team of concrete workers will build reinforced concrete walls, floor slabs, and roof slabs. Portales will ensure that the concrete walls are plumb and aligned so that they can offer adequate support and protection. Also, Portales team and/or contractors will install new energy rated Miami-Dade plumbed windows and doors, as well as cover the roof with the appropriate reflectivity and waterproofing coating. During this phase, plumbing, electrical, and mechanical systems will also be installed.

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Our crew will finish the interior finishing work during the last phase of the Project. This will include the installation of floor tiles, cabinets, appliances, and other fixtures. We will plaster and paint interior and exterior walls, and we will install grass to all exterior areas of the home. Work on the landscaping, as well as the installation of driveways and walkways, will be carried out by the Portales team.

After the houses have been finished, we will conduct extensive inspections with the PRDOH team and/or the end users of the unit, prepare punch lists and finalize any remaining work required for the home to be delivered to PRDOH or any end users. By the use of our phased method, we will ensure that we give quality homes to PRDH that are completely created out of long-lasting reinforced concrete, providing a comfortable and secure living area for their occupants.

ENERGY EFFICIENCY AND SUSTAINABILITY

As people learn more about how traditional building methods affect the environment, energy efficiency and sustainability are becoming more important when building new homes. By using sustainable materials and renewable energy systems in the building

process, we can make homes that use less energy, cost less to run, and are better for the environment.

By using the green building standard ICC-700 certification, the Project's homes will be energy-efficient and sustainable. This certification gives builders a way to make homes that are good for the environment, use resources wisely, and are healthy for the people who live in them. The standard looks at a number of things, like how much energy is used, how much water is saved, how clean the air is inside, and how the site is built.

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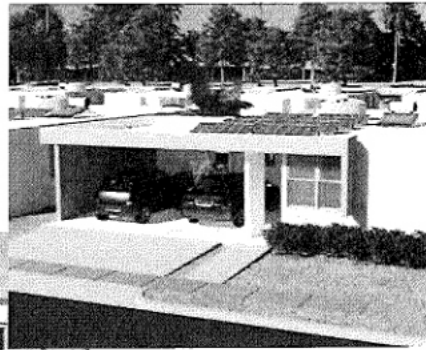
In addition to using a green building standard, installing renewable energy systems is another way to make a housing unit more sustainable. Our homes will have a 3 kW DC PV module and a 48V lithium-ion battery bank with a minimum output of 9 kWh that can generate and store clean energy for the home. This renewable energy system can reduce the need for electricity from the grid by a lot, saving homeowners money on energy costs over time and making them more self-sufficient.

Finally, incorporating water management systems, such as a 500-gallon cistern with a 3.4 horsepower pump and a ground floor level monitoring system, will contribute to the sustainability of the Portales housing unit. This system allows homeowners to store water in case of an interruption to the supply.

Overall, by incorporating sustainable materials and renewable energy systems, and using a green building standard, we can create housing units that are environmentally responsible, resource-efficient, and healthy for their occupants. These features not only benefit the environment but also provide homeowners with long-term energy cost savings and increased self-sufficiency.

RENDERINGS

Below please find some of the renderings of a typical home in the Project. If there is the need to provide additional renderings, Portales is available to supply on demand.



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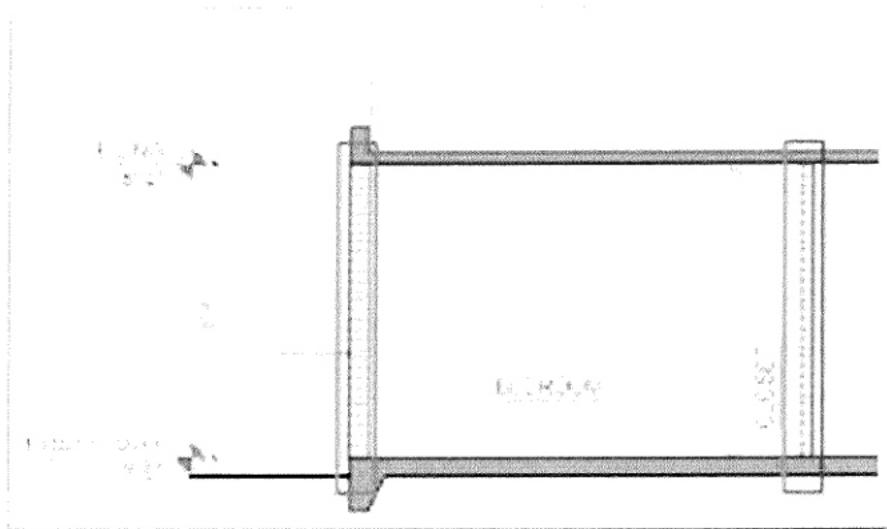
Minimum Design Standards

1. The primary material of construction for the structure will be reinforced concrete (plastered) with local manufactured cement in accordance with the requirements of Executive Order No. OE-2018-033 and Act 109 of 19852.

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Portales Development in Carolina is comprised of the M2 model home whose primary construction material is reinforced, plastered concrete with locally manufactured cement.

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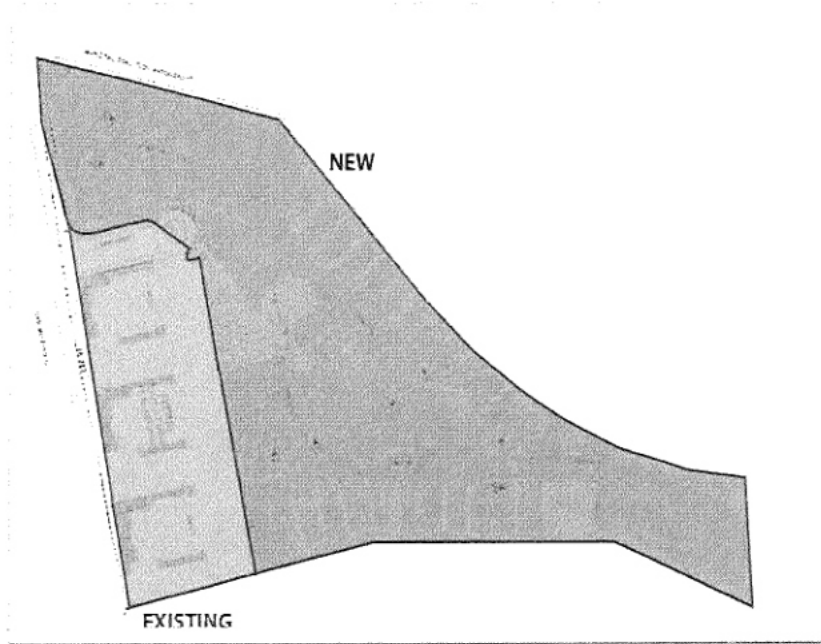
2. In general terms the design solutions shall be elaborated in such a way that units are readily adaptable to accommodate "ADA" details and features. The design of these units shall comply with the 2010 ADA Standards for Accessible Design³. Non-ADA units (adaptable units) shall be designed to accommodate mobility widths, clearances and turn radius requirements.

Portales Development is integrated within an existing development. As such, it was critical during the Portales design development to create a model home that complimented the existing community whilst serving the needs of a new one. Resultantly, Portales CDBG-

MIT LLC decided to create a universally designed home, the M2, whose single-story and open concept approach, may be easily adapted to meet the potential ADA needs of an occupant. The benefits of this design decision can be easily observed in the streamlined aesthetic of the M2's front facade which features a spacious garage and an easily accessed, single-level entryway.

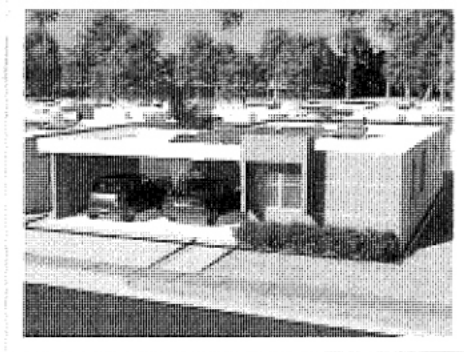
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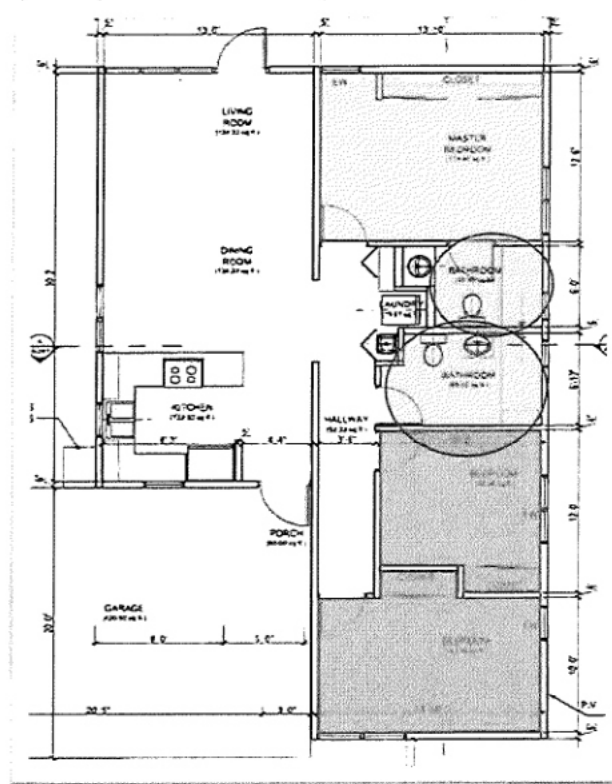
3. Single-Family units will be a detached one (1) level (one story).

All housing units in Portales are single-story, detached single family homes.



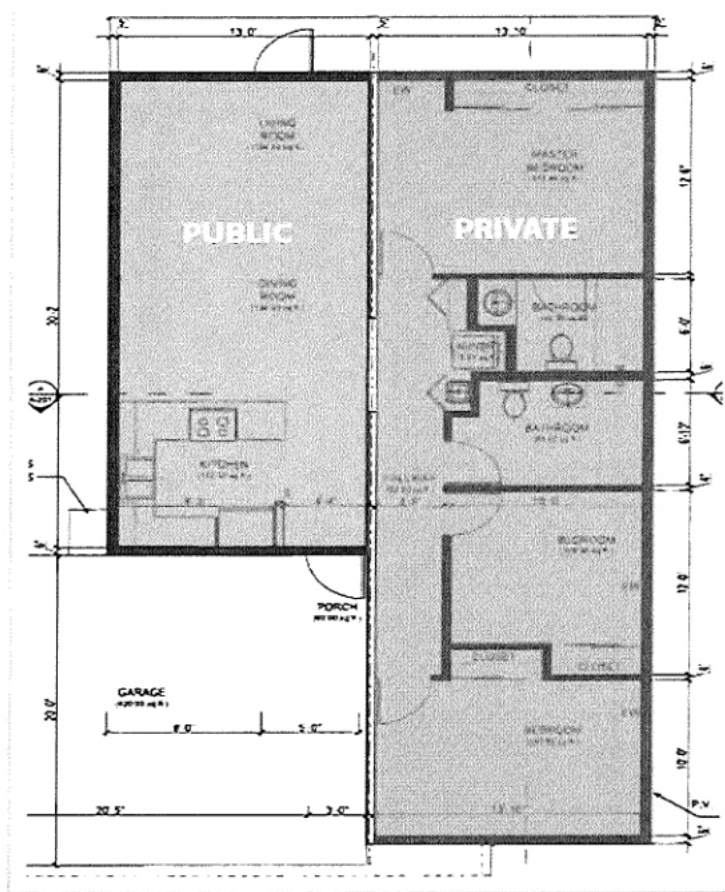
4. Single-Family units will have 3-bedrooms and 2-bathrooms.

All housing units in Portales have 3 bedrooms and 2 full bathrooms.



5. As minimum the units will have a minimum construction area of 1,150 square feet, (excluding carport, driveway, walkway, and others).

The housing units of Portales will have a minimum construction area of 1,150 square feet. The length of the M2 model home is divided by the main structural wall that separates the home's two major program functions, the public function and the private function. The public function of the home features an open floor concept that includes the living room, the dining room, and kitchen. It is approximately 400 square feet. The private half of the house hosts the master bedroom, master bathroom as well as the remaining two bedrooms, a laundry room, and the second full-bathroom. This half of the home is approximately 650 square feet. Finally, an outdoor porch of approximately 60 square feet frames the front entryway of the home.

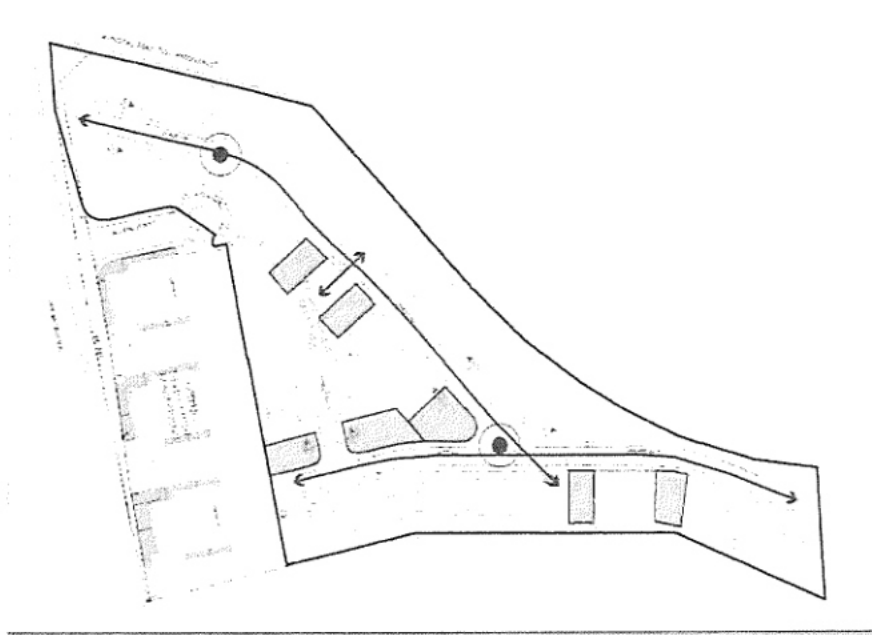


6. 5% of units proposed in a project shall are to comply with the 2010 ADA Standards for Accessible Design.

There are 80 properties within the Portales community which would require a minimum of 4 properties to comply with ADA Standards for Accessible Design. The master plan of Palmeras was intended to accommodate a variety of occupants needs, including those of an ADA occupant. While occupants may request a property based on availability, Portales CDBG-MIT LLC did anticipate the different occupant needs during the design of the Portales Master Plan and has outlined ADA optimal properties (properties with good positioning, ease of development access and egress, as well as proximity to communal spaces, etc). Examples of these properties are depicted in the below diagram which will be used to prioritize ADA needs during the property closing process.

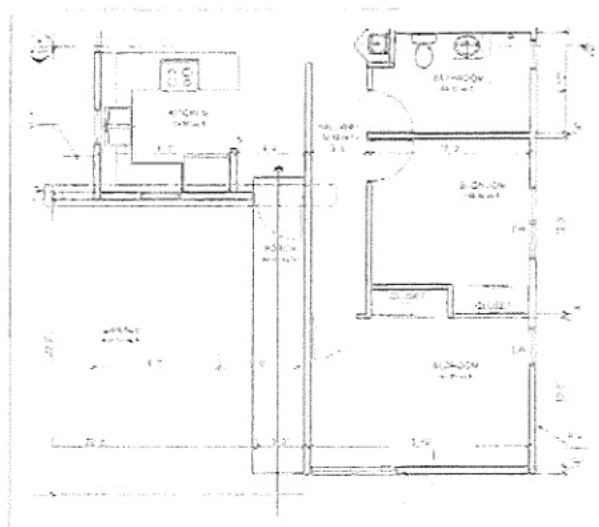
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7. Building envelope materials such as exterior doors and windows shall be designed and specified considering impact resistance, energy efficiency, air infiltration, water infiltration, security, and privacy.

The Portales M2 model home was designed to protect occupants from inclement weather and together, the Portales homes were aimed to develop a collectively resilient housing fabric. Therefore, window kit and doors kit selections were contemplated within the design process. Additionally, a recessed front entryway adds a layer of security and privacy for the occupant as depicted below.



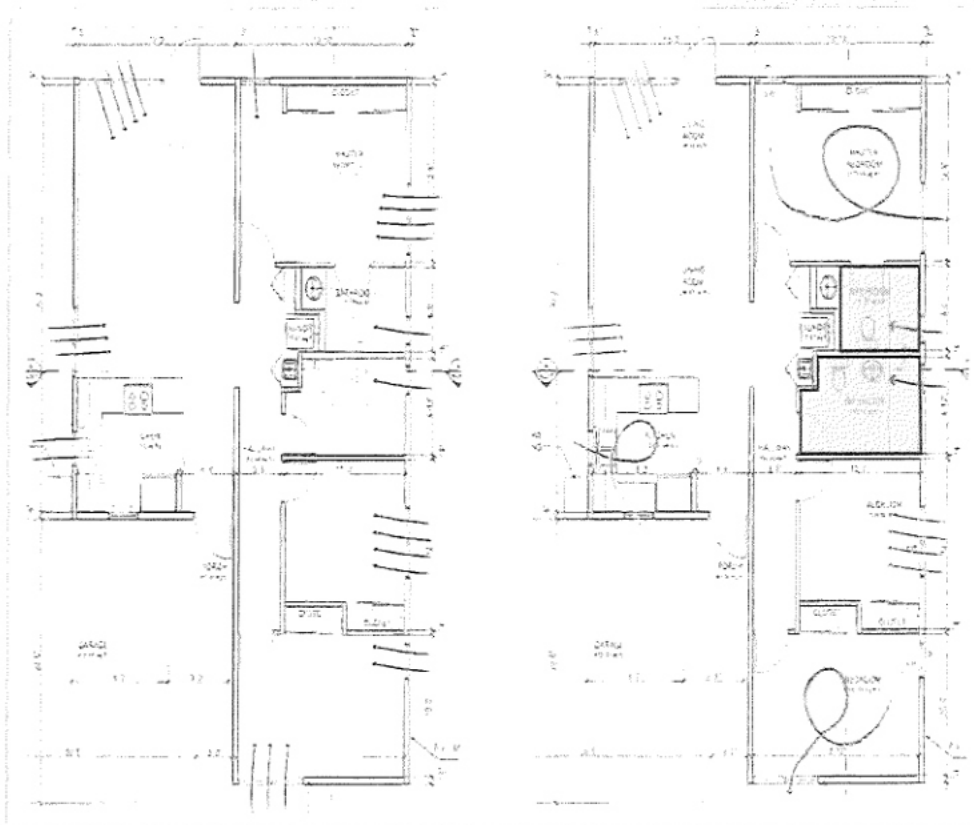
The Portales home is equipped with a 500-gallon roof mounted cistern and a lithium-ion battery, 3 kW DC operated, solar panel system.

8. Exterior doors and windows must be installed correctly, in plumb, with the correct amount, spacing, width and penetration of anchors. These shall operate with the correct amount of force, as required by the design specifications.

Portales de Carolina CDBG-MIT LLC understands that the use of carefully considered door and window kits is contingent upon their proper installation. The quality of construction for the Portales homes will be ensured through the quality assurance plan, which will be completed by the resident engineer.

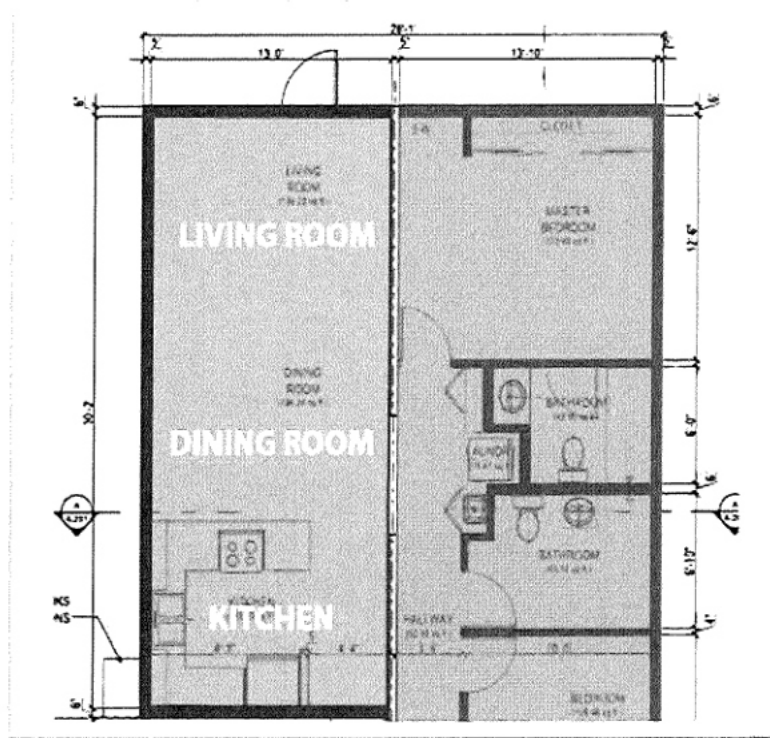
9. All rooms must have access to natural light and ventilation. Bathrooms should incorporate a window or exhaust fan.

Portales de Carolina CDBG-MIT LLC holds natural light and ventilation at high value, understanding the vital role they may play in a person's health. Therefore, embracing natural occurrences were core components of the Portales design. As depicted within the diagrams below, the positioning of windows were considered to permit daylighting techniques and cross-ventilation upon opening of their louvers.



10. Kitchens preferably may be open to the dining/living area to provide an open space concept.

The public area of the Portales home, (living room, dining room, and kitchen) are tied together with the use of an open floor plan.



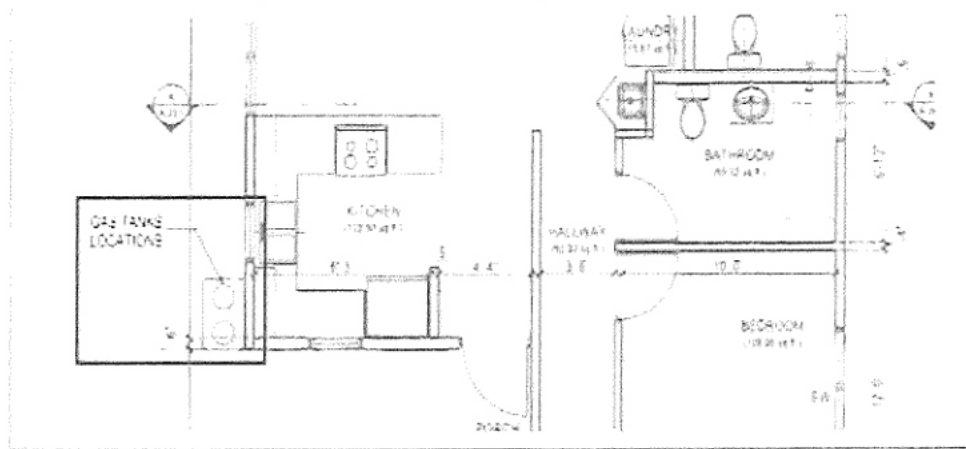
11. Rough-In for a gas stove and an electric powered circuit outlet (120-240 volts) for an electrical stove, shall be provided as part of the design solution. An electric stove will be provided in every Portales M2 model home. In addition every home will have an electric receptacle/outlet to install the electric stove, should the homeowner prefer an electric stove.

12. The design shall contemplate that a storage gas tank may be in the exterior of the structure and the interior point of connection be easily accessible and according to applicable codes, regulations, and standards.

The gas tank storage is placed strategically near the kitchen. The tanks may be easily moved through the stairless front entryway and when needed, easily connected in accordance with local codes, regulations, and standards.

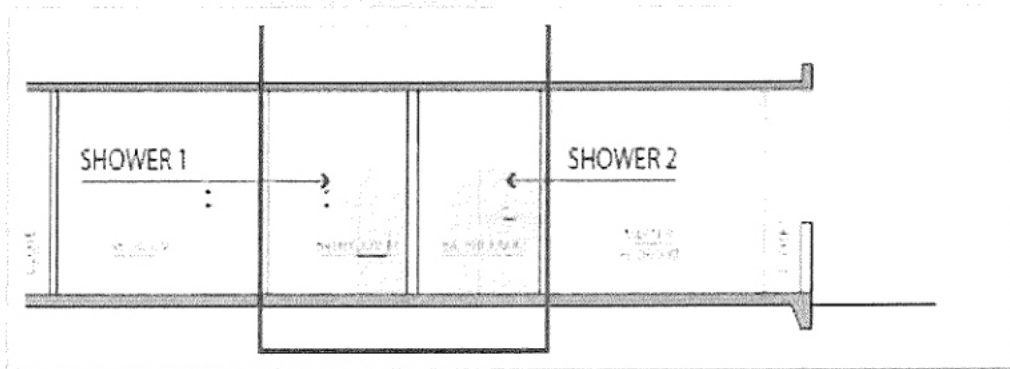
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13. Bathrooms must have showers (no bathtubs are allowed).

All bathrooms use showers.



14. Laundry equipment rough-in to be in the interior of the units.

Laundry equipment is secured within the interior, non-structural wall of the Portales model home.



15. All doors must have a minimum 32-in clear door opening width.

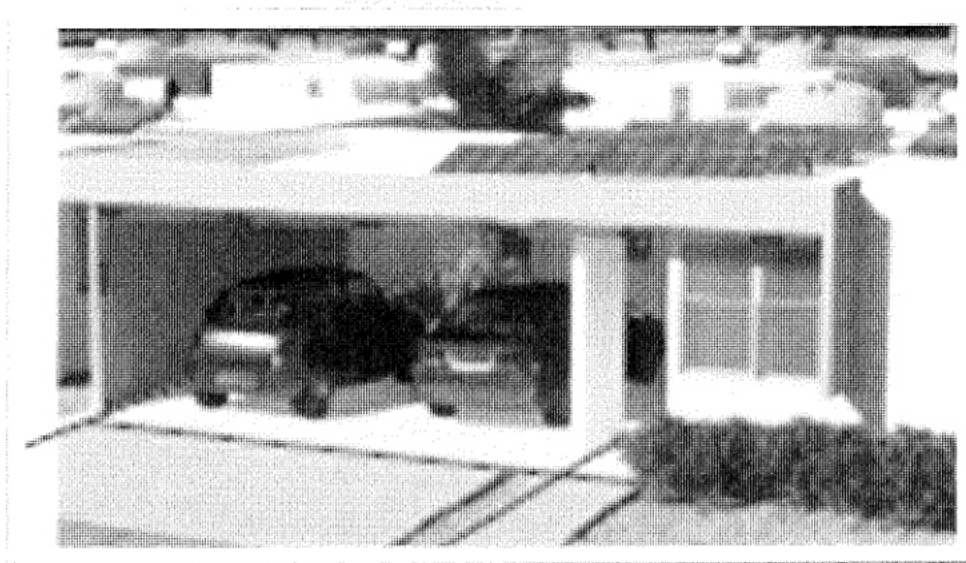
All door openings in the Portales model home have a 39" aperture allowing a 36" door to be installed. When these doors are opened at 90 degrees, they permit a 32" clearance.

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16. Units shall include a roof covered garage carport for one (1) vehicle, (primary construction material: reinforced concrete, plastered) with adequate dimensions to accommodate vehicles and accessible pedestrian circulation.

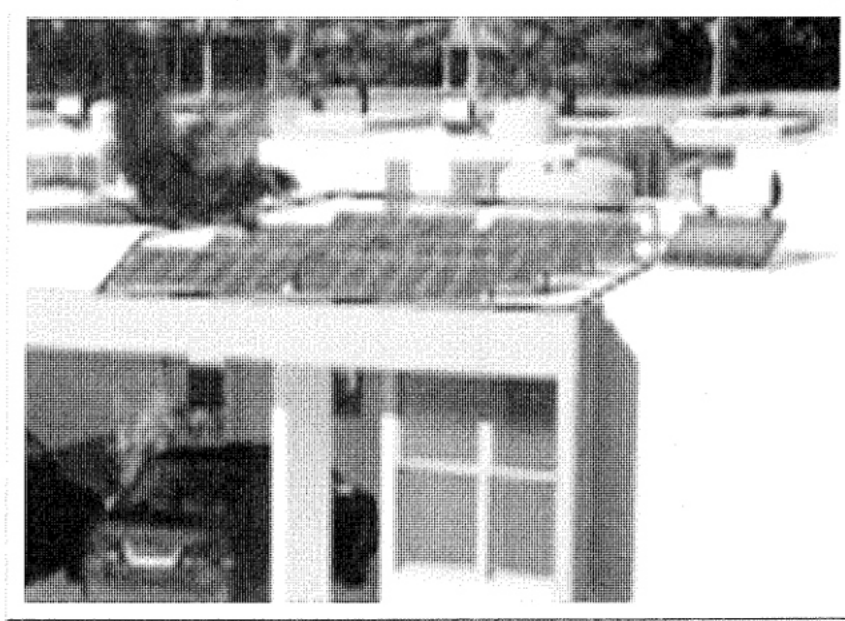
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All Portales housing units will have a two-car, concrete-covered carport, as a continuation of the reinforced concrete, primary building component. The driveway access to the carport also serves as the main pedestrian access.



17. All exterior systems (including solar water heater (SWH), photovoltaic system with battery storage system (PVS), water storage systems (WSS), and others) shall be designed to withstand wind force, hurricane force winds, uplift, secure anchoring, and accessories according to applicable codes, standards, and regulations. All roof penetrations shall be weatherlight and waterproof.

All Portales homes will undergo the standard QA/QC procedures that will be conducted by the Resident Engineer.



18. Any products or appliances provided in the must comply with Energy Star, Water Sense as per 83 FR 5844.

All products used within the Portales M2 model home will comply with Energy Star Water Sense as depicted within 83 FR 5844 and will undergo the QA/QC procedures implemented by the resident engineer.

6.3.3 PROJECT PLAN

The 61-units of the Project are the second phase of an existing condominium project. That means that the Project is fully capable of commencing construction immediately. We understand the need to provide Part 58 compliance and to avoid any choice limiting actions before that authorization happens. Below we will describe more in detail the required steps to commence construction.

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PRE-CONSTRUCTION PLAN AND SCHEDULE

Attached hereto and made to form a part of this narrative, Portales is submitting a permit schedule and a construction schedule with unit delivery schedule that depicts delivery of units within 18 months, which is less than the 24-month contract term. Please see enclosures.

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PROJECT DESIGN (90 days)

The Project has made significant progress in its design phase as this is the continuation of a current housing development. The site grading and most of the infrastructure have been designed or built, but due to specific requirements of the Single Family Housing Development Initiative, the remaining design is under evaluation. The development team is working diligently to ensure that the final design meets the program's current housing needs. The team anticipates that the remaining design will be completed within a 90-day period and will be available before contract signing occurs. The redesign process is being approached with the same attention to detail and consideration for sustainability and energy efficiency as the initial design phase. The team is taking this opportunity to ensure that the final design incorporates the requirements of green building techniques and sustainable materials required for ICC-700 certification. This commitment to sustainability is not only beneficial to the environment but also provides long-term cost savings for homeowners.

PERMITTING

Inclusive of the environmental Part 58 permit, all required permits for construction as per local requirements will be met before contract award. Attached to this proposal we will include all obtained permits; our team is available to review with the PRDOH team if needed. Our permit proposal includes a Permit Summary sheet that provides clarification of the permit status.

ENVIRONMENTAL (4 - 6 months)

Our environmental 24 Part 58 process is going to be handled by an experienced permit professional. As part of our planning phases, we've commenced in the assessment of the Environmental Review Record (ERR), it will be completed in compliance with the provisions of 24 CFR Part 58. The level of environmental review required for the project will be determined based on the potential environmental impacts which preliminarily we understand an Environmental Assessment (EA) will be required.

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To prevent choice-limiting actions while there is no environmental clearance, the development team will not conduct any site disturbance nor acquisition process following the 8 step process as determined by the relevant agencies.

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The ERR will be prepared by a team of experienced professionals in the environmental review process. Technical studies and consultations with concerned agencies will be conducted to evaluate the potential environmental impacts of the proposed development. This may include assessments of the natural and built environment, air and water quality, cultural resources (SHPO and ICP), and other factors as appropriate. The expected timeframe to complete the ERR will depend on the level of environmental review required for the project. For an Environmental Evaluation subject to Part 58, may be completed in as little as 120 days up to 180.

CONSTRUCTION PLAN AND SCHEDULE

CONSTRUCTION PHASING

The construction process for concrete homes is typically broken down into several key phases, including site preparation (grading and site infrastructure), foundation work, housing construction, electrical and mechanical installations, and finishing work. Each of these phases is carefully planned and scheduled to ensure that it is completed in the most efficient and cost-effective manner possible. Attached to this proposal we are including a construction phasing schedule that depicts the process in a Gantt chart for

ease of explaining. The most important aspect of this process is that construction phasing will be performed in a staggered approach and will be divided in sub-phases. This will allow Portales to turn-over homes to PRDOH in a timely manner. The construction process, including the turnover to PRDOH has been carefully studied and has been determined that can be performed in the 24-month timeframe required by the RFP.

SITE PREPARATION

The site preparation phase will involve clearing and preparing the site for construction. This will include site grading, excavation, and installation of site utilities and infrastructure.

The site preparation activities will be carefully coordinated to ensure that they are completed within the specified timeframes, taking into consideration any environmental or regulatory requirements.

DEVELOPMENT

The development phase will involve the construction of the housing units and site works. The construction activities will be carefully planned and scheduled to ensure that they are completed within the 24-month period of performance for the resulting contract. The construction trades (civil, structural, electrical, mechanical, etc.) will be employed as needed, and the phasing of the Project will be determined based on the specific needs of the Project.

Monitoring compliance with Section 3, Davis Bacon, and other requirements is critical to the success of any housing development project. To ensure compliance with these requirements, the following plan will be implemented:

1. **Establish clear policies and procedures:** Develop policies and procedures that clearly outline the requirements of Section 3, Davis Bacon, and other applicable regulations. Ensure that all stakeholders are aware of these policies and procedures and understand the importance of compliance.
2. **Develop compliance monitoring protocols:** Develop monitoring protocols to ensure that compliance with Section 3, Davis Bacon, and other requirements is being maintained. These protocols should include regular inspections and audits to identify any issues or non-compliance. In addition, the monitoring protocols should identify the responsible parties for monitoring and reporting on compliance issues.

3. **Train personnel on compliance:** Provide training to all personnel involved in the housing development project on the requirements of Section 3, Davis Bacon, and other applicable regulations. This training should include information on the consequences of non-compliance and the importance of maintaining compliance.
4. **Document compliance:** Establish a documentation system to track compliance with Section 3, Davis Bacon, and other requirements. This system should include records of all inspections, audits, and training sessions. In addition, it should include records of any compliance violations and corrective actions taken.
5. **Enforce compliance:** Take appropriate corrective action if non-compliance is identified during monitoring activities. This may include disciplinary action, fines, or other measures to ensure that compliance is maintained.
6. **Regular reporting:** Provide regular reports to stakeholders on the status of compliance with Section 3, Davis Bacon, and other requirements. These reports should include any identified compliance issues, corrective actions taken, and the status of compliance monitoring activities.

QUALITY CONTROL & QUALITY ASSURANCE

To ensure quality control and code compliance during the construction of the Project, a comprehensive quality control plan will be developed and implemented. This plan will involve regular inspections by a licensed engineering firm to verify compliance with building codes, industry standards, and other applicable regulations. The following steps will be taken to implement the plan:

1. **Establish clear quality control standards:** Develop quality control standards that are specific to the project and take into account all relevant codes, regulations, and industry standards.
2. **Assign Quality Control Manager:** Appoint a Quality Control Manager to oversee the implementation of the quality control plan. The Quality Control Manager will be responsible for ensuring that all inspections are conducted in a timely manner and that all necessary corrective actions are taken.
3. **Conduct regular inspections:** Regular inspections will be conducted by a licensed engineering firm to verify compliance with building codes, industry standards, and

other applicable regulations. The inspections will be scheduled at key stages of the construction process, including foundation work, framing, electrical and mechanical installations, and finishing work.

4. **Document inspections:** All inspections will be documented, and a record of any non-compliance issues or corrective actions taken will be maintained. The Quality Control Manager will review all inspection reports and take appropriate corrective action when necessary.
5. **Implement corrective actions:** When non-compliance issues are identified, the Quality Control Manager will implement appropriate corrective actions to ensure that the project meets all relevant standards and regulations. These corrective actions may include rework, additional inspections, or other measures as appropriate.
6. **Maintain open communication:** Regular communication will be maintained with the construction team to ensure that all necessary changes are implemented in a timely and efficient manner. The Quality Control Manager will work closely with the construction team to identify any potential issues and take appropriate corrective action.

DELIVERY TO PRDOH

Once the homes are completed, Portales will work together with the PRDOH team and/or the end users of the homes to inspect the units and prepare punch lists required for final unit delivery. Portales will assign a member of its team to coordinate and manage the inspection of the units, the punch list follow-ups and other pending items that may be indicated or identified by PRDOH in their inspections. To the extent feasible, punch lists will be addressed by the Portales team within 30 – 45 days from the when the same are finalized by the PRDOH or the end users of the units.

Furthermore, the Portales team will ensure that the units obtain master plumber and master electrician certifications, and the corresponding use permit or certificate of occupancy from the relevant government agency or municipality.

Simultaneously with the quality control, punch list and final permitting process, Portales will work together with its surveyor(s) and attorney(s) to obtain a plat ("plano de inscripción") for the Project, as well as an authorization therefor ("autorización de plano

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de inscripción"). Using said plat and approvals, the notaries in charge of preparing the deeds of conveyance of the units of the Project will be able to commence drafting the relevant deeds, including any deeds of restrictive covenants and/or destination to public use and assignment of streets and neighborhood facilities.

Once (i) the unit is approved by the PRDOH or the end user of the unit, (ii) the plat is approved and (iii) the use permit is obtained, the Portales team and/or its attorneys will coordinate with the PRDOH for the execution of the relevant deeds of conveyance to the eventual owners of the units as soon as practicable.

Furthermore, the Portales team will coordinate with the Center for Municipal Revenue Collection for the assignment of property tax identification numbers to each of the units of the Project. To the extent that these units will be used by the end-users as their main residences, the notaries that will be engaged by Portales will ensure that the proper exonerations from property taxes are also obtained by these individuals or families.

Given the extensive experience of the Portales team with regards to new developments, this process will be handled in the most expeditious and efficient manner and using prior contacts and experiences to avoid mistakes.

6.3.4 PROJECT READINESS

Together with this narrative, Portales is attaching hereto an Option Agreement evidencing Portales control of the land where the Project is located; zoning certifications; existing permits, endorsements and agency authorizations; existing infrastructure acceptance, endorsements or authorizations from PRASA, PREPA or LUMA; environmental reports; HH studies; soil studies, and all other relevant studies and authorizations which have been obtained by Portales or Portales's predecessor in interest as part of the ongoing development of the Project. Please see enclosures.

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CONSTRUCTION DRAWINGS FOR: PORTAL DEL ESTE STATES HOUSING DEVELOPMENT

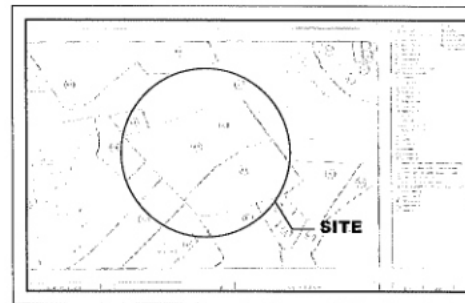
**TOTAL: 61 RESIDENTIAL UNITS + 1 NEIGHBORHOOD
FACILITIES**

LOCATED : PR-860 KM 2.0
INTERSECCION CALLE
MARTIN GONZALEZ
BO. MARTIN GONZALEZ
CAROLINA, PUERTO RICO

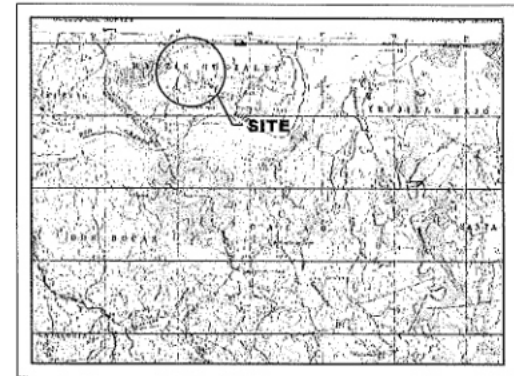
OWNER : MIRAFLORES INTERNATIONAL FINANCING, LLC
PO Box 2399, TOA BAJA, PR
00951

INDEX:

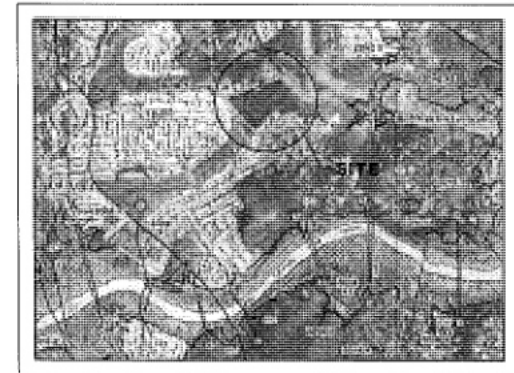
SHT.	NO.	DESCRIPTION
1	T-1	TITLE & LOCATION PLAN
2	MP-1	MASTER PLAN



ZONING MAP
CLASSIFICATION: R-3
SCALE: NOT TO SCALE



LOCATION PLAN
TOPOGRAPHIC QUADRANGLE: NARANJO
SCALE: 1:25,000



FLOOD MAP
DATE: APRIL 13, 2018
SHEETS: 220000007553
SCALE: 1:10,000



AERIAL PHOTO
NOT TO SCALE

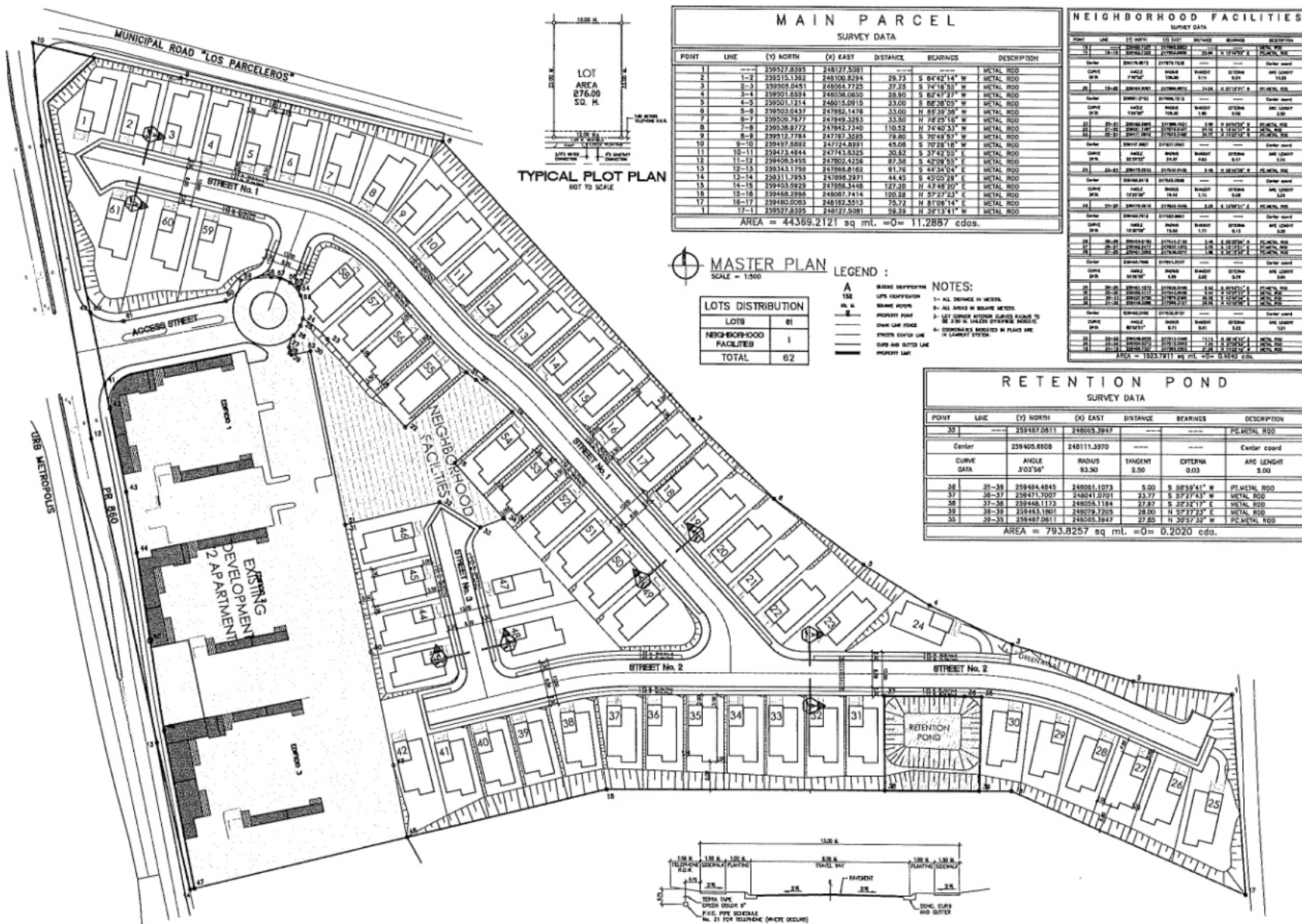


lopezengineeringgroup

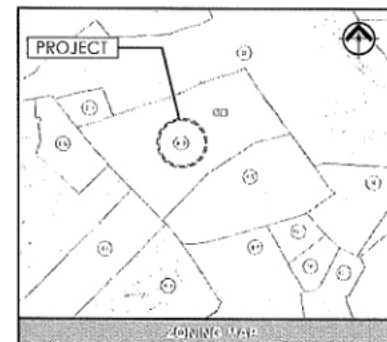
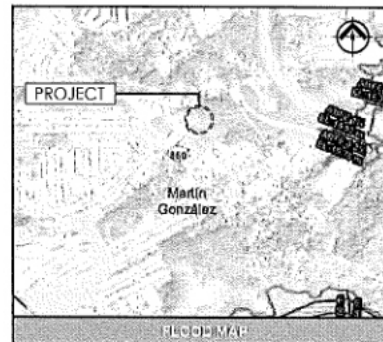
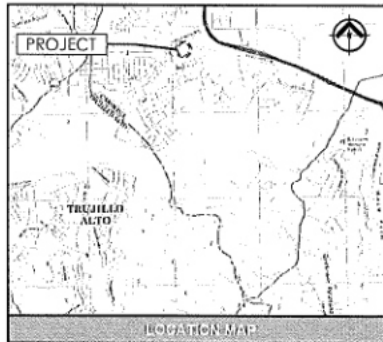
For the purpose of this drawing, the project site is located at the intersection of Calle Martin Gonzalez and Calle 100, in the community of Martin Gonzalez, Carolina, Puerto Rico. The project site is located within the zoning district of R-3, which is designated for residential use. The project site is located within the flood plain of the San Juan River, which is a designated flood hazard area. The project site is located within the flood plain of the San Juan River, which is a designated flood hazard area. The project site is located within the flood plain of the San Juan River, which is a designated flood hazard area.

SHEET NO.
1
2
TOTAL

WORK
M.C.



MAIN PARCEL						
SURVEY DATA						
POINT	LINE	(Y) NORTH	(X) EAST	DISTANCE	BEARINGS	DESCRIPTION
1	1-2	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
2	2-3	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
3	3-4	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
4	4-5	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
5	5-6	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
6	6-7	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
7	7-8	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
8	8-9	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
9	9-10	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
10	10-11	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
11	11-12	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
12	12-13	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
13	13-14	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
14	14-15	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
15	15-16	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
16	16-17	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
17	17-18	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
18	18-19	259537.8395	248177.5081	29.73	S 84°42'14" W	METAL ROD
AREA =		44,395,212	sq mt.	0.26	= 1,288.77	acres.



* FOR ARTISTIC REPRESENTATION ONLY NOT FOR CONSTRUCTION PURPOSES.

DRAWING INDEX	
SHEET	SHEET TITLE
T-100	TITLE SHEET
A-101	FLOOR PLANS
A-201	ELEVATIONS AND SECTIONS
A-301	3D VIEW
A-401	3D VIEW
A-501	3D VIEW

PROJECT NAME:

PORTALES
MODEL M2 A

CAROLINA, PUERTO RICO

CDBG-MIT-RFP-2022-04

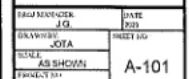


NO.	DATE	REVISIONS
1		
2		
3		
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10		

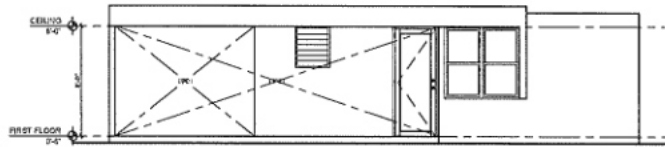
NOTE
This drawing is the property of arkitekto, Inc. and is to be used only for the project and location specified on the title sheet. It is not to be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or by any information storage and retrieval system, without the prior written permission of arkitekto, Inc.

CERTIFIED

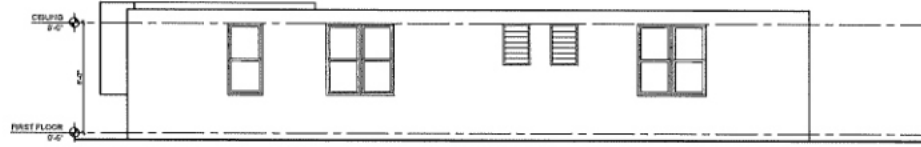
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MODELO M2 A	
PUERTO RICO	
TITLE	
TITLE SHEET	
DESIGNER J.G.	DATE 2022
DRAWN BY JOTA	SHEET NO. T-100
CHECKED AS SHOWN	
PROJECT	



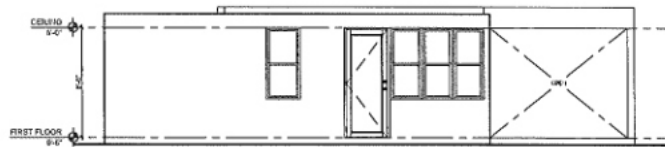
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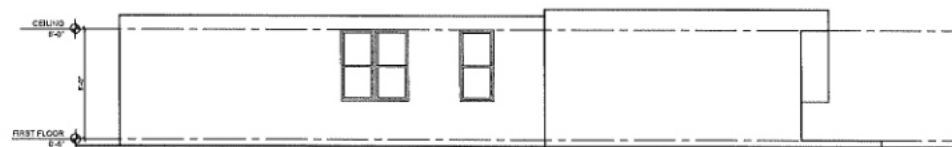
FRONT ELEVATION
SCALE: 1/4"



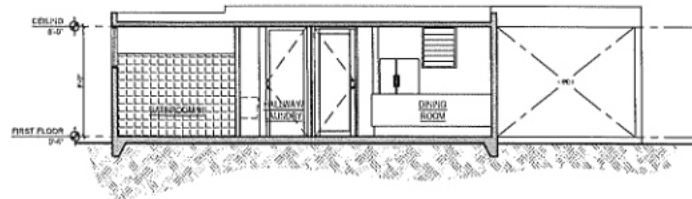
LEFT ELEVATION
SCALE: 1/4"



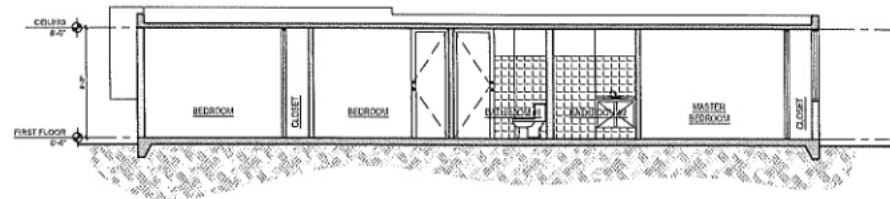
REAR ELEVATION
SCALE: 1/4"



RIGHT ELEVATION
SCALE: 1/4"



PROPOSED SECTION
SCALE: 1/4"



PROPOSED SECTION
SCALE: 1/4"

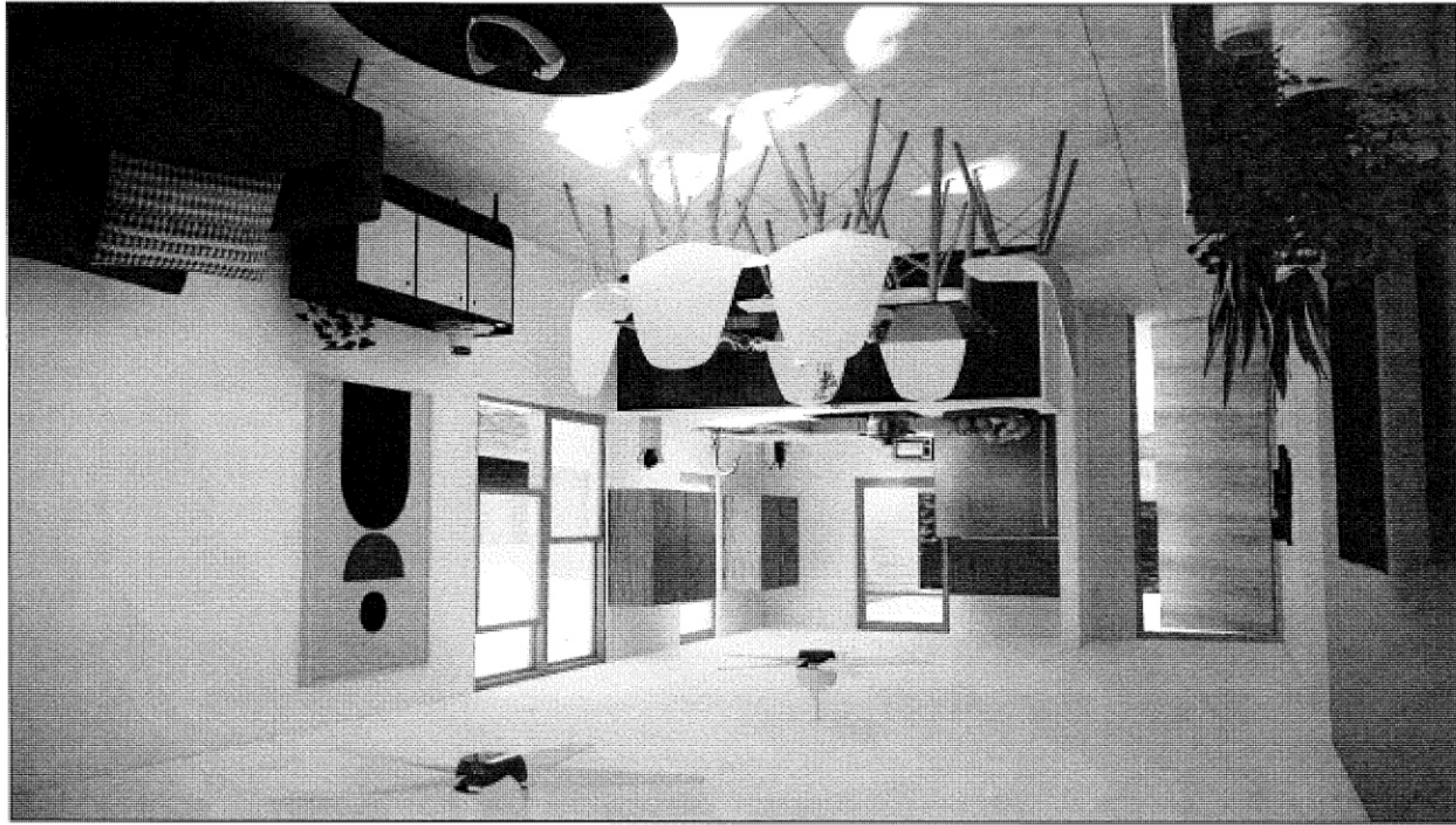
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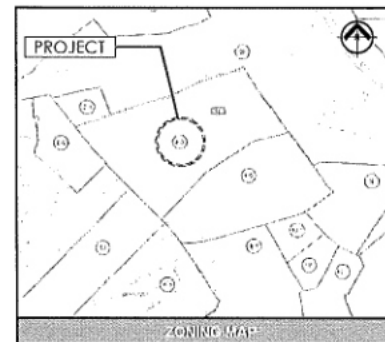
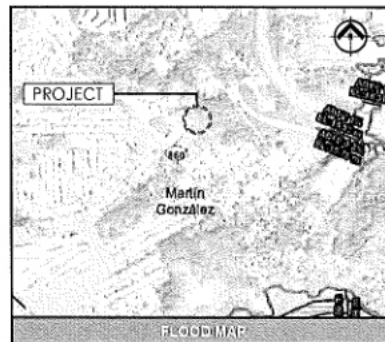
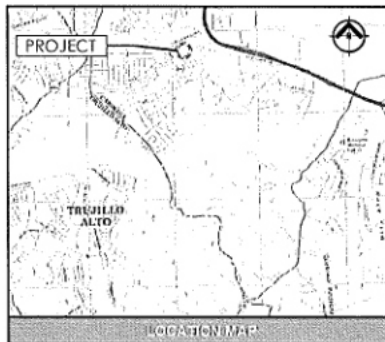
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1. *Journal of Management Studies*, 1997, 34, 1, 1-14.

<div style="border: 1px solid black; padding: 10px; text-align: center;"> MODELO M2 A PUEERTO RICO </div>	
TITLE	
ELEVATIONS & SECTION PLAN	
PREPARED BY: J.A. DRAWN BY: JOTA SCALE: AS SHOWN TOTALS: 75"	DATE: FEB SHEET NO: <div style="font-size: 2em; font-weight: bold;">A-201</div>





* FOR ARTISTIC REPRESENTATION ONLY NOT FOR CONSTRUCTION PURPOSES.

DRAWING INDEX	
SHEET	SHEET TITLE
T-100	TITLE SHEET
A-101	FLOOR PLANS
A-201	ELEVATIONS AND SECTIONS
A-300	3D VIEWS

PROJECT NAME:

PORTALES
MODEL M2 A

CAROLINA, PUERTO RICO

CDBG-MIT-RFP-2022-04



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PAGE
This drawing is the property of the architect and is not to be reproduced or used in any way without the written consent of the architect. It is to be used only for the project and site for which it was prepared. It is not to be used for any other project or site without the written consent of the architect. It is not to be used for any other purpose without the written consent of the architect.

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REPRODUCTION FOR

MODELO M2 A
PUERTO RICO

TITLE

TITLE SHEET

DESIGN NUMBER	DATE
JOTA	2022
DESIGNED BY	DRAWN BY
JOTA	JOTA
CHECKED BY	PROJECT NO.
JOTA	T-100

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NOTE

The second significant indicator of success in such enterprises is the size of the initial bank loan. The average size of the first bank loan in the United States is \$100,000, but the initial bank loan for successful entrepreneurs is \$150,000, on average. The average size of the first bank loan for successful entrepreneurs is \$150,000, on average. The average size of the first bank loan for successful entrepreneurs is \$150,000, on average.

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NOT REPRODUCED OR TRANSMITTED FROM

MODELO M2 A

PUERTO RICO

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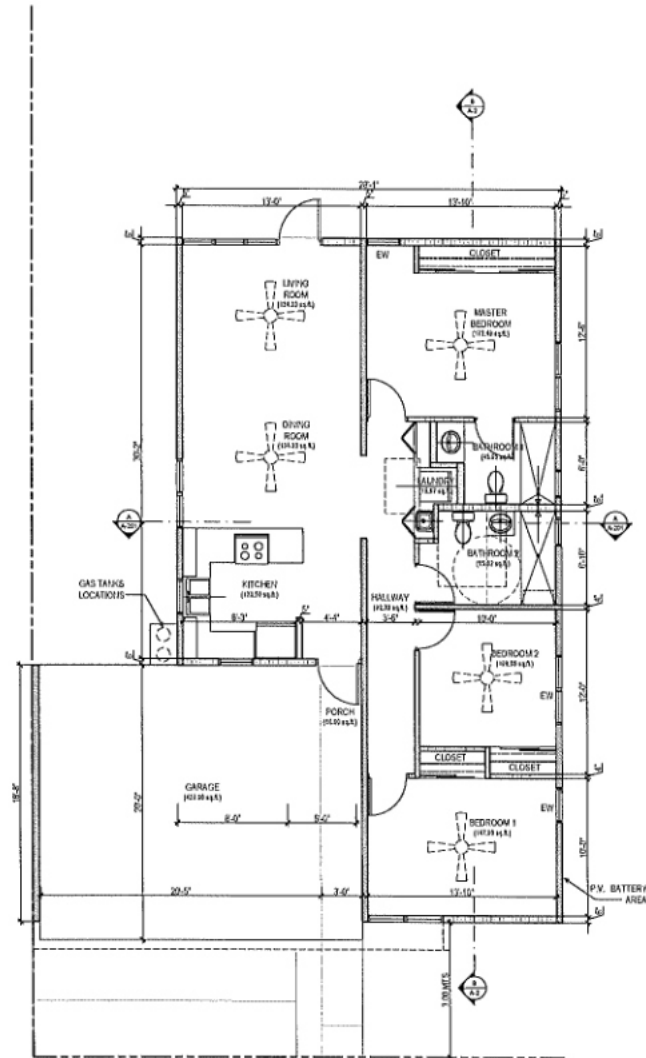
GROUND & ROOF FLOOR
PLAN

BRIEF MANAGER J.G.		DATE 1229
DRAWN BY JOTA		THREE 30 A-101
SCALE AS SHOWN		
PROJECT NO.		

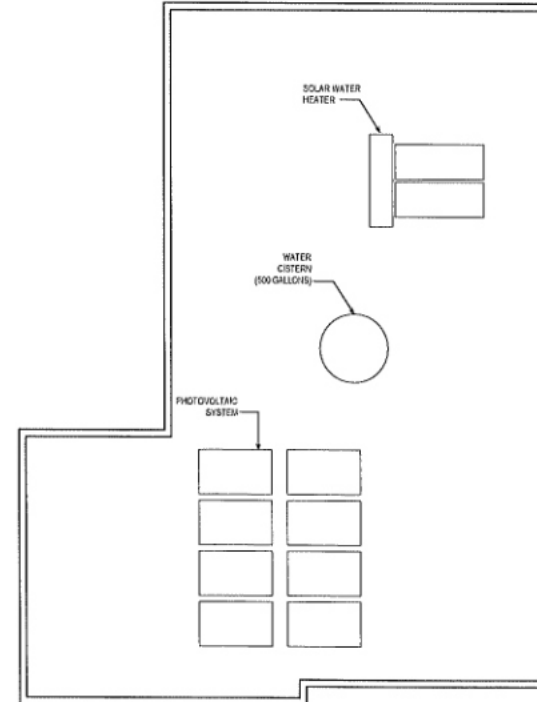


AREA DIAGRAM:

AREA CALCULATIONS	
SPACE	AREA (SQ.FT.)
DINING ROOM	134.3
LIVING ROOM	134.3
KITCHEN	123.5
BEDROOM 1	108.7
BEDROOM 2	148.0
MASTER BEDROOM	173.5
HALLWAY	92.3
LAUNDRY	15.9
BATHROOM 1	46.0
BATHROOM 2	65.0
PORCH	60.0
WALLS	106.5
TOTAL	1209.0
GARAGE	434.0

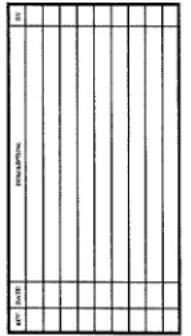
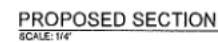
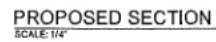


GROUND FLOOR PLAN
SCALE: 1/4"



ROOF PLAN
SCALE: 1/4"

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1. The first step in the process is to identify the problem. This involves gathering information about the situation and the people involved. It is important to understand the context and the needs of all parties.

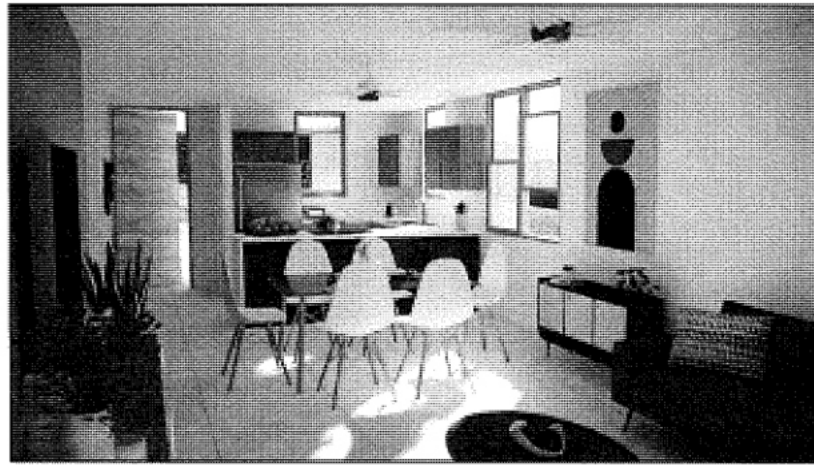
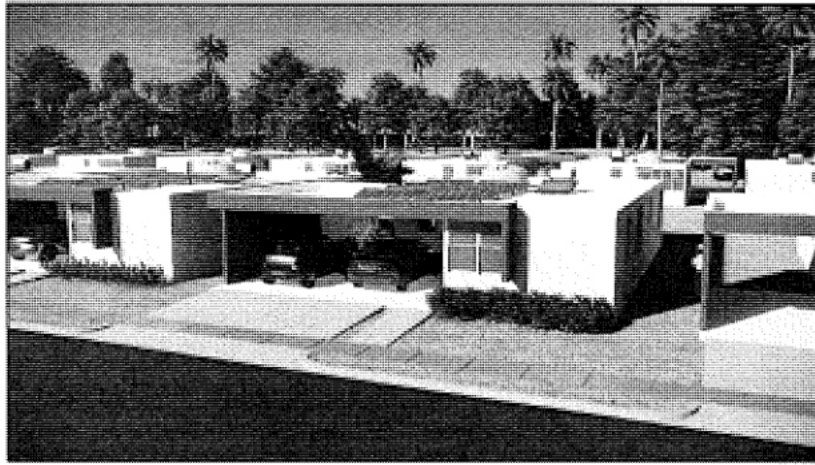
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MODELO M2 A

PUERTO RICO

ELEVATIONS & SECTION PLAN

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DRAWING JOTA		SHEET NO A-201
SCALE AS SHOWN		
PROJECT NO.		



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NOTE

1. This set of drawings is prepared for the purpose of showing the general concept of the design and is not to be used for construction purposes. It is the responsibility of the client to provide all necessary data and information for the design and to ensure that the design is in accordance with the requirements of the local authorities. The architect is not responsible for the accuracy of the data provided by the client.

CERTIFIED

I, the undersigned, being a duly qualified and licensed Architect, do hereby certify that the above is a true and correct copy of the original design as submitted to me by the client, and that I am not aware of any falsification or misrepresentation of the data provided by the client.

DESIGNER'S EXPLANATION FOR

MODELO M2 A

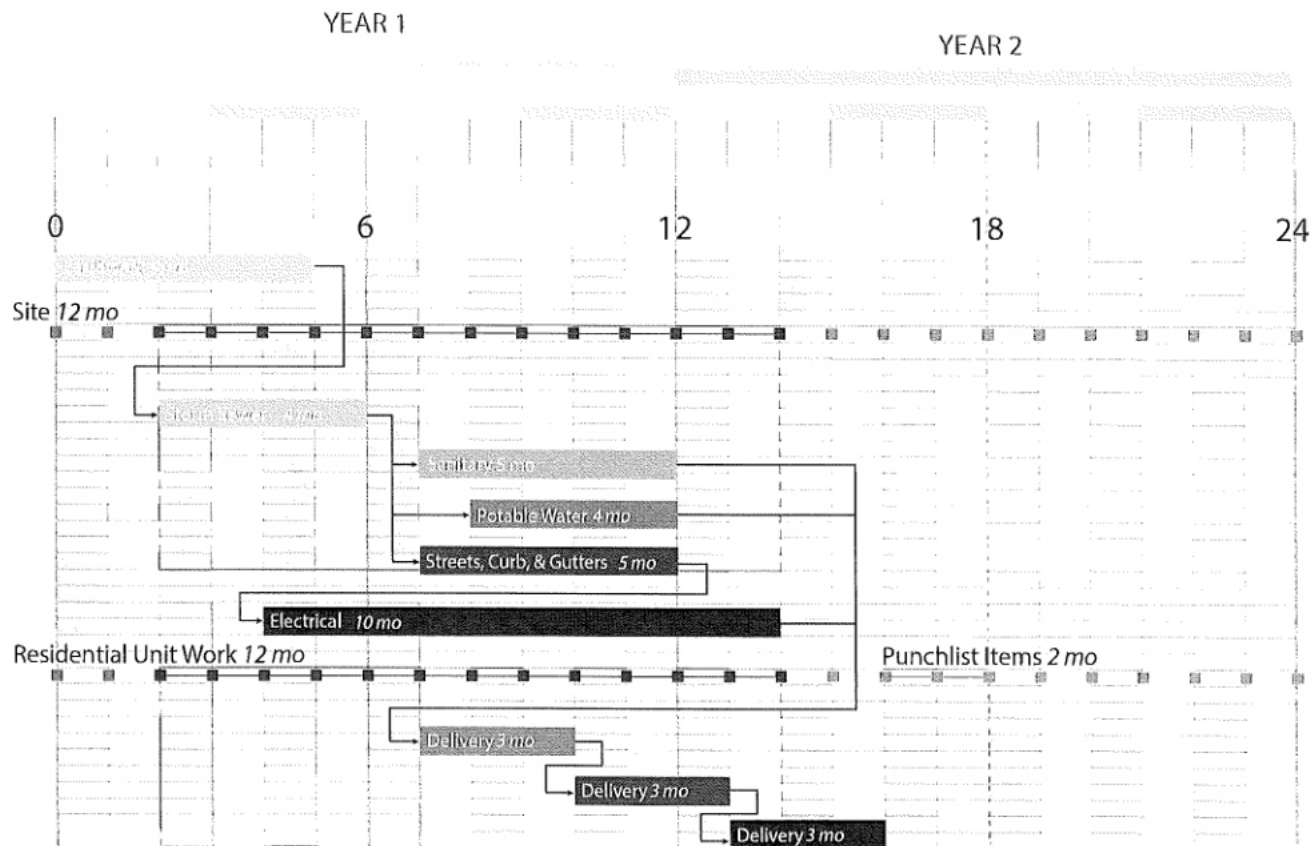
PUERTO RICO

TITLE

3D VIEWS

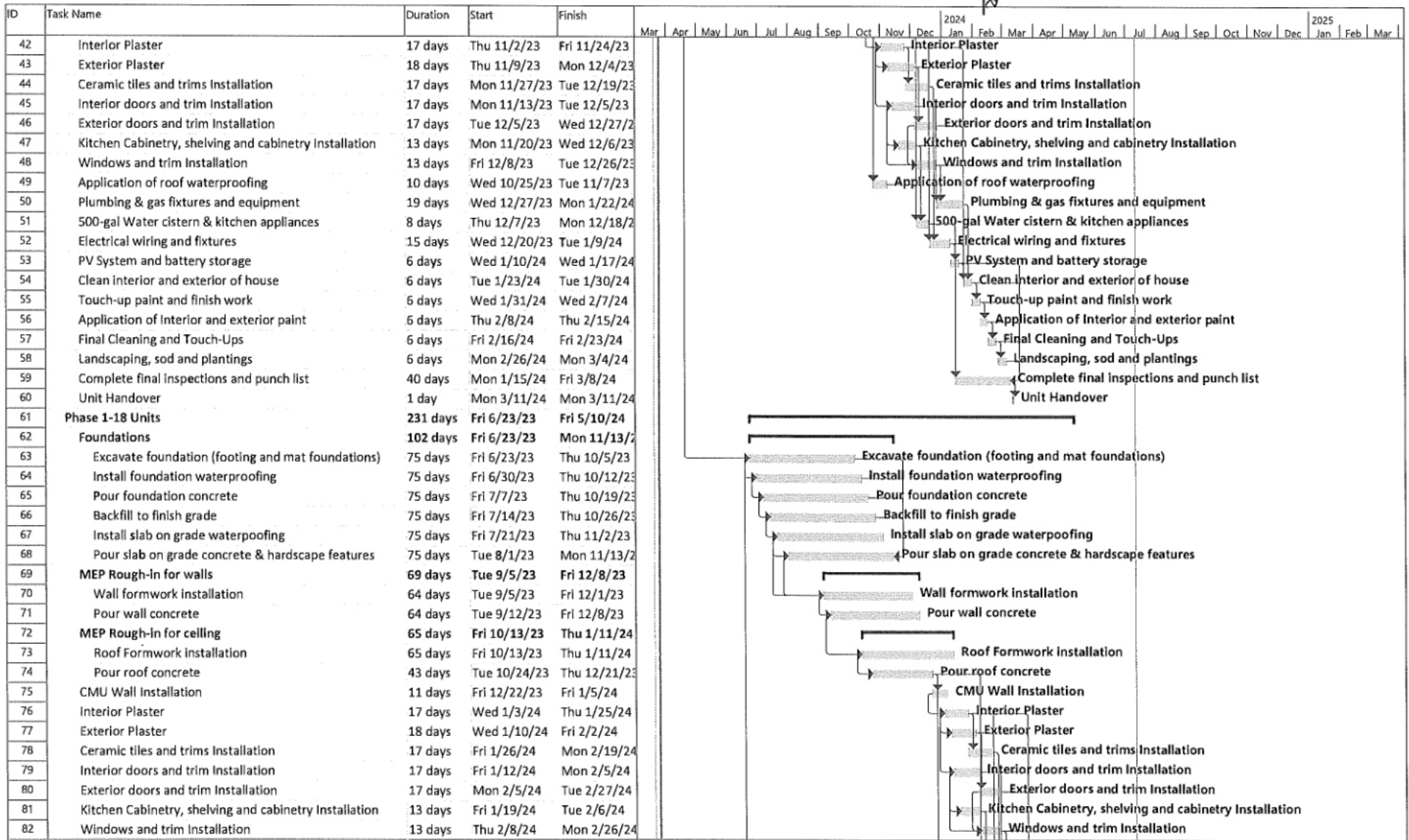
DATE SUBMITTED	DATE
DESIGNER	DRAWN BY
SCALE	PROJECT NO.
PROJECT	A-700

Project Construction Schedule CDBG-MIT Portales de Carolina



ID	Task Name	Duration	Start	Finish	2024	2025
					Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar	
1	Portales de Carolina CDBG-MIT LLC	343 days	Mon 3/20/23	Wed 7/10/24		
2	Site Work	222 days	Mon 3/20/23	Tue 1/23/24		
3	Site preparation	11 days	Mon 3/20/23	Mon 4/3/23		
4	Mobilization	3 days	Mon 3/20/23	Wed 3/22/23		
5	Temporary Office Space w/ Utilities	11 days	Mon 3/20/23	Mon 4/3/23		
6	Clear & Grubb	26 days	Tue 4/4/23	Tue 5/9/23		
7	Removal of vegetative material	16 days	Tue 4/4/23	Tue 4/25/23		
8	Cut & fill to approximate grades (Earth Movement)	10 days	Wed 4/26/23	Tue 5/9/23		
9	CEST Plan	23 days	Wed 5/10/23	Fri 6/9/23		
10	Silt fence installation & catchbasin protection	10 days	Wed 5/10/23	Tue 5/23/23		
11	Installation of equipment cleaning station	10 days	Wed 5/24/23	Tue 6/6/23		
12	Erosion control measures in sloped terrain	3 days	Wed 6/7/23	Fri 6/9/23		
13	Site Storm Collection System Installations	46 days	Mon 4/24/23	Mon 6/26/23		
14	Storm sewer & rain runoff Installation	45 days	Mon 4/24/23	Fri 6/23/23		
15	Retention Pond construction	40 days	Tue 5/2/23	Mon 6/26/23		
16	Site Utilities Installations	170 days	Wed 5/31/23	Tue 1/23/24		
17	Potable water main & branches intallation	65 days	Mon 10/9/23	Fri 1/5/24		
18	Sewage main & branches installation	75 days	Tue 10/10/23	Mon 1/22/24		
19	Electrical power (primary & secondary) Installation	170 days	Wed 5/31/23	Tue 1/23/24		
20	Telephone, Cable & Internet Rough-in Installation	48 days	Fri 11/17/23	Tue 1/23/24		
21	Street Construction	52 days	Tue 10/10/23	Wed 12/20/23		
22	Base material deposit and compacting	20 days	Tue 10/10/23	Mon 11/6/23		
23	Concrete surface pouring	16 days	Tue 11/7/23	Tue 11/28/23		
24	Curb & gutter concrete pouring	16 days	Wed 11/29/23	Wed 12/20/23		
25	Sidewalk concrete pouring	23 days	Thu 12/21/23	Mon 1/22/24		
26	Sidewalk concrete pouring	23 days	Thu 12/21/23	Mon 1/22/24		
27	Phase 1-24 Units	231 days	Mon 4/24/23	Mon 3/11/24		
28	Foundations	102 days	Mon 4/24/23	Tue 9/12/23		
29	Excavate foundation (footing and mat foundations)	75 days	Mon 4/24/23	Fri 8/4/23		
30	Install foundation waterproofing	75 days	Mon 5/1/23	Fri 8/11/23		
31	Pour foundation concrete	75 days	Mon 5/8/23	Fri 8/18/23		
32	Backfill to finish grade	75 days	Mon 5/15/23	Fri 8/25/23		
33	Install slab on grade waterproofing	75 days	Mon 5/22/23	Fri 9/1/23		
34	Pour slab on grade concrete & hardscape features	75 days	Wed 5/31/23	Tue 9/12/23		
35	MEP Rough-in for walls	69 days	Wed 7/5/23	Mon 10/9/23		
36	Wall formwork installation	64 days	Wed 7/5/23	Mon 10/2/23		
37	Pour wall concrete	64 days	Wed 7/12/23	Mon 10/9/23		
38	MEP Rough-in for ceiling	65 days	Mon 8/14/23	Fri 11/10/23		
39	Roof Formwork installation	65 days	Mon 8/14/23	Fri 11/10/23		
40	Pour roof concrete	43 days	Wed 8/23/23	Fri 10/20/23		
41	CMU Wall Installation	11 days	Mon 10/23/23	Mon 11/6/23		

Portales Project Date: Sat 3/25/23	Task	Project Summary	Manual Task	Start-only	Deadline
	Split	Inactive Task	Duration-only	Finish-only	Progress
	Milestone	Inactive Milestone	Manual Summary Rollup	External Tasks	Manual Progress
	Summary	Inactive Summary	Manual Summary	External Milestone	



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ID	Task Name	Duration	Start	Finish	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2025
83	Application of roof waterproofing	10 days	Tue 12/26/23	Mon 1/8/24																								
84	Plumbing & gas fixtures and equipment	19 days	Tue 2/27/24	Fri 3/22/24																								
85	500-gal Water cistern & kitchen appliances	8 days	Wed 2/7/24	Fri 2/16/24																								
86	Electrical wiring and fixtures	15 days	Tue 2/20/24	Mon 3/11/24																								
87	PV System and battery storage	6 days	Tue 3/12/24	Tue 3/19/24																								
88	Clean interior and exterior of house	6 days	Mon 3/25/24	Mon 4/1/24																								
89	Touch-up paint and finish work	6 days	Tue 4/2/24	Tue 4/9/24																								
90	Application of interior and exterior paint	6 days	Wed 4/10/24	Wed 4/17/24																								
91	Final Cleaning and Touch-Ups	6 days	Thu 4/18/24	Thu 4/25/24																								
92	Landscaping, sod and plantings	6 days	Fri 4/26/24	Fri 5/3/24																								
93	Complete final inspections and punch list	40 days	Fri 3/15/24	Thu 5/9/24																								
94	Unit Handover	1 day	Fri 5/10/24	Fri 5/10/24																								
95	Phase 1-19 Units	231 days	Wed 8/23/23	Wed 7/10/24																								
96	Foundations	102 days	Wed 8/23/23	Thu 1/11/24																								
97	Excavate foundation (footing and mat foundations)	75 days	Wed 8/23/23	Tue 12/5/23																								
98	Install foundation waterproofing	75 days	Wed 8/30/23	Tue 12/12/23																								
99	Pour foundation concrete	75 days	Wed 9/6/23	Tue 12/19/23																								
100	Backfill to finish grade	75 days	Wed 9/13/23	Tue 12/26/23																								
101	Install slab on grade waterproofing	75 days	Wed 9/20/23	Tue 1/2/24																								
102	Pour slab on grade concrete & hardscape features	75 days	Fri 9/29/23	Thu 1/11/24																								
103	MEP Rough-in for walls	69 days	Fri 11/3/23	Wed 2/7/24																								
104	Wall formwork installation	64 days	Fri 11/3/23	Wed 1/31/24																								
105	Pour wall concrete	64 days	Fri 11/10/23	Wed 2/7/24																								
106	MEP Rough-in for ceiling	65 days	Wed 12/13/23	Tue 3/12/24																								
107	Roof Formwork Installation	65 days	Wed 12/13/23	Tue 3/12/24																								
108	Pour roof concrete	43 days	Fri 12/22/23	Tue 2/20/24																								
109	CMU Wall Installation	11 days	Wed 2/21/24	Wed 3/6/24																								
110	Interior Plaster	17 days	Mon 3/4/24	Tue 3/26/24																								
111	Exterior Plaster	18 days	Mon 3/11/24	Wed 4/3/24																								
112	Ceramic tiles and trims installation	17 days	Wed 3/27/24	Thu 4/18/24																								
113	Interior doors and trim installation	17 days	Wed 3/13/24	Thu 4/4/24																								
114	Exterior doors and trim installation	17 days	Thu 4/4/24	Fri 4/26/24																								
115	Kitchen Cabinetry, shelving and cabinetry installation	13 days	Wed 3/20/24	Fri 4/5/24																								
116	Windows and trim installation	13 days	Tue 4/9/24	Thu 4/25/24																								
117	Application of roof waterproofing	10 days	Fri 2/23/24	Thu 3/7/24																								
118	Plumbing & gas fixtures and equipment	19 days	Fri 4/26/24	Wed 5/22/24																								
119	500-gal Water cistern & kitchen appliances	8 days	Mon 4/8/24	Wed 4/17/24																								
120	Electrical wiring and fixtures	15 days	Fri 4/19/24	Thu 5/9/24																								
121	PV System and battery storage	6 days	Fri 5/10/24	Fri 5/17/24																								
122	Clean interior and exterior of house	6 days	Thu 5/23/24	Thu 5/30/24																								
123	Touch-up paint and finish work	6 days	Fri 5/31/24	Fri 6/7/24																								

Portales Project
Date: Sat 3/25/23

Task

Split

Milestone

Summary

Project Summary

Inactive Task

Inactive Milestone

Inactive Summary

Manual Task

Duration-only

Manual Summary Rollup

Manual Summary

Start-only

Finish-only

External Tasks

External Milestone

Deadline

Progress

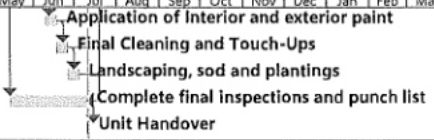
Manual Progress

Project Name: Portales

Page 3

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ID	Task Name	Duration	Start	Finish	2024																												2025		
					Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar						
124	Application of Interior and exterior paint	6 days	Mon 6/10/24	Mon 6/17/24																															
125	Final Cleaning and Touch-Ups	6 days	Tue 6/18/24	Tue 6/25/24																															
126	Landscaping, sod and plantings	6 days	Wed 6/26/24	Wed 7/3/24																															
127	Complete final inspections and punch list	40 days	Wed 5/15/24	Tue 7/9/24																															
128	Unit Handover	1 day	Wed 7/10/24	Wed 7/10/24																															

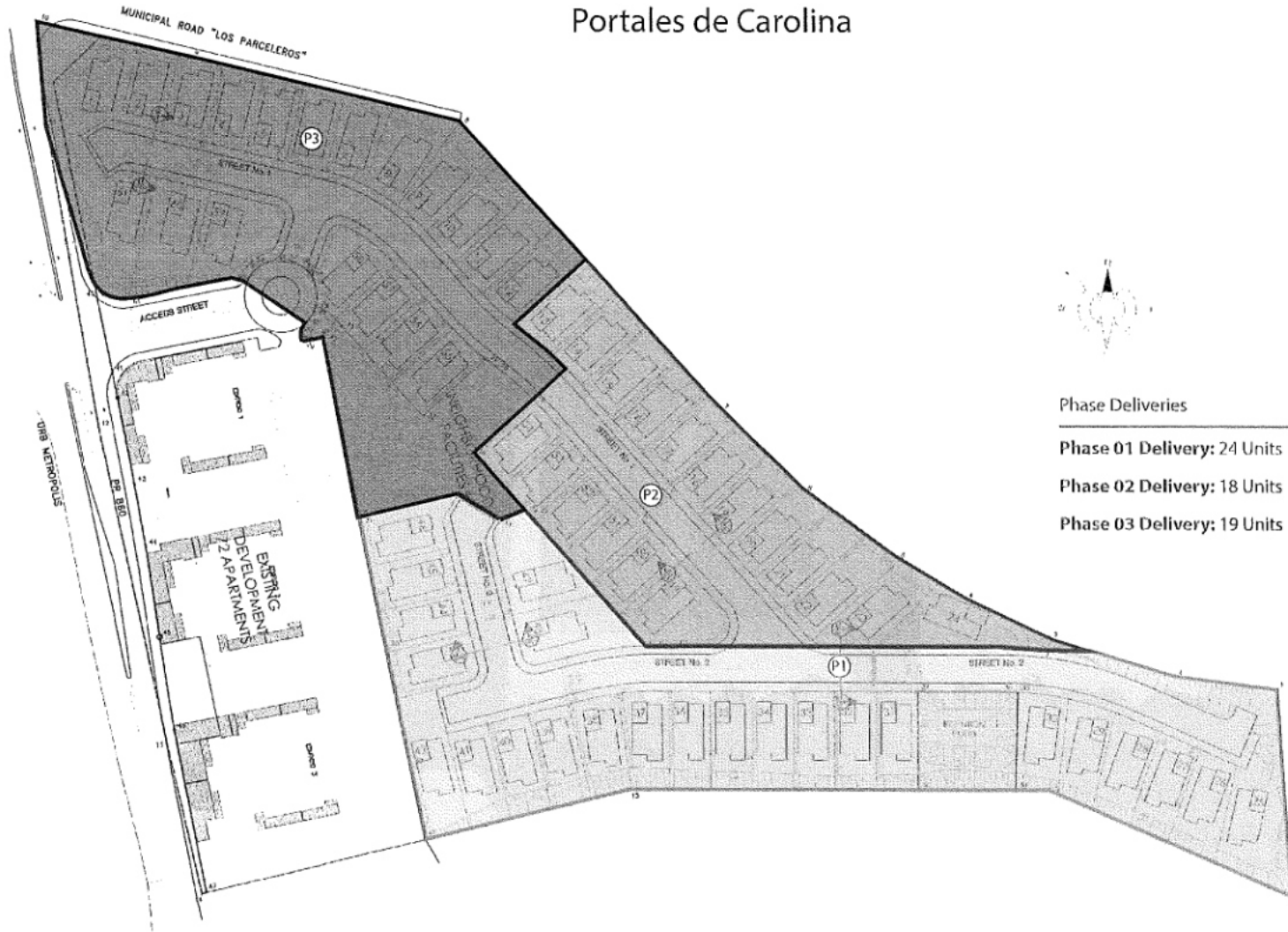


Portales Project Date: Sat 3/25/23	Task		Project Summary		Manual Task		Start-only		Deadline	
	Split		Inactive Task		Duration-only		Finish-only		Progress	
	Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
	Summary		Inactive Summary		Manual Summary		External Milestone			

Household Unit Schedule

CDBG-MIT

Portales de Carolina





GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

ATTACHMENT B

**ATTACHMENT #1
SCOPE OF WORK
Request for Proposals
Single-Family Housing Development Initiatives
Community Development Block Grant for Mitigation
Puerto Rico Department of Housing
CDBG-MIT-RFP-2022-04
(Revised for Addendum No. 04)**

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This document defines the Single-Family Housing Development Initiatives (**SF-HDI**) tasks that the Proposers must perform to support the Puerto Rico Department of Housing (**PRDOH**) as part of the Community Development Block Grant for Mitigation (**CDBG-MIT**). A description of the Housing Sector CDBG-MIT is included in the Action Plan approved by the U.S. Department of Housing and Urban Development (**HUD**), available at <https://cdbg-dr.pr.gov/en/download/cdbg-mit-action-plan-amendment-1-substantial-effective-on-october-17-2022/>

The PRDOH anticipates awarding the contract with a term of **twenty-four (24) months**. The contracted firms are expected to complete the construction of new detached single-family housing (**units**) development (**developments or projects**) in the contracted Period of Performance (**POP**). The PRDOH intends to purchase the completed units which must have a registered segregation and individual notarial deeds. The PRDOH may, at its sole discretion, extend the contract upon mutual written agreement of the parties.

1. PRDOH's Reservation of Rights:

The PRDOH reserves the right, without limitations, to:

- (i) Reject any or all proposals, waive any informality in the RFP process, or terminate the RFP process at any time, if deemed to be in its best interests.
- (ii) Reject and not consider any proposal that does not meet the requirements of this RFP, including but not necessarily limited to, incomplete proposals and/or proposals offering alternate or non-requested goods.
- (iii) Cancel this solicitation and reissue the RFP or another version if it deems doing so is in the Public Interest.
- (iv) PRDOH shall have no obligation to compensate any proposer for any costs incurred in responding to this RFP.
- (v) To reduce or increase estimated or actual quantities in whatever amount necessary without prejudice or liability to, if:
 - a. Funding is not available.
 - b. Legal restrictions are placed upon the expenditure of monies for this category.
 - c. PRDOH's requirements in good faith change after the award of the contract.
- (vi) To require additional information from all suppliers to determine the level of responsibility.

- (vii) To contact any individuals, entities, and/or organizations that have had a business relationship with the proposer, regardless of their inclusion in the reference section of the proposal's submittal.
- (viii) To contract with one or more proposers or the cancellation of this RFP.
- (ix) To negotiate any price from the awarded proposer(s) in response to a specific order under this solicitation.
- (x) To modify the quantity of the listed items and/or services during the contract term in compliance with policies and procedures.

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2. Overview

The PRDOH is issuing this Request for Proposal (**RFP**) to procure highly qualified and skilled entities to provide single-family housing development services for the construction of new detached single-family housing developments outside of risk and hazardous areas. The Proposers must understand and align with the CDBG-MIT Federal Register Notices¹, Action Plan (as amended), Program Guidelines (including revised versions), national objectives, eligible/ineligible use of funds, and policies. In addition, proposers must be familiar with the Department of Housing and Urban Development (**HUD**) latest policy objectives, plan alignment, glossary, acronyms, policies, guidelines, and standards applicable to the Scope of Work (**SOW**) of this RFP. The Proposer remains fully responsible for determining if the information mentioned before has been amended, revised, and/or updated. The Proposers are responsible for delineating effective and efficient strategies to maximize the project development plan and schedule and to administer all project activities.

3. Choice Limiting Actions

Respondents to this RFP are required to immediately cease any choice-limiting action under 24 CFR § 58.22. Failure to stop activities such as acquisition, demolition, disposition, rehabilitation, repair, new construction, site preparation, and leasing or any other activities that commit to future actions for a proposed project prior to obtaining an environmental clearance will result in the project no longer being eligible for any HUD assistance.

4. Single-Family Housing Development Initiatives

The concept of the SF-HDI is to promote and complete the development of new resilient single-family housing projects. The PRDOH intends to purchase up to one thousand (1,000) finished units in the areas with the most housing needs. Additional phases may promote the project development and purchase of up to three thousand (3,000) units, depending on Program funds, allocation, and single-family housing needs. PRDOH may award "Qualified Proposers" up to three thousand (3,000) single family units and proceed with

¹ Federal Register Notices for the CDBG-MIT are published in the corresponding websites at <https://cdbg-dr.pr.gov/en/resources/federal-register/>

the initial phase contracting projects up to one thousand (1,000) single family units. Subsequent phases may be implemented with awarded entities depending on Program funds, allocation, and single-family housing needs.

5. Single Family Housing Needs

Between the CDBG-DR and CDBG-MIT single-family Programs, PRDOH estimates that more than 6,000 applicants with a relocation voucher may benefit from the SF-HDI. Applicants with a relocation voucher must relocate to a location outside a floodplain, high-risk landslide area, or other hazardous areas as identified by the PRDOH.

6. Location of Program Relocation Needs and Functional Areas

The **Attachment 5** illustrates the location and concentration of all current and potential CDBG-DR and CDBG-MIT single housing program cases with a relocation voucher with an emphasis on the flood zone and landslide susceptibility, their distribution within all 78 Puerto Rico municipalities and the Puerto Rico Planning Board (**PRPB**) Functional Areas.

PRDOH intends to award at minimum one (1) project in each Functional Area. A hierarchical methodology will be implemented to award projects according to the amount of R3 Program relocation cases and potential cases (single-family housing needs). The Functional Area with the greater single-family housing needs, will be awarded first with a project, continuing to the following Functional Areas up to three thousand (3,000) units. In the initial phase, if all Functional Areas are awarded with a project, and the one thousand (1,000) units are not fulfilled, the process cycles back to the hierarchical Functional Area with the greater single-family housing needs and descending until the one thousand (1,000) units are awarded. Those projects awarded in the initial phase may continue with the process and contract execution. The same hierarchical methodology could apply with awarded entities when subsequent phases are implemented to contract the additional units up to three thousand (3,000) single family units.

7. Single-Family Housing Developers

The Proposers are expected to strengthen the SF-HDI by providing experience, technical knowledge, and expertise in the planning and construction of single-family developments. The Proposers are to identify, evaluate, conduct pre-development activities, and perform any necessary legal due diligence for any proposed project to correctly determine the scope, cost, time, and feasibility of completing the project under the terms of this RFP. Consequently, the Proposers are expected to secure construction financing to complete the units, at which time the PRDOH will purchase them. Proposers must operate as a single source responsibility entity to provide development, design, and

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build services. The contracted Proposers will work in the PRDOH's best interest in administering and implementing all the project activities.

All tasks, activities and work performed by the Proposer's stakeholders, professionals, individuals, and subcontractors will be administered, scheduled, and controlled by the contracting entity. The Proposer is directly responsible for ensuring quality, completeness, accuracy, and timeliness to avoid unnecessary delays in completing the single-family units in the contracted time.

7.1. Duties and Responsibilities

Duties and responsibilities of Single-Family Housing Developers include, but are not limited to, the following:

- Obtaining and evaluating the property legal documents, deeds, liens, easements, and any other restrictions that may affect the ownership of the project;
- Obtaining and evaluating the property regulatory requirements, restrictions, risks, assets and areas of opportunity which may affect the project's viability and feasibility;
- Obtaining and evaluating market research and analysis reports that identify the development and best use of the proposed land;
- Obtaining and evaluating technical studies, historical data, natural resources and habitats and any other relevant characteristics which may affect the project's viability, feasibility, design, construction, and/or completion;
- Obtaining and evaluating the project viability, feasibility, economic, and financing analysis report to identify risks and assets of the developer firm's proposed action;
- Obtaining and evaluating compliance with the Environmental Review Record (ERR) documents prior to the continuance of construction documents, permitting process and fieldwork on the proposed site;
- Elaborate construction documents, evaluation of submittals, clarification drawings, revision of construction drawings (when required), evaluate samples of materials, design services during construction (including A&E periodical site visits), coordinate and comply with the corresponding agencies inspections, reports and requirements, keep record and provide record drawings "as-built" documents;
- The developer design-build team is expected to perform, coordinate, and synchronize work to produce the design activities diligently, permitting process, construction site visits, clarification drawings, request for information, project closeout and others;

- Perform and maintain a record of weekly progress meetings (meeting minutes) with the participation of stakeholders;
- Obtaining, securing, and maintaining the project abatement requirements with the corresponding agency;
- Providing the highest level of customer service to the PRDOH, Program representatives, and others;
- Maintain sound project development, administration, production, control techniques and responsibility. This includes and applies to subcontractors, product manufacturers and any other entity involved in the project;
- Implement and maintain an effective, efficient communications system with stakeholders and teams involved to promote the best means of communication to encourage time effectiveness and efficiency.

8. Proposers Submission – Project Readiness

Demonstrating the proposed project's readiness is critical due to the 24-month time frame being provided to complete any selected project. Therefore, proposers shall submit pertinent information for the PRDOH to be able to determine the Proposer's ability to complete the project under the provided time frame. This information may include the proposed project location, the number of units of the project, the project plan and schedule, a permitting plan and status of permits, a detailed cost estimate, a single-family unit reasonable sales price, and any design deliverables to evaluate the "**Project Readiness**", as described in the following Sections of this document and the corresponding sections of the RFP documents.

8.1. Experience, Qualifications, Organizational and Staffing Plan

It is expected that Proposers will have a team of professionals and consultants with the technical knowledge, experience, and expertise to identify, evaluate, resolve, and reduce potential risks with due diligence.

The PRDOH expects competent and qualified staff and professionals that are authorized or permitted under federal, state, and local law to perform the scope of work under this contract. However, the PRDOH reserves the right to request the removal of any staff not performing to standard, following the code of ethics and/or irregularities that may result in an unnecessary legal burden to the PRDOH, the Programs or its representatives. Proposers must provide detailed information about the Proposer's key staff, including education degrees, licenses, and years of relevant experience.

Proposers shall submit to the PRDOH an organizational chart detailing the identity of each person (whether employed by the Proposer or a subcontractor), profession, position, rank, and relationship of the personnel performing any work for the developer firm. In addition, the Proposers' organization and staffing plan shall include the roles, and

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developer firms shall propose **new projects** with a minimum of twenty-five (25) units ~~and a maximum of one hundred (100) units per project submission~~. Projects proposed within an Urban Center (as defined by the PRPB²), will be exempt from the minimum amount of unit requirement.

8.4. Project Plan and Schedule

Proposers shall submit a detailed project plan that delineates all the tasks, activities, time and duration of pre-development, technical studies, design, permitting, construction phases, milestones, unit completion, project completion, and permitting closeout. This detailed project plan and schedule must depict concurrent and non-concurrent activities and the responsible teams involved. The project plan must establish the completion of units within the POP and identify whether units will be completed in phases. The POP shall contemplate any legal process required for the segregation, registration, and other process needed for a real estate closeout. This must be presented in a graphical depiction with all the necessary notes and detail to demonstrate the technical knowledge, expertise, project intent and clarity of the proposed activities.

8.5. Permitting Plan

Proposers shall provide a permitting plan that considers the status and available details of all the agency pre-consultation, endorsement, abatement permits, notification of construction permit, final construction permit, permit closeout and occupancy permits.

8.6. Detailed Project Cost Estimate & Single-Family Unit Reasonable Sales Price

Proposers must submit a detailed project cost estimate and single-family unit type cost estimate itemized, including all trades and components, and sufficiently detailed for the PRDOH to perform a cost reasonableness and reasonable sale price analysis (Refer to, **Exhibit H-1 (Price Form – Reasonable Sale Price Form)** and **Exhibit H-2 (Price Form – Project Itemized Costs)**). The detailed cost estimate shall include the labor, equipment, material, subcontractor work, insurance, taxes, overhead and profit of each component to be incorporated into the work. This document must be organized, clear, self-explainable and include reference sources. The document shall organize following the MasterSpec® divisions and provided in an 8.5x11 letter format both in PDF and XLS files.

² Interventions in urban centers shall comply with the corresponding sections of the Joint Regulation for Project Evaluation and Permitting, regarding Land Development and Use, and Business Operations ("Reglamento Conjunto para la Evaluación y Expedición de Permisos Relacionados al Desarrollo, Uso de Terrenos y Operación de Negocios"), as adopted, the State Historic Preservation Office, the Autonomous Municipality(ies), zoning district requirements, and others. Zoning district requirements may affect the number of units allowed to be developed in a particular lot however the PRDOH reserves the right to establish the minimum amount of units to be proposed in the Single-Family Housing Development Initiatives.

responsibilities of development team members and support areas, their planned level of effort and the anticipated duration of involvement.

As part of the qualifications, the Proposers must include detailed information regarding their financial, administrative capacity, design, and construction experience (in similar projects), personnel, consultants, equipment, software capabilities, document controls, safety record keeping, and quality control procedures. In addition, the PRDOH promotes opportunities for maximum feasible participation of certified Section 3, Minority, and Women-Owned Business Enterprises (**MWBE**).

8.2. Proposed Project & Location

As the experts in the project development process, the Proposer will perform the pre-development, site evaluation, market analysis, feasibility studies, technical evaluations, site selection, legal counseling, design, permitting, securing the property, and any other activity required for the proposed project. In addition, the Proposer personnel must assess the property accessibility, availability (or lack) of potable, sanitary, stormwater, electrical, data infrastructure, lot potential, limitations, restrictions, proximity to bodies of water, natural resources, habitat, geological formations, or any other relevant information that may limit the proposed activity, including evidence of soil contamination, erosion, landslide, flood, extreme slopes, and others.

The PRDOH will evaluate Proposers' projects and select those according to the Programs needs and the best public interest. Proposers may submit more than one project if these are in different locations (not part of or adjacent to other proposed projects) and each project comply with all the submission requirements. Additional projects may be in the same Functional Area or located in another Functional Area. If a Proposer submits more than one project, it must be thru a different Proposal submission, as instructed in the RFP. In such cases, the Proposer's submission must evidence the relationships between the proposed projects and the fiscal capacity to complete them. In addition, the Proposer must provide evidence that it can successfully perform these projects concurrently, complete all units and assure the quality of services and goods.

8.3. Single-Family Housing Minimum and Maximum Units per Site

The Proposer's project may include additional units (of any type) that will not be purchased by the PRDOH but that the Proposer intends to build on the same site and are not part of the proposed project. In this case the Proposer's SF-HDI units and project limit shall be clearly delineated and all the information related to the project submission must be consistent with the project submission (including but not limited to the project plan, schedule, permitting plan, detailed cost estimate, reasonable sales price, design deliverables, code compliance, green building standards, minimum architectural and design standards, environmental review, and any other applicable requirements). The

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8.7. Design Deliverables

Proposers must submit all the necessary information to explain the proposed design intent. The proposed designs shall comply with the SF-HDI Minimum Architectural and Design Standards (**MADS**) (Refer to, **Attachment 6** of the RFP) and the Selected Green Building Standard. At a minimum, a **Conceptual Design Phase** will be submitted by the Proposers as part of the RFP submission package and include as minimum a **site design** and the design solution of a **detached, one (1) level** (one story) with **3-bedroom and 2-bathroom** and a minimum construction area of **1,150** square feet (excluding carport, driveway, walkway and others). A minimum of **5%** of the proposed units must comply with ADA requirements. The rest of the units must be designed and built as adaptable housing units with the intention that these can be modified easily in the future to become accessible, as needed.

9. Code Compliance

The current International Building Code® (**IBC Codes**) establishes minimum requirements using prescriptive and performance-related provisions. The IBC Codes are fully compatible with all the International Codes® (**I-Codes**) published by the International Code Council (**ICC**). This regulation arises from the adoption of the ICC family with its amendments to conform to the requirements of Laws and Regulations of construction and occupancies in Puerto Rico. All work performed by developer firms must also comply with most current federal, state, and local codes, laws, and regulations.

10. Green Building Standard

The SF-HDI design and construction activities must comply with the Green Building Standards described in Federal Registers 83 FR 5844, 84 FR 4836, and as per Programs requirements. All single-family units shall be designed to incorporate sustainability and resiliency principles for efficient energy and water use. The Proposer shall identify which Green Building Standard(s) they will use for the unit design and construction and must comply with at least one of the standards set forth:

- ENERGY STAR Certified Homes (version 3, latest revision. program requirements-Tropics);
- Enterprise Green Communities;
- LEED BD+C (Building Design and Construction);
- LEED Homes;
- LEED O+M (Building Operations and Maintenance);
- LEED ND (Neighborhood Development);
- ICC-700 National Green Building Standard;
- EPA Indoor AirPlus (ENERGY STAR a prerequisite);
- The "Permiso Verde" from the "Oficina de Gerencia de Permisos"; or

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- Any other equivalent comprehensive green building program acceptable to HUD.

A certification under one of these Green Building Standards is an SF-HDI requirement for purchasing the completed unit. Due to the above, the PRDOH encourages using a Green Building Standard that ensures completed homes can be certified when construction is completed.

11. SF-HDI Minimum Architectural and Design Standards

The developer firms shall comply with the Minimum Architectural and Design Standards, which does not supersede the Building Code provisions and requirements, nor the Proposer's Selected Green Building Standard. These generally describe the requirements for the unit, the photovoltaic system with battery storage (**PVS**) and water storage system (**WSS**) requirements (Refer to, **Attachment 6**).

12. Environmental Review

Following the preliminary selection of a project, it must undergo an Environmental Review and certification is to be completed. The Environmental Review process determines a project's potential environmental impacts and whether it meets federal, state, and local environmental standards and regulations. The SF-HDI Environmental Reviews at a site-specific level will be prepared by the Proposer and approved by the PRDOH. An environmental review process will be required for all SF-HDI projects to ensure that the proposed activities do not negatively impact the surrounding environment, and mitigate an adverse effect on historical zones, districts, properties, archeological heritage and environmental or health impacts on end users.

13. Construction Documents

Upon contract execution, the developer firms will diligently engage its organization to commence and complete the architectural, civil, structural, mechanical, electrical design, and any other activity required to complete the construction documents and permitting process and complete these activities with due diligence, efficiently and in a timely manner. The developer firms are responsible for addressing and resolving any adverse effects identified in the ERR process. A complete, coordinated set of construction drawings and technical specifications must be submitted to PRDOH. The construction documents will include all the necessary information for the project design. The construction documents shall provide all the technical information to expedite the permitting, construction process and reduce unnecessary delays, risks, errors, and omissions. The construction documents must be consistent with the developer firm's project submission and ERR requirements and compliant with the Selected Green Building Standards, Minimum Architectural Design Standards, and related regulatory agency

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requirements. The construction documents will be provided to the PRDOH in electronic forms.

14. Occupational Safety and Health

Health and safety in construction are particularly important because the industry is prone to hazardous situations and can be dangerous at times. To demonstrate proper tracking and compliance related to health and safety issues, Proposers shall submit copies of their Occupational Safety and Health Administration (**OSHA**) 300 forms for the past three (3) years. If OSHA 300 forms are not applicable, Proposers shall provide an explanation as to the reasons for not submitting the forms. The developer firms must comply with federal, state, or local labor laws related to the occupational safety, health and well-being of the organization's employees, subcontractors, and stakeholders. Developer firms will prepare, update, implement and administer the Safety Plan. The developer firms will have qualified safety personnel to train, ensure and reduce the risk of accidents, injury, or incidents. These will be responsible for providing Personal Protection Equipment (**PPE**) to all employees and visitors, including, but limited to, the PRDOH or its representatives during site visits or meetings at the projects.

15. Quality Control and Quality Assurance

The developer firms must comply with the residential construction industry's highest quality standards and tolerances. These quality standards will be included in the Quality Plan and will guide work implementation, completion, and supervision. In addition, the developer firm's design team will develop a quality control, assurance procedure, testing, and reporting as part of the Technical Specifications of each project.

16. Single-Family Unit Development Construction

The developer firms may commence construction upon having an environmental clearance, contracted by PRDOH, and issuance of the Final Construction Permit by the Office of Permit Management (known in Spanish as "Oficina de Gerencia de Permisos". OGP_e, for its Spanish acronym). The developer firms are responsible for the following:

- Completing site improvements and utility connections to enable the construction of single-family units;
- Construction of single-family units, walkways, driveways, roof covered carport and other unit features;
- Laboratory testing, certification and reporting for quality and assurance or commissioning work;
- Preparing Designated Inspector's progress reports, which include photographs, notes, and any other information required to document the progress and compliance of work;

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- Correcting punch list items to correct deficiencies in a timely manner;
Non-conforming work shall be quickly attended up to compliance.

17. Completion of Single-Family Units

The construction activities for the single-family units will be considered a **"completed unit"** when the following conditions are met:

- All punch list items have been corrected;
- Submission of the Architect of Record (**AOR**) Certification of work completion, including those works to occupy the single-family units;
- The project's infrastructure is completed and compliant with the corresponding agency requirements;
- Occupancy Permits are obtained;
- Green Building Standard Certification documents;
- Closeout Binder;
- All the documents required by PRDOH are correct, complete and uploaded in the Grant Management System of Record;
- All the required documents are correct, complete, and provided to enable the real estate closing;
- PRDOH and/or SF-HDI representatives' assessment and acceptance of the completed work;
- Key turnover which shall be labeled and identify the unit number, amenity exterior doors, interior doors, and other relevant information;
- The contracted entities are responsible for project closeout which may include transferring infrastructure to the corresponding agencies and/or municipalities. This includes but is not limited to electrical, data, potable, sanitary, storm water, fire suppression systems, roadways, sidewalks, public areas, public luminaires, spaces, and others.

It is preferable that the completion of units is adjacent to each other and that any public spaces and infrastructure adjacent and near them be complete, decent, safe, and secure. Phased projects must contemplate the completion of units in a logical manner and as per the Construction Permit, Occupancy Permit requirements, etc.

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18. Assessment and Acceptance of Work

Upon completion of a single-family unit, the PRDOH or its authorized representative may proceed with the property assessment of such unit. This assessment may include an evaluation to:

- Verify overall safety and quality of the property;
- Validate overall compliance with SF-HDI requirements;
- It is encouraged that these units are completed in adjacent groups or bundle of units (not scattered within the project) for an efficient assessment process.

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18.1. Required Documents

The developer firms will provide all the information required in the Closeout Binders, part of the Project Closeout requirements. These must be uploaded into the Grant Management System of Record and may be evaluated by PRDOH representatives.

- Closeout Binder: one (1) hardcopy and one (1) digital copy (PDF format);
- Maintaining and preserving the project's records for the period prescribed in the contract;
- Maintaining and preserving the project's records for the period required by federal and state laws and regulations;
- Assist with any monitoring or audits performed by the Office of Inspector General (**OIG**), U.S. Department of Housing and Urban Development (**HUD**), Puerto Rico Department of Housing (**PRDOH**), or its representatives.

18.2. Closeout Binder Required Content

The PRDOH/Owner Closeout binder shall include, but not be limited to following:

- Binder cover, dividers, index of context and checklist (include the following information):
- Program name;
- Project name;
- Project address;
- Developer firm entity name;
- Warranty department phone and email;
- Company physical address;
- Table of contents;
- Warranty start date (PRDOH date of purchase of unit);
- Occupancy Permit;
- Warranty Documents (including waterproofing system, PVS, WSS, equipment, appliances, and finishes, among others);
- Warranty Claim instructions and contact information;
- Operations and maintenance manuals;
- List of vendors, suppliers, and manufacturers;

- Record drawings and specifications, signed and sealed;
- Certifications (Master Plumber and Professional Electrician);
- Commissioning Report for PVS and WSS, as applicable;
- Digital copies of submittals in PDF format;
- Designer's Certification of Completion;
- Copy of closing government permits;
- Green Building Certification;
- Any other documents required by the Program.

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19. Warranty Period

All work performed by the developer firms will be guaranteed as follows:

- Roof waterproofing works will be guaranteed for a minimum of one (1) year;
- Solar water heaters will be guaranteed for a minimum of five (5) years;
- Equipment and appliances installed will be guaranteed for a minimum of one (1) year or as provided for by the manufacturer (whichever is greater);
- Solar photovoltaic system panels installed will be guaranteed for a minimum of ten (10) years;
- Solar PV modules will be guaranteed for a minimum of twenty-five (25) years of linear performance;
- Solar PV Battery Bank and Inverter will be guaranteed for a minimum of ten (10) years;
- WSS will be guaranteed for a minimum of five (5) years;
- All other work will be guaranteed for one (1) year.

For the warranty periods established above the PRDOH, beneficiary or homeowner may require the developer firms to correct defects or problems arising from the work performed. The developer firms must have designated staff to receive, process and resolve warranty and construction complaints. All warranty and construction complaint issues shall be administered until resolved, closed by the developer firms. A reasonable amount of time will be given to correct the valid warranty claim; however, in no case will such time exceed two (2) weeks to resolve. Should the developer firms fail to correct the problem, the PRDOH may commence any necessary legal resources as prescribed in the developer firm contract. Warranties shall be transferable to PRDOH and subsequent property owners.

20. Marketing and Public Relations

The developer firms are expected to cooperate with PRDOH's public relation efforts and facilitate dissemination of information, upon request. To achieve these goals, the developer firms will provide data and information related to the Program(s) production,

performance and completed projects. The Proposers are not authorized to distribute any of the Program(s) documents, data, confidential materials, or sensitive information, unless a written authorization is provided by PRDOH. It is recommended that developer firms document the completed work in good quality and resolution which may be used by the PRDOH for communication purposes. These shall be readily available and be provided to the PRDOH when requested.

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21. Purchase of Completed Single-Family Units

The PRDOH will purchase single-family units completed within the established period of performance. Program applicants may be available to immediately occupy these units with the coordination and assistance of PRDOH. The PRDOH reserves the right not to purchase incomplete units and/or projects and those which do not comply with the SF-HDI requirements. The PRDOH will not issue payments, reimbursements, progress payments or finance the developer firm's operation and project. The PRDOH will purchase "**completed units**" at a reasonable pre-established sale price as defined in this document and the terms and conditions of the Contract.

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21.1. Real Estate Closings

Upon a favorable determination on acquiring a unit's property, the developer firm and PRDOH may proceed to coordinate the property acquisition.

- Single-Family units must be segregated, registered, and shall possess notarial deeds on each unit.
- The developer firm "seller" shall provide all the documents deemed necessary by PRDOH for the property acquisition. These documents must be valid and not expired, even at the time of the purchase.
- PRDOH may conduct title investigations as necessary whenever such documents reach their expiration date before closing.
- The developer may draft the property's deed for the real estate transaction.
- The developer firm may be required to draft additional legal documents when needed for the closing to take place.
- After acquiring all necessary documents from the developer firm and after drafting any other documents required to purchase the property, the developer firm must submit documents to PRDOH for review and approval. Documents to be submitted include:
 - All necessary documents from the seller (e.g. proof of ownership, CRIM Certifications, ASUME Certifications, Treasury Certifications, Title Investigations, Payment Request Form, Non-Resident Information Form, etc.);
 - Any document necessary for the transaction to take place.
 - A PRDOH authorized realtor may coordinate the transaction to take place.

- Once all the required documentation is approved and requested funds are available and certified, the developer firm and PRDOH will schedule the real estate closing event with the different parties and stakeholders.

Seller (developer firms) and buyer (PRDOH) are each responsible for any fees and the completion of any tasks associated with completing a real estate transaction on a per unit basis between the parties. These tasks and fees will be covered by each party per real estate industry standards.

22. Compliance of Work with Federal Laws

22.1. Affirmatively Furthering Fair Housing

As applicable, all projects must comply with the statutory obligations under the Fair Housing Act at 42 U.S.C. 3608.

22.2. Davis-Bacon Act & Related Acts

All work performed by the developer firm, as well as any of their subcontractors, must comply with the requirements of the Davis-Bacon Act, when applicable, as part of the Contract³.

END OF SCOPE OF WORK.

³ Generally, Davis-Bacon applies to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Davis-Bacon also applies to residential construction which consists of projects involving the construction, alteration, or repair of eight or more separate, contiguous single-family houses operated by a single entity as a single project or eight or more units in a single structure.



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

ATTACHMENT C

ATTACHMENT C

Compensation Schedule

SINGLE-FAMILY UNIT

Single-Family Housing Development Initiatives
Community Development Block Grant for Mitigation
Puerto Rico Department of Housing
CDBG-MIT-RFP-2022-04

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Name of Proposer: Portales de Carolina CDBG-MIT LLC

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1. Single-Family Qty Units: 61 Single-Story, 3-Bedroom & 2-Bathroom

2. Project Name: Portales de Carolina

3. Project Location in PRPB Functional: FZ-San Juan

4. Municipality: Carolina

ID	Cost Category	Proposed Price
Single-Family Property (Unit) Reasonable Sale Price		
SF-01	Single-Family Property (Unit) Reasonable Sale Price	\$282,000.00
Sub-Total Construction Costs		\$282,000.00
Photovoltaic System with Battery Storage & Water Storage System Reasonable Sale Price		
PVS-01	Photovoltaic System with Battery Storage	\$20,000.00
WSS-01	Water Storage System	\$3,000.00
Total Reasonable Sale Price of Single-Family Property (Unit)		\$305,000.00
Total Project Cost		\$18,605,000.00

Notes:

- (1) The single-family property reasonable sale price includes the labor, materials, equipment, amenities and any other direct or indirect costs associated with the dwelling including the main structure, roof covered garage, property land, solar water heater and any other work required for the unit completion.
- (2) The single-family property reasonable sale price includes all the project development components, direct and indirect costs, associated with the property, including sidewalk, driveway, and any other work required for the unit completion, as well as the value of the land.
- (3) The photovoltaic system with battery storage system (PVS) cost includes all the costs associated as described in the Single-Family Housing Development Initiatives Scope of Work (SOW), Minimum Architectural and Design Standards, any building code, regulation, standards, and requirements.
- (4) The water storage system (WSS) cost includes all the costs associated as described in the Single-Family Housing Development Initiatives Scope of Work (SOW), Minimum Architectural and Design Standards, any building code, regulation, standards, and requirements.
- (5) If the sum of the single-family property reasonable sale price, PVS, WSS reasonable sale price, if awarded and upon contract, the PRDOH may acquire the completed units as described in the SOW, contract documents, the PRDOH and/or the Single-Family Housing Initiatives requirements.
- (6) The proposed sales price is not subject to any incentive or benefits related to the construction works that are not in effect at the time of submitting the proposal.



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

ATTACHMENT D

SINGLE-FAMILY HOUSING DEVELOPMENT INITIATIVES REQUEST FOR PROPOSALS

PERFORMANCE REQUIREMENTS

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INTRODUCTION

This document represents performance metrics and requirements for Single-Family Housing Development Initiatives (**SFHD**) tasks. The Contractor shall adhere to the requirements of this document. The Contractor shall develop workplans, schedules, reports and/or any other document as may be requested by PRDOH or its representative in connection to the metrics and requirements set forth herein. The Contractor shall submit any of such documents for review and approval as requested by PRDOH within the specified time frame provided for such request. PRDOH reserves the right to request any information as part of the Grantee's responsibilities. The Contractor is responsible for providing and performing all its responsibilities, and deliverables as stated in the Scope of Work.

The metrics and requirements included in these Performance Requirements may be modified, including the addition of new requirements based on the Program's development and implementation, at the discretion of PRDOH for the Program's Benefit.

SCOPE OF SERVICES

The Contractor is responsible for compliance with all aspects of the Scope of Work (**SOW**) included as an attachment to the Contract.

TASKS

Contractor must ensure that the SF-HDI tasks are completed according to the specifications and requirements of the Agreement, including timeframe of completion of the tasks.

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TASK	DELIVERABLE	TIMELINE
Section 7.1 of the SOW	Obtain and evaluate compliance with the Environmental Review Record (ERR) documents	Prior to the continuance of construction documents, permitting process and fieldwork on the proposed site
Section 7.1 of the SOW	Obtain and evaluate the property legal documents, deeds, liens, easements, and any other restrictions that may affect the ownership of the project	During the Period of Performance (POP) stated in the Agreement through to the closing event to transfer property to PRDOH
Section 7.1 of the SOW	Obtain and evaluate market research and analysis reports that identify the development and best use of the proposed land	Prior to construction start
Section 7.1 of the SOW	Obtain and evaluate technical studies, historical data, natural resources and habitats and any other relevant characteristics which may affect the project's viability, feasibility, design, construction, and/or completion	Prior to and during construction
Section 7.1 of the SOW	Elaborate construction documents, evaluation of submittals, clarification drawings, revision of construction drawings (when required), evaluate samples of materials, design services during construction (including A&E periodical site visits), coordinate and comply with the corresponding agencies inspections, reports and requirements, keep record and provide record drawings "as-built" documents	Prior to and during construction
Section 7.1 of the SOW	Perform, coordinate, and synchronize work to produce the design activities diligently, permitting process, construction site visits, clarification drawings, request for information, project closeout and others	Prior to and during construction
Section 7.1 of the SOW	Obtain, secure and maintain the project abatement requirements with the corresponding agency	Throughout the POP

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TASK	DELIVERABLE	TIMELINE
Section 7.1 of the SOW	Perform and maintain a record of weekly progress meetings (meeting minutes) with the participation of stakeholders	On a weekly basis after execution of Agreement
Section 8.4 of the SOW	Submit detailed Project Plan	30 days after contract execution
Section 8.4 of the SOW	Submit updated project schedule and completed unit delivery forecast for each design, permits, construction and close out phase	As established by PRDOH
Section 8.5 of the SOW	Submit Permitting Plan	30 days after contract execution
Section 8.7 of the SOW	Submit Design Deliverables	As requested by PRDOH
Section 12 of the SOW	Submit the Environmental Review package for revision	60 days after contract execution
Section 13 of the SOW	Submit Construction Documents	As requested by PRDOH
Section 16 of the SOW	Complete site utility connections	Within the POP stated in the Agreement
Section 16 of the SOW	Obtain Final Construction Permit	Prior to construction start
Section 16 of the SOW	Submit periodic reports regarding the physical progress of the construction	As established by PRDOH
Section 16 of the SOW	Correcting punch list items to correct deficiencies in a timely manner; non-conforming work shall be quickly attended up to compliance	After PRDOH assessment and prior of the acceptance of work (per unit)
Section 17 of the SOW	Submit Architect of Record and Designated Inspector's Certification of work completion	As requested by PRDOH
Section 17 of the SOW	Perform project closeout activities which may include transferring infrastructure to the corresponding agencies and/or municipalities	Within the Period of Performance (POP) stated in the Agreement
Section 18 the SOW	Completion of single-family housing units	Within the POP stated in the Agreement

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TASK	DELIVERABLE	TIMELINE
Section 18.2 of the SOW	Submit Close-out binder, including warranty documentation	As requested by PRDOH
Section 19 of the SOW	Warranty and construction claim resolutions to correct defects or problems arising from work performed	Within two (2) weeks of submission of complaint
Section 20 of the SOW	Assist with outreach efforts, marketing and public relations, including providing photos, data, documents and information needed to promote the development.	As requested by PRDOH
Section 21 of the SOW	Purchase of Units & Real Estate Closings. Seller (developer firms) and buyer (PRDOH) are each responsible for any fees and the completion of any tasks associated with completing a real estate transaction on a per unit basis between the parties. These tasks and fees will be covered by each party per real estate industry standards	Within the POP stated in the Agreement

Pursuant to **Sections 8.7, 10, 11 and 21** of the SOW, completed housing units must comply with the following standards and requirements:

1. Green Building Standards (**GBS**): Design and construction activities must comply with the Green Building Standards described in Federal Registers 83 FR 5844, 84 FR 4836, and as per Programs requirements, including proper certification(s).
2. Minimum Architectural and Design Standards (**MADS**): These standards do not supersede the Building Code provisions and requirements, nor the Contractor's Selected Green Building Standard.
3. Comply with the design intent, parameters, specifications, and area, stated in the Proposal.
4. Comply with: all other SOW sections; all requirements established in the Agreement and its attachments; and all applicable federal, state, local and administrative regulations.
5. Comply with conditions established in Section 17 of the SOW for "completed unit."
6. Be assessed and accepted by PRDOH as established in Section 18 of the SOW and its subsections.

Upon request by PRDOH, Contractor must submit permits, close-out documents, and all other information related to the project per Section 18.2 of the SOW. Contractor is also responsible for the costs and completion of the entire process including, but not limited

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to, transfer of ownerships deeds and easement deeds required by the different governmental organisms (see Section 21.1 of the SOW).

Terms may be modified if deemed necessary by the PRDOH, with due notification to the contractor. All deliverable dates will be calendar days.

END OF DOCUMENT

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ATTACHMENT E

HUD GENERAL PROVISIONS

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

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

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

General Provisions:

1. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

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

2. STATUTORY AND REGULATORY COMPLIANCE

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

3. BREACH OF CONTRACT TERMS

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

4. REPORTING REQUIREMENTS

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5. ACCESS TO RECORDS

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

6. MAINTENANCE/RETENTION OF RECORDS

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

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

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

- (i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

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- (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.

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

8. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

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

9. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

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

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

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

that discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.

11. SECTION 504 OF THE REHABILITATION ACT OF 1973

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

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

12. AGE DISCRIMINATION ACT OF 1975

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

13. DEBARMENT, SUSPENSION, AND INELIGIBILITY

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

14. CONFLICTS OF INTEREST

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

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15. SUBCONTRACTING

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

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

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

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

16. ASSIGNABILITY

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

17. INDEMNIFICATION

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

18. COPELAND "ANTI-KICKBACK" ACT

(Applicable to all construction or repair contracts)

Salaries of personnel performing work under this Contract shall be paid unconditionally and not less often than once a month without payroll deduction or rebate on any account except only such payroll deductions as are mandatory by law or permitted by

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

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19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

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

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

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

20. DAVIS-BACON ACT

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

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

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

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

21. TERMINATION FOR CAUSE

(Applicable to contracts exceeding \$10,000)

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

22. TERMINATION FOR CONVENIENCE

(Applicable to contracts exceeding \$10,000)

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

23. SECTION 503 OF THE REHABILITATION ACT OF 1973

(Applicable to contracts exceeding \$10,000)

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

Equal Opportunity for Workers with Disabilities:

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

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- (i) Recruitment, advertising, and job application procedures;
 - (ii) Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
 - (iii) Rates of pay or any other form of compensation and changes in compensation;
 - (iv) Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
 - (v) Leaves of absence, sick leave, or any other leave;
 - (vi) Fringe benefits available by virtue of employment, whether or not administered by the CONTRACTOR;
 - (vii) Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
 - (viii) Activities sponsored by the CONTRACTOR including social or recreational programs; and
 - (ix) Any other term, condition, or privilege of employment.
- 2) The CONTRACTOR agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.
- 3) In the event of the CONTRACTOR's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.
- 4) The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Deputy Assistant Secretary for Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the CONTRACTOR'S obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The CONTRACTOR must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the CONTRACTOR may have the notice read to a visually disabled individual, or may lower the posted notice so that it might be read by a person in a wheelchair).
- 5) The CONTRACTOR will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the CONTRACTOR is bound by the terms of Section 503 of the Rehabilitation Act

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

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

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24. EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

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

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

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25. CERTIFICATION OF NONSEGREGATED FACILITIES

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

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

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

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

26. CERTIFICATION OF COMPLIANCE WITH CLEAN AIR AND WATER ACTS

(Applicable to contracts exceeding \$100,000)

CLEAN AIR ACT

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

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

WATER POLLUTION CONTROL ACT

- 1)---The CONTRACTOR agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. §1251, *et seq.*

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- 2)---The CONTRACTOR agrees to report each violation to the PRDOH and understands and agrees that the PRDOH will, in turn, report each violation as required to assure notification to the Government of Puerto Rico, HUD, and the appropriate Environmental Protection Agency Regional Office.

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

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

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

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

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.

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- 4) Agreement by the CONTRACTOR that he or she will include, or cause to be included, the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the CONTRACTOR will take such action as the government may direct as a means of enforcing such provisions.

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

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

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

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

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28. BONDING REQUIREMENTS

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

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

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

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

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

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

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

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

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30. FAIR HOUSING ACT

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

31. ENERGY POLICY AND CONSERVATION ACT

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

32. HATCH ACT

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

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

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

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33. HEALTH AND SAFETY STANDARDS

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

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34. PERSONNEL

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

35. WITHHOLDING OF WAGES

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

36. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES

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

37. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS

No person employed on the services covered by this Agreement shall be discharged or in any way discriminated against because he or she has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any

proceeding under or relating to the labor standards applicable hereunder to his or her employer.

38. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS

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

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

39. INTEREST OF CERTAIN FEDERAL OFFICERS

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

40. INTEREST OF CONTRACTOR

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

41. POLITICAL ACTIVITY

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

42. RELIGIOUS ACTIVITY

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

43. FLOOD DISASTER PROTECTION ACT OF 1973

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

44. LEAD BASED PAINT

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

45. VALUE ENGINEERING

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

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

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

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

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equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.

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

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

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

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

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

48. FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA)

The Federal Funding Accountability and Transparency Act of 2006 (**FFATA**), as amended, was signed with the intent of reducing wasteful government spending and providing citizens with the ability to hold the government accountable for spending decisions. 2 C.F.R. § Part 170 outlines the requirements of recipients' in reporting information on subawards and executive total compensation under FFATA legislation. Any non-Federal entity that receives or administers Federal financial assistance in the form of grants, loans,

loan guarantees, subsidies, insurance, food commodities, direct appropriations, assessed and voluntary contributions; and/or other financial assistance transactions that authorize the non-Federal entities' expenditure of Federal fund, is subject to these requirements. Prime contract awardees and prime grant awardees are required to report against subcontracts and subgrants awarded in the FFATA Subaward Reporting System (FSRS), the reporting tool for Federal prime awardees. This information reported will then be displayed on a public and searchable website: www.USASpending.gov.

33. PROCUREMENT

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

34. CHANGE ORDERS TO CONTRACTS

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

45. LIMITED ENGLISH PROFICIENCY

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

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

46. PERSONALLY IDENTIFIABLE INFORMATION

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

51. PROCUREMENT OF RECOVERED MATERIALS

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

END OF DOCUMENT

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

PORTALES DE CAROLINA CDBG-MIT LLC

The following is hereby certified to the Oversight Board regarding the request for authorization for Single-Family Housing Development Initiatives contract by and between the Puerto Rico Department of Housing and Portales de Carolina CDBG-MIT LLC:

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

1.
 - a. Name of Firm: SS Contractors Inc; Principal Stakeholder: Steven Santana 100%
 - b. Contractual Relation: House Construction (61 units)-excludes electrical work
 - c. Amount of Proposed Contract: \$9,394,000.00 approximate

2.
 - a. Name of Firm: Rolei Electrica LLC; Principal Stakeholder: Juan Pablo Leiseca 60%, Eduardo Chardón 33% y Jorge Leiseca 7%
 - b. Contractual Relation: Electrical work-house (interior) (61 units)
 - c. Amount of Proposed Contract: \$518,500.00 approximate

3.
 - a. Name of Firm: Constructora López y Rivera Inc; Principal Stakeholder: Felipe López Ortiz 50% & Edwin Rivera Reyes 50%
 - b. Contractual Relation: Site Work (61 units)-excludes electrical site
 - c. Amount of Proposed Contract: \$1,677,500.00 approximate

4.
 - a. Name of Firm: Rolei Electrica LLC; Principal Stakeholder: Juan Pablo Leiseca 60%, Eduardo Chardón 33% y Jorge Leiseca 7%
 - b. Contractual Relation: Electrical work-site (61 units)
 - c. Amount of Proposed Contract: \$915,000.00 approximate

5.
 - a. Name of Firm: PMCG LLC; Principal Stakeholder: Dennis Gonzalez – 100%
 - b. Contractual Relation: Program compliance, contract compliance, monthly reporting, and final unit closing.
 - c. Amount of Proposed Contract: 255,818.75

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

n/a at this moment.

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

contravention of applicable law.

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

5. Neither the contractor, nor any of its owners, partners, directors, officials or employees or, to the best of its knowledge (after due investigation), its representatives or sub-contractors, has required, directly or indirectly, from third persons to take any action with the purpose of influencing any public official or employee in connection with the procurement, negotiation or execution of the contract, in contravention of applicable law.

6. Any incorrect, incomplete or false statement made by the contractor's representative as part of this certification shall cause the nullity of the proposed contract, and the contractor must reimburse immediately to the Commonwealth any amounts, payments, or benefits received from the Commonwealth under the proposed contract.

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I hereby certify under penalty of perjury that the foregoing is complete, true, and correct on this 25 day of august of 2023.



August 25, 2023

Signature

Date

María Camero Authorized Representative
Printed Name Position



ATTACHMENT G

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PORTALES DE CAROLINA CDBG-MIT LLC

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The CONTRACTOR certifies that:

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

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



August 25, 2023

Signature

Date

Maria Carnero Authorized Representative

Printed Name

Position

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GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

ATTACHMENT H

ATTACHMENT #6
MINIMUM ARCHITECTURAL AND DESIGN STANDARDS
Request for Proposals
Single-Family Housing Development Initiatives
Community Development Block Grant for Disaster Mitigation
Puerto Rico Department of Housing
CDBG-MIT-RFP-2022-04
(Revised for Addendum No. 1)

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On December 21, 2022, the PRDOH issued the Request for Proposal (RFP) No. CDBG-MIT-RFP-2022-04 to support the Puerto Rico Department of Housing (PRDOH) in the implementation of the Single-Family Housing Mitigation Program (SF-MIT Program) under the Community Development Block Grant for Mitigation (CDBG-MIT). A description of the Housing Sector CDBG-MIT is included in the Action Plan approved by the U.S. Department of Housing and Urban Development (HUD)¹.

1. General Description

The Minimum Architectural and Design Standards (MADS) is not a stand-alone document, and it does not supersede the Building Codes provisions, requirements, nor the Proposers Selected Green Building Standard requirements. The Proposers must align the design of the new resilient single-family housing (Units) according to reasonable sale price, cost reasonableness principles with the corresponding sections of the Single-Family Housing Development Initiative, Scope of Work (Attachment #1 of the RFP). The intent of the SF-HDI SFM Program Minimum Architectural and Design Standards is to:

- Set forth the minimum criteria to incorporate into design solutions;
- Enhance consistency in the design proposals, evaluation, and approval process;
- Promote the use of resilient materials and techniques;
- Promote a healthy living environment;
- Balance quality of materials with cost reasonableness principles.

These minimum design standards may be outperformed with better performance materials, products, and techniques.

2. General Design Requirements

The proposed design solutions shall consider the following General Design Requirements:

¹ A description of the Housing Sector CDBG-MIT is included in the Action Plans approved by the U.S. Department of Housing and Urban Development (HUD), are available in the following web addresses <https://cdba-dr.pr.gov/en/download/cdbg-mit-action-plan-amendment-1-substantial-effective-on-october-17-2022/>.

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1. The primary material of construction for the structure will be reinforced concrete (plastered) with local manufactured cement in accordance with the requirements of Executive Order No. OE-2018-033 and Act 109 of 1985².
 2. In general terms the design solutions shall be elaborated in such a way that units are readily adaptable to accommodate "ADA" details and features. The design of these units shall comply with the 2010 ADA Standards for Accessible Design³. Non-ADA units (adaptable units) shall be designed to accommodate mobility widths, clearances and turn radius requirements.
 3. Single-Family units will be a detached one (1) level (one story).
 4. Single-Family units will have 3-bedrooms and 2-bathrooms.
 5. As minimum the units will have a minimum construction area of 1,150 square feet, (excluding carport, driveway, walkway, and others).
 6. 5% of units proposed in a project shall ~~are to~~ comply with the 2010 ADA Standards for Accessible Design.
 7. Building envelope materials such as exterior doors and windows shall be designed and specified considering impact resistance, energy efficiency, air infiltration, water infiltration, security, and privacy.
 8. Exterior doors and windows must be installed correctly, ~~in~~ plumb, with the correct amount, spacing, width and penetration of anchors. These shall operate with the correct amount of force, as required by the design specifications.
 9. All rooms must have access to natural light and ventilation. Bathrooms should incorporate a window or exhaust fan.
 10. Kitchens preferably may be open to the dining/living area to provide an open space concept.
 11. Rough-In for a gas stove and an electric powered circuit outlet (120-240 volts) for an electrical stove, shall be provided as part of the design solution.
 12. The design shall contemplate that a storage gas tank may be in the exterior of the structure and the interior point of connection be easily accessible and according to applicable codes, regulations, and standards.
 13. Bathrooms must have showers (no bathtubs are allowed).
 14. Laundry equipment rough-in to be in the interior of the units.
 15. All doors must have a minimum 32-in clear door opening width.

² For clarity, the use of local manufactured cement will apply to any concrete work performed. The use of non-locally manufactured cement may be permitted when materials or products are not locally available in sufficient quantities or if required quality standards cannot be achieved with local products.

³ Refer to the Department of Justice published revised regulations for Titles II and III of the Americans with Disabilities Act of 1990 "ADA" in the *Federal Register* on September 15, 2010. These regulations adopted revised, enforceable accessibility standards called the 2010 ADA Standards for Accessible Design "2010 Standards" or "Standards".

16. Units shall include a roof covered garage carport for one (1) vehicle, (primary construction material: reinforced concrete, plastered) with adequate dimensions to accommodate vehicles and accessible pedestrian circulation.
17. All exterior systems (including solar water heater (**SWH**), photovoltaic system with battery storage system (**PVS**), water storage systems (**WSS**), and others) shall be designed to withstand wind force, hurricane force winds, uplift, secure anchoring, and accessories according to applicable codes, standards, and regulations. All roof penetrations shall be weathertight and waterproof.
18. Any products or appliances provided in the must comply with Energy Star, Water Sense as per 83 FR 5844.

3. Specific Minimum Design Requirements

The specific minimum requirements in **Table 1** apply to the units designed by proposers and contracted by PRDOH.

Table 1 Minimum Design Criteria for single-family housing units.

Item	Description
Paint	Interior and exterior surfaces will be painted.
Floor Finish and Baseboards	Ceramic or Porcelain.
Porch	Main entrance through a roof covered porch.
Kitchen Cabinets	Water-resistant cabinet materials (high density PVC, hydrophobic particle board and medium density fiber board are accepted). Water-absorbent cabinet materials are not allowed.
Bathroom Vanities	Water-resistant vanity materials (high density PVC, hydrophobic particle board and medium density fiber board are accepted). Water-absorbent vanity materials are not allowed.
Bedrooms	To include ceiling fans with integrated LED type lights (regular standard threaded bulb).
Bedroom Closets	Wall-mounted or floor mounted cabinetry as replacement for closet areas are not allowed.
Living Room	To include ceiling fans with integrated LED type lights (regular standard threaded bulb).
Dining Room	To include ceiling fans with integrated LED type lights (regular standard threaded bulb).

Item	Description
Indoor and Outdoor Lighting	LED type (regular standard threaded bulb). Outdoor Light Fixtures: wet rated.
Water Equipment and Products	Includes, but is not limited to shower heads, toilets, faucets, and others.
Water Heating System	Solar water heater with storage tank.
Water Storage System	Water lines and electrical lines to pressurize system will be designed and installed inside the walls.
Refrigerator	Overall capacity: ≥ 18 cu. feet
Range	Electric or gas Range size: ≥ 30 inches (slide in) Number of burners: four (4) Control type: analog knob Gas range ignition: electronic
Roof Impermeabilization	All exterior roof surface, overhangs, parapets, and penetrations to be impermeabilized.
Others	Include a 120/240 volts, 30-Amp manual transfer switch kit that allows the connection of a portable standby power generator. Properties must be completed with sod or hydroseeding pervious surfaces ⁴ .

4. Photovoltaic System with Battery Storage⁵ and Water Storage Systems

The design criteria, design, equipment, and installation shall be standardized, with minimal deviation to promote consistency and cost reasonableness.

- Design of PVS must be performed by a licensed engineer, who is also a member of the Puerto Rico College of Engineers and Land Surveyors, in accordance with Act 173 of August 12, 1976.
- Comply with Regulation No. 7796 of January 19, 2010, known in Spanish as "Reglamento para la Certificación de Sistemas de Energía Renovable", of the

⁴ Developer firms shall take care of grass, vegetation, and root systems for a period of three (3) months within the properties once these are purchased by PRDOH. Public spaces shall be taken care of until project completion and/or as required by law.

⁵ The developer firm team shall file, obtain, and secure all required permits, endorsement, licenses and be responsible for any certification and/or notification to the applicable state agencies, including interconnection certifications and fees in accordance with the Act 17 of April 11 of 2019 ("Ley de Política Pública Energética de Puerto Rico"). All fees associated with the permits, notifications, and licenses are the responsibility of the developer firm.

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Puerto Rico Electric Power Authority, or its equivalent regulation in place at the time of installation as any other applicable laws, regulations, and codes.

- Installations must be performed by a Certified Installer in accordance with Article 17 of Regulation No. 7796, or its subsequent equivalent regulation.

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5.1. PV System Requirements

The PV System shall be capable of running critical loads, household appliances (refrigerators, water pump, etc.), life support devices, to enable the occupants to shelter-in-place during electrical grid outages. The PV Systems shall be installed, commissioned, and must comply with the following installation general requirements:

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5.1.1. PV System Commissioning

Once the systems are installed the developer firm shall perform commissioning and inspections to correct underperformance, findings, deficiencies and validate the PV System performance. These may apply to system location, shading, quality of installation, anchoring, securing, performance as per the design intent, and others. Commissioning and inspection shall follow the International Electrotechnical Commission (IEC) standard IEC 62446, and any local or state regulation.

5.1.2. PV System Standard Package

Standard packages as minimum shall have the capacity of supplying electricity to an itemized list of devices, appliances and lighting fixtures identified as critical loads. The system will supply electricity to the critical loads independently as a stand-alone system, with grid interconnecting capacity. The developer firm will provide as minimum the following standard package for PV Systems and battery storage:

- **3 kW DC** PV modules **48V** voltage lithium-ion battery bank with a minimum output of **9 kWh** and an **autonomy of 20 hours**. Loads shall consider one (1) medical life support device. The PV System shall provide and install an automatic transfer switch to allow for system operation in standalone mode.

6. Water Storage System Requirements

The water storage system shall provide domestic water to the single-family unit from the water storage tank using an electric water pump, controls, and a diaphragm type pressurized tank to provide back-up water supply with adequate pressure and without damaging water fixtures. The system pressure pump shall be coordinated and connected to the PV System to continue operating during electrical service interruption.

- A minimum capacity of **500** gallons per unit, with all its necessary equipment and accessories for functionality of water storage and distribution. A minimum Pump of **¾ horsepower** shall be provided.

- The water storage tank shall be located on the rooftop of the home, when feasible. If the structural integrity of the house does not support the load of any of the applicable water tank size options, installation in a reinforced concrete pad may be provided at ground level.
- The water storage tank shall be connected to the utility's main water line with a water level control valve and backflow preventer. The water storage tank shall have instrumentation to monitor (located at ground level), control pressure and water level.
- The water storage tank shall be constructed of ultraviolet (UV) and corrosion resistant material, approved for potable water and food-grade applications, and have the Food and Drug Administration (FDA) and the National Safety Foundation (NSF) approval.
- Water storage tanks must be vented to allow water level changes. The vent opening installed in downward position shall include protective screen for pest control.
- Disinfection of the water storage tank and pressure tank after installation must follow the manufacturer's recommendations.

END OF MINIMUM ARCHITECTURAL AND DESIGN STANDARDS

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