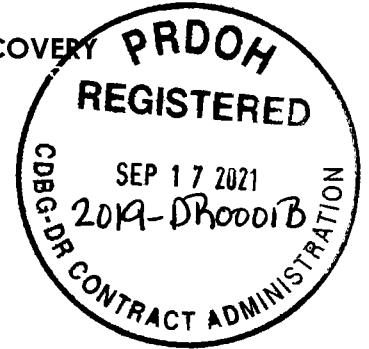




COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY  
(CDBG-DR)

AMENDMENT B to the  
AGREEMENT FOR GRANT MANAGEMENT SERVICES  
BETWEEN THE  
PUERTO RICO DEPARTMENT OF HOUSING  
AND HORNE, LLP



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This **AMENDMENT B TO THE AGREEMENT FOR GRANT MANAGEMENT SERVICES** (hereinafter, the "**AMENDMENT B**") is entered into this 16 day of September, 2021, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (the "PRDOH"), a public agency of the Government of Puerto Rico created under Act No. 97 of June 10, 1972, as amended, 3 L.P.R.A. § 441 *et seq.*, known as the "Department of Housing Organic Act" (the "Organic Act"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, Hon. William O. Rodríguez Rodríguez, Esq., of legal age, attorney, single, and resident of San Juan, Puerto Rico; and **HORNE, LLP** (hereinafter, the "CONTRACTOR"), with principal offices in 269 Ponce de León Avenue, San Juan, Puerto Rico 00917, herein represented by Samir El Hage Arocho, in his capacity as Partner, of legal age, married, and resident of Canóvanas, Puerto Rico, duly authorized by Resolution by the CONTRACTOR.

**I. RECITALS AND GENERAL AWARD INFORMATION**

**WHEREAS**, on May 3<sup>rd</sup>, 2019, the PRDOH and the Contractor entered into an Agreement for Grant Management Services in connection with the CDBG-DR Program for a period of **thirty-six (36)** months from the day of its execution, ending in May 2, 2022, for one hundred twenty two million five hundred three thousand six hundred and eighty nine dollars (\$122,503,689.00), registered as Contract Number 2019-DR0001 (hereinafter, "the Agreement")

**WHEREAS**, the Parties agreed to modify the AGREEMENT via Amendment A, Contract No. 2019-DR0001A, executed on April 17, 2020. In summary, the Amendment A served the purpose of: modifying the IT rates contained under the Main Services Schedule in the Compensation Schedule (Attachment G), as well to conform the Agreement to Federal and State laws and regulations.

**WHEREAS**, as per Section XXXIII of the AGREEMENT, the AGREEMENT may be amended in writing and signed by a duly authorized representative of each party. Nonetheless, the amendment shall not invalidate the AGREEMENT, nor release the parties from their obligations under the AGREEMENT;

**WHEREAS**, it is the intention of the parties to modify and amend certain terms of the AGREEMENT, specifically a modification of the **Scope of Work**, attached to the aforementioned Agreement, to reference the CDBG-DR Energy System Improvements Action Plan.

**WHEREAS**, this AMENDMENT B is not intended to affect, nor does it constitute an extinctive novation of the obligations of the parties under the AGREEMENT but it is rather a modification and amendment of certain terms of the AGREEMENT, specifically the **Scope of Work**, attached to the aforementioned Agreement;

**WHEREAS**, this AMENDMENT B does not affect the term nor the overall amount of the AGREEMENT.

**NOW THEREFORE**, in consideration of the mutual promises and the terms and conditions set forth in the AGREEMENT, the PRDOH and the CONTRACTOR agree to execute this AMENDMENT B subject to the following:

## TERMS AND CONDITIONS

### II. SAVINGS CLAUSES

The information included in this AMENDMENT B serves the purpose of modifying and amending certain terms and conditions under the AGREEMENT, including any modified Exhibits. All provisions of the original AGREEMENT shall continue to be in full force and effect, as amended by this AMENDMENT B. The Total Authorized budget included in the AGREEMENT shall not be changed.

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### III. ATTACHMENT

The information included in this AMENDMENT B serves the purpose of modifying and amending certain terms under the AGREEMENT specifically the **Scope of Work**. All other provisions of the AGREEMENT and Exhibits shall continue to be in full force and effect.

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### IV. SCOPE OF AMENDMENT

The PRDOH and the CONTRACTOR have agreed to enter into this AMENDMENT B with the purpose of modifying certain sections of the existing AGREEMENT specifically the **Scope of Work**.

### V. AMENDMENTS<sup>1</sup>

- A. The parties intend to amend the **Scope of Work**, of the AGREEMENT, to incorporate the services that Horne will provide to support the PRDOH to conduct action plan preparation, as well as related grant management services, for the CDBG-DR energy system improvements or enhancement funds. (**See Attachment I of this Amendment B**).

### VI. SEVERABILITY

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

### VII. SECTION HEADINGS AND SUBHEADINGS

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

### VIII. COMPTROLLER REGISTRY

The PRDOH shall remit a copy of this AMENDMENT B to the Office of the Comptroller for registration within **fifteen (15) days** following the date of execution of this AMENDMENT B and any subsequent amendment hereto. The services object of this AMENDMENT B may not be invoiced or paid until this AMENDMENT B has been registered by the PRDOH at the Comptroller's Office, pursuant to Act No. 18 of October 30, 1975, as amended by Act No. 127 of May 31, 2004.

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<sup>1</sup> For easier review, Amendments will appear in *italics* throughout the document.

**IX. ENTIRE AGREEMENT**

The AGREEMENT, as amended, constitutes the entire agreement among the PARTIES for the use of funds received under the AGREEMENT, as amended, and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written among the PARTIES with respect to the AGREEMENT, as amended.

**X. FEDERAL FUNDING**

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

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**XI. COMPLIANCE WITH LAW**

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

**IN WITNESS THEREOF**, the PARTIES hereto execute this AMENDMENT B in the place and on the date first above written.

**PUERTO RICO DEPARTMENT OF HOUSING**

By: William O. Rodríguez Rodríguez  
William O. Rodríguez Rodríguez (Sep 16, 2021 10:55 EDT)  
Name: William O. Rodríguez Rodríguez, Esq.  
Title: Secretary

**HORNE, LLP**

By: Samir El Hage  
Samir El Hage (Sep 16, 2021 08:31 EDT)  
Name: Samir El Hage  
Title: Partner  
DUNS: 075071548



**GOVERNMENT OF PUERTO RICO**  
**Department of Housing**

**ATTACHMENT 2**  
**SCOPE OF WORK**  
**Request for Quotations**  
**Grant Management Services**  
**Community Development Block Grant – Disaster Recovery**

**1. Scope of Work:**

The Contractor will be responsible for completing the following activities:

**GRANT ADMINISTRATION, POLICIES AND PROCEDURES, MONITORING AND COMPLIANCE:**

- 1.1. Support and assist PRDOH in the establishment of CDBG-DR objectives, performance, compliance and monitoring standards and procedures for all CDBG-DR related activities, in accordance with CDBG-DR, HUD, and other applicable federal and local requirements rules and regulations.
- 1.2. Support and assist PRDOH in the establishment of preparedness and mitigation measures and development of best practices, for all CDBG-DR related activities, in accordance with CDBG-DR, HUD, and other applicable federal and local requirements rules and regulations.
- 1.3. Support and assist PRDOH in the development and monitoring of required policies and procedures for the CDBG-DR grants. Proposer shall also support and assist PRDOH in the establishment of quality control and quality assurance procedures.
- 1.4. Support and assist PRDOH in the establishment of policies and procedures related to the prohibition of duplication of benefits and in the auditing and monitoring of duplication of benefits.
- 1.5. Support and assist PRDOH in all phases of the CDBG-DR grants management process, which includes, but is not limited to, (i) assessing compliance of the financial management systems; (ii) ensuring responsible and accountable use of grant funds; (iii) ensuring that CDBG-DR funds are not being comingled with non CDBG-DR funds; (iv) ensuring transparent and authorized use of all CDBG-DR funds; (v) guarding against fraud waste, abuse, and ineligible use of funds; (vi) ensuring that performance is in compliance with the CDBG-DR grants requirements; (vii) ensuring that all key performance indicators are being properly monitored and addressed quickly and resolved effectively; (viii) assisting with the management of the financial management systems; (ix) assisting with the management of the project(s) period of performance schedule(s); (x) evaluating ongoing status reports, final reports and other deliverable products required under the CDBG-DR grants, and; (xi) assisting in the grants' close-out procedures.
- 1.6. Support and assist PRDOH in the CDBG-DR grant oversight, management, supervision and compliance monitoring process and system that involves an ongoing process of planning, implementation, performance and communication follow-up. The objectives for the programmatic/contractual oversight, management, supervision and compliance monitoring will be to: (i) determine and assure that municipalities, partners, subrecipients, subgrantees, contractors and managers are carrying out their projects, programs and/or scopes of work or services as described in their respective contracts or agreements; (ii) determine and assure that municipalities, partners subrecipients, subgrantees,

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contractors and managers comply with CDBG-DR, HUD, and other applicable federal and local requirements, rules and regulations; (iii) determine and assure that municipalities, partners subrecipients, subgrantees, contractors and managers are carrying out their projects, programs and/or scopes of work or services on schedule or in a timely manner and within budget; (iv) determine if municipalities, partners, subrecipients, subgrantees, contractors and managers are conducting their projects, programs and/or scopes of work or services with adequate control over program and financial performance and in a way that minimizes the opportunity for fraud, waste and abuse; (v) identify problem areas and assist municipalities, partners, subrecipients, subgrantees, contractors and managers in applicable requirements, and; (vi) provide adequate follow-up measures in the form of quality improvement plans and corrective actions to ensure performance and compliance deficiencies are corrected and not repeated.

- 1.7. Support and assist PRDOH in overseeing and coordinating the CDBG-DR grants administration, as well as daily activities and tasks.
- 1.8. Support and assist PRDOH in the compliance with procurement regulations and policies and in overseeing procurement processes to ensure the award processes are fair and meet applicable rules and regulations.
- 1.9. Support and assist PRDOH and program management contractors in the establishment of a claims, appeals and resolution procedures for all programs. Proposer shall review and provide guidance and recommendations on claims.
- 1.10. Support and assist PRDOH in the development, monitoring and recommend modifications of the CDBG-DR grants master management and operations plans and schedules.
- 1.11. Proposer shall prepare, monitor, enforce and oversee work schedules for the CDBG-DR activities, including, but not limited to, construction schedules for all programs approved in the CDBG-DR Action Plan, the CDBG-DR Electrical Power System Improvements Action Plan, and subsequent amendments to either Plan.
- 1.12. Proposer shall complete all monitoring and compliance related to all CDBG-DR activities.

**STAFF AUGMENTATION:**

- 1.13. Support and assist PRDOH with the establishment and implementation of staff augmentation strategies to ensure that the existing and upcoming CDBG-DR fund allocations, including electrical power system improvements, are adequately administered and implemented in accordance with CDBG-DR, HUD, and other applicable federal and local requirements, rules and regulations.
- 1.14. Proposer shall possess the professional and technical staff necessary to perform and implement staff augmentation strategies and services and the staff shall have sufficient skills, qualifications and experience to perform the services assigned to them. At a minimum, Proposer shall have available and/or be make available through staff augmentation strategies, the qualified staff to occupy the positions identified in **Attachment 4** of this RFQ. Proposer shall ensure that its staff performs all their corresponding and applicable responsibilities.

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- 1.15. Proposer shall have available in its staff and/or make available through staff augmentation strategies the staff with the necessary expertise in CDBG-DR to adequately manage, oversee and assure adequate performance and compliance of the various eligible activities to be carried out in accordance with the CDBG-DR Action Plan and the CDBG-DR Electrical Power System Improvements Action Plan, such as, housing, infrastructure, construction, planning projects, electrical power system improvement activities, and other CDBG-DR related activities. Proposer shall have understanding of all programs and/or projects and/or eligible activities included in the CDBG-DR Action Plans in order to assist and provide its grant management services from the intake/application receipt process to the project/program conclusion/closeout.
- 1.16. Proposer shall provide an adequate number of qualified key personnel and staff located at the offices of PRDOH, as needed, to assist PRDOH in CDBG-DR related activities. This key personnel and staff should be able to communicate in oral and written Spanish language,

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**DOCUMENT COMPLIANCE:**

- 1.17. Support and assist PRDOH in oversight and monitoring of the distribution of funds, including, documentation compliance. Proposer shall work with the PRDOH and program management contractors in order to determine documentation that must accompany requests for payment and assist in the review for completeness, compliance and accuracy of all pay request documents.
- 1.18. Proposer shall ensure timely submission of all required documentation, including, but not limited to, financial reports; performance reports by eligible activities carried out; budget and expenditures reports by eligible activities carried out; work progress, costs and scheduling reports; resolution of findings, resolution of recommended changes, implementation of policies and resolution of issues affecting performance.
- 1.19. Proposer shall ensure timely submission and compliance with all required documentation, both for PRDOH and at the municipalities, partners, subrecipients, subgrantees, contractors and managers level, for proper submission, dissemination of information, as well as for proper record keeping. Proposer shall then provide, as needed, compliance oversight and technical assistance to PRDOH, municipalities, partners, subrecipients, subgrantees, contractors and managers, and review the documents for proper content and ensure information is complete, accurate and issued in a timely manner.
- 1.20. Support and assist PRDOH in the sufficient and appropriate document control and management initiatives and programs to meet financial management and all other documentation requirements for the CDBG-DR grants. Proposer shall implement such document control initiatives and programs.
- 1.21. Proposer is required to maintain all documents and communications of any kind that relate in any manner to the CDBG-DR allocations for Puerto Rico, including the electrical power system improvements allocation, for a minimum period of five (5) years following grant closeout. Proposer shall provide protective storage and provide reports and electronic copies to the federal and local government, as required and/or requested.
- 1.22. As requested, Proposer shall conduct desk reviews of the documentation supporting the program reports for accuracy and compliance and shall develop compliance checklists

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and other tools to assist with the compliance and oversight required by the CDBG-DR grants.

- 1.23. Support and assist PRDOH in review and revision of any CDBG-DR related contracts for CDBG-DR compliance, and shall be available to explain contract to all related stakeholders.

**MEETINGS, REPORTS, DATA MANAGEMENT SOFTWARE SYSTEM AND EXTERNAL COMMUNICATIONS:**

- 1.24. Proposer shall represent PRDOH in meetings and participate in meetings as required by HUD, the Federal Government and/or the PRDOH, including, but not limited to, meetings with municipalities, partners, subrecipients, subgrantees, contractors and managers.

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- 1.25. Proposer shall monitor and report any identified or suspected instances of non-compliance with CDBG-DR, HUD, and other applicable federal and local requirements, rules and regulations, as well as suspected fraud to PRDOH.

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- 1.26. Proposer shall provide (i) a monthly status of each eligible activity being carried out, including monitoring of the budget, schedule and performance against contract metrics, and; (ii) assist PRDOH in official presentations and federal quarterly reporting requirements.

- 1.27. Proposer shall provide the following: (i) issues impacting each eligible activity being carried out, including reported problems, lagging performance, communication issues, etc., and the action being taken to resolve them; (ii) identification of risks associated with each eligible activity being carried out and the action being taken to mitigate, avoid or reduce them; (iii) deliverables completed to date and those scheduled for completion; (iv) resources available to deliver services, including staff and structure, technology and budget, identification of constraints affecting delivery and institution of corrective actions; (v) prepare high level presentations and briefs upon demand; (vi) carry out PRDOH and/or the Government of Puerto Rico reporting obligations under the CDBG-DR grants.

- 1.28. Proposer shall have knowledge and expertise in HUD's Disaster Recovery Grant Reporting System (DRGR System) and its five (5) modules, i.e., (i) Admin Module – User management and monitoring; (ii) Action Plan Module – Funded project and activities; (iii) Drawdown Module – Access grant fund and program income; (iv) QPR Module – Report accomplishments; (v) Reports Module – Data analytics tool (Microstrategy). Proposer shall program and execute reporting requirements through the DRGR System and through any other federal reporting system required by the federal government.

- 1.29. Provide and maintain, at no cost to PRDOH, the data software system required in Section 6.2.3 of the RFQ. Proposer shall have expertise in disaster recovery data management.

- 1.30. Proposer shall ensure that all the CDBG-DR grants information including, but not limited to, financial information, is available at all times in one comprehensive, secure, and user-friendly electronic environment. Financial information includes, but is not limited to,

budgeted amount for each eligible activity, CDBG-DR funds drawn to date, CDBG-DR funds expended to date.

- 1.31. Proposer shall assist PRDOH and its procured public relations firm in content preparation for external communications, including, news releases, conferences and web content in relation to the CDBG-DR grants.

**TRAININGS AND SUPERVISION:**

- 1.32. Proposer shall conduct periodic trainings to local staff and/or to municipalities, partners, subrecipients, subgrantees, contractors and managers, as needed, to ensure compliance with funding regulations and requirements, including, CDBG-DR grants and local administrative practices, to meet performance objectives and ensure adherence to all applicable regulations and requirements. When major changes in policy or requirements occur, Proposer shall prepare the necessary training materials and effectively communicate the changes.
- 1.33. Support and assist PRDOH in monitoring, supervising and evaluating the CDBG-DR Program Manager(s) and shall provide oversight, guidance and technical expertise to CDBG-DR Program Manager(s).
- 1.34. Proposer shall ensure, monitor and oversee, through the qualified personnel or staff: (i) OSHA compliance and supervision of job site safety; (ii) environmental assessments, when and where needed, are completed; (iii) fraud prevention and abuse practices are in place and being implemented; (iv) local and federal permit(s) clearance; (v) environmental compliance; (vi) submission of all HUD required forms.
- 1.35. Proposer shall ensure municipalities, partners, subrecipients, subgrantees, contractors and managers comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Fair Housing and Equal Opportunity Standards and all other applicable federal and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of their respective contracts or agreements.
- 1.36. Proposer shall ensure that all municipalities, partners, subrecipients, subgrantees, contractors, managers, and any entities receiving CDBG-DR funds are aware of and are compliant with any regulatory requirements associated with the funds.
- 1.37. Support and assist PRDOH in the evaluation of applications by municipalities, partners, subrecipients and/or subgrantees including, but not limited to, eligibility and prioritization and that applicant files are complete and maintained as part of the document control and management system. Proposer shall monitor municipalities, partners, subrecipients and/or subgrantees receiving CDBG-DR funds to meet the accounting, transparency, reporting, job creating, contracting and any other applicable requirements through proper oversight, outreach and technical assistance.

**RISK MANAGEMENT ASSESSMENTS:**

- 1.38. Proposer shall provide risk management assessments in relation to the CDBG-DR grants.

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**REVIEWING, PROCESSING, TRACKING AND MONITORING OF INVOICES AND REQUESTS FOR PAYMENTS:**

- 1.39. Proposer shall review, process, and track and monitor all invoices and/or requests for payments for other contractors under the CDBG-DR grants and forward the results of these reviews and processes to PRDOH.

**CLOSEOUT AND OTHER GRANT MANAGEMENT DUTIES:**

- 1.40. Proposer shall assist in all project/program closeout tasks and submissions and ensure that all closeout documents are prepared and submitted as required. Proposer shall ensure that compliant procedures are followed with documents maintained and provided in order to satisfy HUD and other federal audit requirements, resulting in an audit financial report of all CDBG-DR related activities, including electronic copies of all supporting documents.
- 1.41. Proposer shall perform any other grant management duty or need, when requested, in order to assure compliance with the CDBG-DR grants, HUD and/or any other applicable federal and local requirements, rules and regulations and/or HUD requests under the grants. Proposer shall also provide additional resources, as requested, to appropriately and timely respond to any other grant management duty or need.

**ELECTRICAL POWER SYSTEM IMPROVEMENTS:**

- 1.42. Proposer shall support and assist PRDOH in the preparation and development of the CDBG-DR Electrical Power System Improvements Action Plan, as required by Federal Register Notice 86 FR 32681, and additional federal registers pending release.
- 1.43. Proposer shall support and assist PRDOH in conducting stakeholder engagement, the required consultation with the federal members of the Energy Technical Coordination Team (TCT) during the preparation of the action, and the required quarterly consultations with the TCT during the grant period of performance. Proposer shall also support and assist PRDOH in the coordination with other relevant governmental agencies of Puerto Rico, such as units of local government, public utilities and rural electrical cooperatives, and other entities, to assure the consistency of electrical power system improvements with other disaster recovery activities.
- 1.44. Proposer shall support and assist PRDOH in conducting an unmet needs assessment based on planned electrical power system improvements, which will inform the CDBG-DR Electrical Power System Improvements Action Plan. Proposer shall also support and assist PRDOH in developing an Implementation Plan and Capacity Assessment that describes PRDOH's capacity to carry out electrical power system improvement activities and how agency staff will work with their counterparts who manage the grantee's FEMA-funded mitigation and public assistance funds and other Federally funded activities that support electrical power system improvements.
- 1.45. Proposer shall perform any other tasks necessary to fulfill the requirements of Federal Register Notice 86 FR 32681- Allocations, Common Application, Waivers, and Alternative

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Requirements for Community Development Block Grant Disaster Recovery Grantees;  
Electrical Power Systems in Puerto Rico and the U.S. Virgin Islands.

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Final Audit Report

2021-09-16

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