



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

**AMENDMENT A TO AGREEMENT FOR
HOME REPAIR, RECONSTRUCTION, OR RELOCATION PROGRAM
CONSTRUCTION MANAGERS
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND
DSW HOMES, LLC
Contract No. 2020-DR0036**



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THIS **AMENDMENT A TO AGREEMENT FOR HOME REPAIR, RECONSTRUCTION, OR RELOCATION PROGRAM CONSTRUCTION MANAGERS**, (hereinafter referred to as the "Amendment") is entered into in San Juan, Puerto Rico, this 10 day of August, 2021, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (hereinafter, "PRDOH"), a public agency created under Law No. 97 of June 10, 1972, as amended, 3 L.P.R.A. § 441 *et seq.*, known as the Department of Housing Governing Act with principal offices at 606 Barbosa Avenue, San Juan, Puerto Rico, herein represented by William O. Rodríguez Rodríguez, attorney, of legal age, single, and resident of San Juan, Puerto Rico, in his capacity as Secretary; and **DSW HOMES, LLC** (hereinafter, the "CONTRACTOR"), with principal offices in 502 20th Street, Galveston, TX, 775550, herein represented by Paul Judson in his capacity as VP of New Development, of legal age, married, and resident of Galveston, Texas, duly authorized by Resolution by the CONTRACTOR (collectively, the Parties).

I. RECITALS AND GENERAL AWARD INFORMATION

WHEREAS, on December 16, 2019, the PRDOH and the Contractor entered into an Agreement, which was registered under Contract No. 2020-DR0036, for the performance of Home Repair, Reconstruction, or Relocation Program Construction Managers in connection with the CDBG-DR Program (the "Agreement").

WHEREAS, the PRDOH and the Contractor, agreed that, for allowable construction management services performed during the term of the Agreement, PRDOH would pay a maximum amount not to exceed **FIFTY MILLION DOLLARS (\$50,000,000.00)**; to the Contractor from **ACCOUNT NUMBER R01H07RRR-DOH-LM 6090-01-000**.

WHEREAS, the Parties wish to amend the Agreement to increase the total amount by **THIRTY MILLION DOLLARS (\$30,000,000.00)** for an adjusted total amount of **EIGHTY MILLION DOLLARS (\$80,000,000.00)**.

WHEREAS, this Amendment also replaces the Scope of Services (Attachment C) and the Performance Requirements (Attachment E), as well as conforming the Agreement to federal, state, and local regulations and statutes.

WHEREAS, this Amendment A is not intended to affect nor does it constitute an extinctive novation of the obligations of the parties under the Agreement but is rather a modification and amendment of certain terms and conditions under the Agreement.

WHEREAS, the Parties wish to amend the Agreement, as amended, and become subject to the terms of the Agreement, as amended, and this Amendment A.

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

II. AMENDMENT:

- A. The parties agree to replace Attachment C (SCOPE OF WORK) of the Agreement with a revised Attachment C (SCOPE OF WORK) hereto incorporated by reference into the Agreement and made part of the Agreement (See **Attachment 1** of this Amendment A).
- B. The parties agree to replace Attachment E (PERFORMANCE REQUIREMENTS) of the Agreement with a revised Attachment E (PERFORMANCE REQUIREMENTS) hereto incorporated by reference into the Agreement and made part of the Agreement (See **Attachment 2** of this Amendment A).
- C. The Parties agree to replace **Article IV. COMPENSATION AND PAYMENT**, paragraph B, with the following:

*B.The PRDOH will pay the CONTRACTOR, for allowable services performed during the term of this Agreement, a maximum amount not to exceed **EIGHTY MILLION DOLLARS (\$80,000,000.00)**; Account Number: R01H07RRR-DOH-LM 6090-03-000.*

- D. The Parties agree to replace **Article IV. COMPENSATION AND PAYMENT**, paragraph K, with the following:

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

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

- E. The Parties agree to add a new paragraph E in **Article VIII. DOCUMENTATION AND RECORD KEEPING**, as follows:

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

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- F. The Parties agree to replace **paragraph G** in **Article XII. TERMINATION**, as follows:

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.

- G. The Parties wish to update PRDOH's information on **Article XX. Notices** of the Agreement as follows:

To: PRDOH

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

- H. The Parties agree to replace **Article XXIII. CERTIFICATION OF COMPLIANCE WITH LEGAL REQUIREMENTS**, paragraph N, as follows:

N. Ethics. CONTRACTOR also acknowledges receipt of the Anticorruption Code for the New Puerto Rico known in Spanish as "Código Anticorrupción para el Nuevo Puerto Rico".

- I. The Parties agree to replace and rename **Article XXV. MEMORANDUM NO. 2017-001; CIRCULAR LETTER 141-17 OF THE OFFICE OF THE CHIEF OF STAFF OF THE GOVERNOR (SECRETARIA DE LA GOBERNACION) & THE OFFICE OF MANAGEMENT AND BUDGET (OFICINA DE GERENCIA Y PRESUPUESTO)**, with the following:

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

- A. Interagency Services Clause:** Both contracting parties acknowledge and agree that services retained may be provided to any entity of the Executive Branch with which the

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contracting entity makes an interagency agreement or by direct provision of the Office of the Chief of Staff of the Governor (Secretaría de la Gobernación). These services will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Agreement. For purposes of this clause, the term "Executive Branch entity" includes all agencies of the Government of Puerto Rico, as well as public instrumentalities and corporations and the Office of the Governor.

B. Termination Clause: The Chief of Staff (Secretario de la Gobernación) of the Governor shall have the power to terminate this Agreement at any time.

C. Contract Review Policy of the Financial Supervision and Administration Board for Puerto Rico: The parties acknowledge that the contractor has submitted the certification entitled "Contractor Certification Requirement" required in accordance with the Contract Review Policy of the Financial Oversight and Management Board (FOMB) for Puerto Rico, effective as of November 6, 2017 as amended on October 30, 2020, signed by the Contractor's Executive Director (or another official with an equivalent position or authority to issue such certifications).

J. The Parties agree to add a new paragraph F to **Article XXVII. SECTION 3 CLAUSE**, and renumber the following paragraphs accordingly, as follows:

F. 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 (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and sub contracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

K. The Parties agree to add a paragraph 3 to **Article XXXII. SOLID WASTE DISPOSAL ACT**, as follows:

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);

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- 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.*

- L. The Parties agree to replace **Article XXXIX. MODIFICATION OF AGREEMENT**, as follows:

XXXIX. 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.

- M. The Parties agree to replace and rename **Article XLIV. CONSOLIDATIONS, MERGERS, OR DISSOLUTIONS** as follows:

XLIV. 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) 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

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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) 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) 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.

N. The Parties agree to add a new **Article LIII. ORDER OF PRECEDENCE**, as follows:

LIII. 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 G), the Scope of Work (Attachment C), the Compensation Schedule (Attachment D).

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- O. The Parties agree to add a new **Article LIV. CDBG-DR POLICIES AND PROCEDURES**, as follows:

LIV. CDBG-DR POLICIES AND PROCEDURES

In addition to what is established in this Agreement, the CONTRACTOR shall comply with all CDBG-DR 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 and Contractual Requirements, URA & ADP Guidelines, Cross Cutting Guidelines, AFWAM Policy, Section 3 Policy, Personally Identifiable Information, Confidentiality, and Nondisclosure Policy and Conflict of Interest and Standards of Conduct Policy, as found in the CDBG-DR 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.

- P. All other terms and conditions of the Agreement remain unchanged.
- Q. Each party represents that the person executing this Amendment A has the necessary legal authority to do so on behalf of the respective party.

III. HEADINGS

The titles to the paragraphs of this Amendment 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 Amendment.

IV. 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.

V. SUBROGATION

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

VI. COMPTROLLER REGISTRY

The PRDOH shall remit a copy of this Amendment to the Office of the Comptroller for registration within **fifteen (15)** days following the date of execution of this Amendment and any subsequent amendment hereto. The services object of this Amendment may not be invoiced or paid until this Amendment 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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VII. ENTIRE AGREEMENT

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

VIII. SEVERABILITY

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

IX. COUNTERPARTS

This Amendment 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 Amendment is not executed by the PRDOH within **thirty (30) days** of execution by the other party, this Amendment shall be null and void.

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

PUERTO RICO DEPARTMENT OF HOUSING

DSW HOMES, LLC

William O. Rodriguez Rodriguez
William O. Rodriguez Rodriguez (Aug 10, 2021 10:33 EDT)

William O. Rodríguez Rodríguez, Esq.,
Secretary

Paul Judson

Paul Judson
VP of New Development
DUNS No. 010404807

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**ATTACHMENT C
SCOPE OF WORK**

Request for Proposals

**Homeowner Repair, Reconstruction, or Relocation Program Construction Managers
Community Development Block Grant – Disaster Recovery**

Puerto Rico Department of Housing

CDBG-DR-RFP-2018-09

(Revised for First Amendment)

This document defines the Construction Management tasks that the Proposers must perform in order to support the Puerto Rico Department of Housing (PRDOH) in the implementation of the Homeowner Repair, Reconstruction, or Relocation Program (R3 Program) as part of Puerto Rico's recovery efforts, in accordance to Federal, State, and Local requirements and in connection with appropriated disaster assistance funding under the Community Development Block Grant for Disaster Recovery Program (CDBG-DR) allocation. A detailed description of the Housing CDBG-DR programs is included in the Action Plan approved by the U.S. Housing and Urban Development (HUD) on July 29, 2018. A complete copy of the Action Plan, and proposed amendment are available at www.cdbg-dr.pr.gov/action-plan.

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1. Introduction and Overview

The PRDOH is issuing this Request for Proposal (RFP) to procure highly qualified and skilled designers and contractors to provide Construction Management services for the R3 Program as defined in Section 2: Overview, Purpose, and Intent of the RFP. It is expected that the Selected Proposers will be prepared to invest a considerable amount of resources and efforts as related to the design, demolition, abatement, repair, and new construction of single-family dwelling units as specified and described in the Action Plan, in a short period of time. Proposers must understand the CDBG-DR's program initiatives, goals, and regulations, including Federal Register Notices 83 FR 5844 and 83 FR 40314. Proposers must be familiar with the Department of Housing and Urban Development (HUD) latest acronyms, glossary, laws, policies, guidelines and design standards applicable to this RFP's Scope of Work. The proposer remains fully responsible for determining if the information mentioned before has been revised or updated.

Construction Managers will be an integral part of the R3 Program and will be required to work in harmony with other stakeholders such as the Program Managers, the Environmental Consultants, and the Call Center Operations Consultant, as well as other staff and contractors retained by the PRDOH for implementation of the CDBG-DR programs. Selected Proposers will be directly responsible for ensuring the accuracy, timeliness, and completion of all tasks assigned under a contract.

The PRDOH reserves the right, without limitations, to:

- Cancel the solicitation and reissue the RFP or another version of it, if it deems that doing so is in the best Public Interest;
- Amend the contract(s) of the Selected Proposer(s) to extend its original duration, as further explained in the RFP, as related to the goods and services requested;

- Amend the contract(s) of the Selected Proposer(s) to extend the scale of its(their) scope to include work under subsequent CDBG-DR action plans as related to the goods and services requested herein;
- Amend the contract(s) of the Selected Proposer(s) to reduce the scale of its scope to decrease work, individual tasks, geographical areas, or regions as a consequence of underperformance or inexcusable delays related to the goods and services requested herein; and
- Contract with one or more qualified proposers for Construction Management Services as a result of the selection of qualified Proposers or the cancellation of this RFP.

Award of Contract(s) will be to the "Qualified Proposers" whose Proposals, conforming to the RFP, is(are) most advantageous to the PRDOH. The scope of work presented is based upon circumstances existing at the time the RFP is released. The PRDOH reserves the right to modify or delete the tasks listed and, if appropriate, add additional tasks prior to and during the term of the contemplated contract.

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1.1. CDBG-DR Housing Programs

PRDOH has structured recovery programs for first-wave implementation that meet the immediate housing needs of the most vulnerable populations on the island by emphasizing housing programs that serve low-to-moderate income households and prioritize elderly persons age sixty-five (65) and above. The PRDOH understands its responsibility to rebuild and improve Puerto Rico's housing market, individual households, and communities with more resilient, modern, high-quality, and safe dwelling units. The CDBG-DR housing program objectives are:

- Provide decent, safe, and sanitary housing in the disaster impacted areas through the provision of activities designed to resolve unmet needs from hurricane impacts to housing;
- Ensure that the housing needs of very low-, low- and moderate-income households are assisted with housing recovery support within the communities being served; and
- Achieve complimentary benefits of community and neighborhood revitalization, support the reduction of or reduce opportunities for slum and blight, and nurture in-fill opportunities.

The housing programs consists of: the R3 Program; the Title Clearance Program; the Rental Assistance Program; the Mortgage Catch-Up Program; the Social Interest Housing Assistance Program; the Housing Counseling Program; the CDBG-DR Gap to LIHTC Program; and the Home Energy Resilience Program; among others. Additional programs may be added by PRDOH through amendments to the Action Plan.

From the Housing Programs, the R3 Program is expected to have the most impact to single-family residences and will begin in earnest in a way that does not perpetuate building in high risk areas. Innovative construction and green building will modernize the housing stock, while improving individual assets and households' spending power. An increase in housing activity will generate layers of economic stimulus, creating jobs across multiple sectors and providing employment to local citizens. Strategic revitalization of affordable housing will lead cost-burdened LMI households to a fruitful long-term recovery.

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The R3 Program encompasses the use of Construction Managers to coordinate, design, improve, and construct new replacement housing stock or repair existing single-family dwelling units damaged by Hurricanes Irma or María. The Construction Managers will be key components of the R3 Program, which includes other services like: Call Center Operations; Program Managers; Cost Estimators; and Environmental Consultants; among others. It is expected that Selected Proposers actively coordinate and frequently engage with other stakeholders of the R3 Program.

There is no guarantee of a minimum level of services which may be requested by the PRDOH under this contract.

1.2. Single-Family Repair, Reconstruction, or Relocation Program (R3 Program)

The focus of the R3 Program is to provide relief for those who were impacted by Hurricanes Irma and María while addressing recognized impediments to affirmatively furthering fair housing as required under the Fair Housing Act. Assistance under this Program will be provided under three primary avenues: repair, reconstruction, and relocation (R3). Within the reconstruction or relocation venues, demolition of substantially damaged dwellings is an eligible activity.

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Under the R3 Program all repair, reconstruction and new construction activities will be designed to incorporate principles of sustainability, including water conservation, energy efficiency, resilience, and mitigation against impacts from future disasters. The Selected Proposers will implement design and construction methods that emphasized quality, durability, energy efficiency, sustainability, and mold resistance.

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The R3 program provides funding to repair damaged homes or rebuild substantially damaged homes in-place or at a new lot, in non-hazard areas and in compliance with applicable construction codes and standards. The repair and reconstruction venues return otherwise displaced families to their homes at their same community. Homes become eligible for reconstruction or relocation when (a) the property estimated cost of repair exceeds the lesser of \$60,000 or 50% of the home's current value – as confirmed through program inspection, (b) the property is determined to be substantially damaged by an authority having jurisdiction, or (c) if a feasibility inspection determines that reconstruction is required. Homes meeting these criteria will be reconstructed and will include resilient measures in structural materials. Homes that may not be rebuilt in place due to legal, engineering or environmental constraints (permitting, extraordinary site conditions, etc.) may be built in a new vacant lot or the homeowner may purchase an existing home at fair market price under the relocation venue. Construction of replacement homes will meet the construction standards in the latest approved Puerto Rico Building Code and must incorporate Green Building features. Homes with existing damage equal to or less than \$60,000 of 50% of the current home's value, whichever is lesser, will be repaired in compliance with the applicable building codes and standards, including the International Existing Building Code and HUD CPD Green Building Retrofit checklist.

The general objectives of the R3 Program are:

- To return displaced homeowners;
- To reconstruct housing to higher resilience standards;

- To revitalize weak and aging housing stock; and
- To move households out of unsafe conditions.

2. Construction Managers

The Selected Proposer(s) are expected to strengthen the R3 Program by providing their expertise, experience, and knowledge of design, construction, and contract administration to each project undertaken.

2.1. Objectives

Objectives for the Construction Managers include, but are not limited to, the following:

- Reduce the process and time from the award of benefits to applicants to projects' completion;
- Reduce the risks and legal burden to PRDOH and the R3 Program;
- Control costs and reduce budget overruns;
- Standardize the document controls while reducing the submittal burden on the PRDOH and its representatives;
- Improve the quality of documentation;
- Standardize designs/solutions while reducing the submittal burden on PRDOH and its representatives;
- Expedite and optimize solutions to any unforeseen conditions, while reducing contract modifications;
- Increase quality control and quality assurance in the overall R3 Program;
- Increase project safety while reducing liability to the R3 Program;
- Standardize and expedite the close-out process of projects; and
- Increase the compliance with green building initiatives/checklists.

2.2. Duties and Responsibilities

Duties and responsibilities of Construction Managers include, but are not limited to, the following:

- Obtaining copies Damage Assessment Reports for the assigned cases and clarifying any doubt with the PRDOH's representatives;
- Obtaining copies of the Environmental Review Reports for the assigned cases and clarifying any doubt with the PRDOH's representatives;
- Delivering the Lead and Asbestos pamphlets for the assigned cases to the homeowners, during the pre-construction conference for projects;
- Obtaining copies of Homeowners' authorization to access and work on property, before starting any repair or reconstruction work; and
- Obtaining copies of Homeowners' waiver of liability to remain on the property during construction, if applicable. These waivers shall be obtained during the pre-construction conference with the Homeowner.

2.3. Construction Manager Levels

Construction Managers will be divided into Levels based on their financial capacities and past experience in projects.

2.3.1. Level 1 Construction Managers

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Level 1 Construction Managers will be those with high financial capabilities which are able to perform work in large quantities at any given time and within a large area. Level 1 Construction Managers:

- Will be assigned to geographical regions (groups of municipalities), at the PRDOH's discretion;
- Can work one or more regions at any given time;
- Will have a higher financial and technical capacities, which enable them to work large quantities of projects;
- Will be a contractor-led organization;
- Can perform all types of projects (Repair, Reconstruction or New Construction), including demolition or abatement;
- Must ensure that subcontracting of works only occur up to a tier 2 subcontractor level;
- Will be frequently evaluated and held responsible for the performance of their team and organization, including designers, consultants, suppliers, manufacturers, and subcontractors;
- Should engage local subcontractors, professionals and relevant service providers headquartered in Puerto Rico as Team Members and Key Individuals to the greatest extent possible;
- Will engage and cooperate with the local communities and municipalities within their geographical regions;
- Will provide periodical status reports to PRDOH and its representatives; and
- Will attend or conduct meeting with the PRDOH and its representatives.

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2.3.2. Level 2 Construction Managers

Level 2 Construction Managers will be those with moderate financial capabilities which are able to perform moderate quantities of work at any given time and within adjacent groups of municipalities. Level 2 Construction Managers:

- Will be assigned to work within adjacent groups of municipalities;
- Will be constrained to adjacent municipalities from the locations of their headquarters to reduce the risk of overextending;
- Will have moderate financial and technical capacities, which enable them to work smaller quantities of projects;
- Will be a contractor-led organization;
- Can perform all types of projects (Repair, Reconstruction or New Construction), including demolition or abatement;
- Must ensure that subcontracting of works only occur up to a tier 2 subcontractor level;
- Will be frequently evaluated and held responsible for the performance of their team and organization, including designers, consultants, suppliers, manufacturers, and subcontractors;
- Should engage local subcontractors, professionals and relevant service providers headquartered in Puerto Rico as Team Members and Key Individuals to the greatest extent;
- Will engage and cooperate with the local communities and municipalities within their geographical regions;
- Will provide periodical status reports to PRDOH and its representatives; and

- Will attend or conduct meeting with the PRDOH and its representatives.

3. Staff and Subcontractors

This section details minimum staffing that will be required from the Construction Managers in order to perform the tasks required for the R3 Program. The Selected Proposer(s) will be directly responsible for ensuring the accuracy, timeliness, and completion of all tasks assigned under the Contract. **All subcontractors to be used by the Construction Managers will need to be approved by the PRDOH or its representatives.**

3.1. Staff Requirement

Proposers shall have or will secure, at their own expense, all personnel required in performing the tasks under the Construction Managers Contract. PRDOH expects the Selected Proposers to provide competent and fully qualified staff that are authorized or permitted under federal, state and local law to perform the scope of work under this contract. The PRDOH reserves the right to request the removal of any staff not performing to standard or following the code of ethics. No personnel may be assigned to the resulting contract without the written consent of the PRDOH.

3.2. Staff Experience and Qualifications

Proposers must provide detailed information about the experience and qualifications of the Principals, project managers, key personnel, and staff to be assigned, including degrees, certifications, licenses and years of relevant experience. Proposers shall specifically identify people currently employed by the Proposer who will serve in key roles. This includes the Proposers' own staff and staff from any subcontractors to be used. The Proposers should demonstrate that their staff (and/or subcontractor's staff) meet the desirable requirements listed below and have necessary experience and knowledge to successfully implement and perform the tasks and services. PRDOH promotes opportunities for maximum feasible participation of certified Section 3, Minority, and Women Owned Business Enterprises (MBE/WBE's).

Proposers must include information regarding their administrative capacity, design and construction experience in similar construction projects, personnel, consultants, equipment, software capabilities, document controls, safety record, and quality control procedures. The Selected Proposers must have retained, and must maintain over the life of the contract, as a minimum, the following key staff resources:

3.2.1. Senior Project Manager

The resource assigned as Senior Project Manager will be the main point of contact between the PRDOH and the Construction Manager. He / She shall be available on-call and attend R3 Program meetings with the PRDOH and the top management of the R3 Program. The Senior Project Manager responsibilities include the following:

- Formulate, organize and monitor the overall performance;
- Define objectives and strategies to achieve program success;
- Making key decision to accomplish the program's objectives;
- Coordinating cross-phases activities;
- Lead, train and evaluate other senior staff and their performance;
- Developing and managing the master schedule of the projects;

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- Developed deadlines and complete milestones;
- Coordinating various components of projects to ensure the on-time delivery of the overall milestones;
- Manage and control the Construction Manager's budget;
- Identifying and allocating resources to the organization;
- Assess risk and manage changes in the projects;
- Assess program performance for the continuous improvement;
- Assume responsibility for the organization's performance and its staff;
- Prepare and explain the executive reports to the Owner and its Representatives; and
- Any other function required to support the R3 Program.

The Senior Project Manager shall maintain a complete understanding of all applicable R3 Program policies, requirements, and procedures. He / She must possess academic and practical knowledge of program management, regulatory compliance, construction, and statutory compliance for CDBG disaster recovery or similarly complex programs/projects. Should be fluent in English and Spanish languages. Must have a bachelor's degree from an accredited institution and at least fifteen (15) years of experience as project manager on construction projects. Experience in design-build projects is preferred.

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3.2.2. Lead Design Manager

The resource assigned as Lead Design Manager shall work together and under the direct supervision of the Senior Project Manager to control the planning/design phase of the R3 projects. The Lead Design Manager will supervise the design team, with the following responsibilities:

- Assisting with the development of the projects' schedule, especially in the design phase;
- Assigning tasks and managing the design team's personnel;
- Identifying and allocating resources to the design phase;
- Assisting the Senior Project Manager in the risk assessment for the design phase;
- Recommending and advising the Senior Project Manager as the subject matter expert in the design issues;
- Owning and pursuing outstanding design issues;
- Coordinating various components of projects to ensure the on-time delivery of the design tasks and deliverables, like schematic design, final design documents, code compliance, submittals, request for information, etc.;
- Promoting inter-team communication and keeping all the design team informed;
- Managing the individual group leaders of the design team;
- Assisting the Senior Project Manager in the evaluation of design team staff and performance;
- Assisting the Senior Project Manager in the controls of the budget for the design phase;
- Assisting the Senior Project Manager with status reports and presentations for the design phase;
- Promoting high quality standard for the design phase;
- Promoting ethical behaviors and work ethic within the design team;
- Ensure the compliance of the R3 projects with resilience and sustainable design;
- Ensure the compliance of the R3 projects with the Housing Quality Standard and codes;
- Assuming responsibility for work products of the design team; and

- Any other function required to support the R3 program.

The Lead Design Manager shall maintain a complete understanding of all applicable R3 Program policies, requirements, and procedures. He / She must possess academic and practical knowledge in planning, design, code compliance, sustainable design, accessible design, contract administration and design team management in CDBG disaster recovery or similar construction programs/projects. The Lead Design Manager must have:

- A bachelor's or master's degree from an accredited institution in architecture or engineering;
- Experience with design-build projects;
- Professional license to practice engineering or architecture in Puerto Rico;
- Active membership of the Puerto Rico College of Architects and Landscape Architects or the Puerto Rico College of Engineers and Land Surveyors;
- Active registration with the Puerto Rico Department of State;
- At least ten (10) years of experience as design manager in the construction industry; and
- At least five (5) years of experience designing housing or residential projects.

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3.2.3. Lead Permit Manager

The resource assigned as Lead Permit Manager shall work together and under the direct supervision of the Senior Project Manager to control the permitting and environmental aspects of the R3 projects. The Lead Permit Manager will supervise the permits and environmental team of the R3 program, with the following responsibilities:

- Assisting with the development of the projects' schedule, especially in the permitting and environmental activities;
- Assigning tasks and managing the permits and environmental team's personnel;
- Identifying and allocating resources to the permitting and environmental activities;
- Assisting the Senior Project Manager with the risk assessment of regulatory and environmental issues;
- Recommending and advising the Senior Project Manager as the subject matter expert in the permitting and environmental issues;
- Owning and pursuing outstanding permits, endorsement and environmental issues;
- Coordinating various components of projects to ensure the on-time delivery of permits and environmental deliverables, like lead abatement, asbestos abatement; erosion controls, construction permit, etc.;
- Promoting inter-team communication and keeping all the permits and environmental team informed;
- Managing the individual group leaders of the permits and environmental team;
- Assisting the Senior Project Manager in the evaluation of permits and environmental team staff and performance;
- Assisting the Senior Project Manager in the controls of the budget for the permitting and environmental activities;
- Assisting the Senior Project Manager with status reports and presentations for the permitting and environmental activities;
- Promoting best management practices in the permitting and environmental activities;
- Promoting ethical behaviors and work ethic within the permits and environmental team;

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- Assuming responsibility for work products of the permits and environmental team;
- Assuming responsibility for permits and environmental issues of the R3 projects during the planning, design, construction and closeout phases; and
- Any other function required to support the R3 program.

The Lead Permit Manager shall maintain a complete understanding of all applicable R3 Program policies, requirements, and procedures. He / She shall possess academic and practical knowledge in permitting, environmental compliance, sustainable design, contract administration and team management in CDBG disaster recovery or similar construction programs/projects. The Lead Permit Manager must have:

- A bachelor's or master's degree from an accredited institution in an environmental or engineering related field;
- At least ten (10) years of experience as team manager in the environmental or construction industry; and
- At least five (5) years of experience in permit processing for housing or residential projects.

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3.2.4. Lead Procurement Manager

The resource assigned as Lead Procurement Manager shall work together and under the direct supervision of the Senior Project Manager to control the purchasing, procurement and financial aspects of the R3 projects. The Lead Procurement Manager will supervise the procurement team of the R3 program, with the following responsibilities:

- Assisting with the development of the projects' schedule, especially in the procurement activities;
- Assigning tasks and managing the procurement team's personnel;
- Identifying and allocating resources to the procurement activities;
- Assisting the Senior Project Manager with the risk assessment of procurement issues;
- Recommending and advising the Senior Project Manager as the subject matter expert in cost control, record keeping, auditing and procurement issues;
- Owning and pursuing outstanding procurement issues;
- Ensure the diligent preparation of submittals' packages and tracking their approval;
- Coordinating various components of projects to ensure the on-time delivery of purchased good or services;
- Promoting inter-team communication and keeping all the procurement team informed;
- Managing the individual group leaders of the procurement team;
- Assisting the Senior Project Manager in the evaluation of procurement team staff and performance;
- Assisting the Senior Project in the controls of the budget for the procurement activities;
- Assisting the Senior Project with status reports and presentations for the procurement activities;
- Promoting best accounting practices in the procurement activities;
- Promoting ethical behaviors and work ethic within the procurement team;
- Assuming responsibility for work products of the procurement team;
- Assuming responsibility for standardization and procurement issues during the construction phase; and

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- Any other function required to support the R3 program.

The Lead Procurement Manager shall maintain a complete understanding of all applicable R3 Program policies, requirements, and procedures. He / She must possess academic and practical knowledge in cost control, record keeping, best accounting practices, purchasing process, contract administration, and team management in CDBG disaster recovery or similar construction programs/projects. The Lead Procurement Manager must have:

- A bachelor's or master's degree from an accredited institution in financial, business, engineering, or economic related fields;
- At least ten (10) years of experience as team manager in the accounting, financial or procurement industries; and
- At least five (5) years of experience with construction projects, facilities management or real estate management.

3.2.5. Lead Construction Manager

The resource assigned as Lead Construction Manager shall work together and under the direct supervision of the Senior Project Manager to control the construction phase of the R3 projects. The Lead Construction Manager will supervise the construction team of the R3 program, with the following responsibilities:

- Assisting with the development of the projects' schedule, especially in the construction phase;
- Assigning tasks and managing the construction team's personnel;
- Identifying and allocating resources to the construction phase;
- Assisting the Senior Project Manager in the risk assessment for the construction phase;
- Recommending and advising the Senior Project Manager as the subject matter expert in the construction and constructability issues;
- Owning and pursuing outstanding construction issues;
- Coordinating various components of projects to ensure the on-time delivery of the construction tasks and deliverables;
- Promoting inter-team communication and keeping all the construction team informed;
- Managing the individual group leaders of the construction team;
- Assisting the Senior Project in the evaluation of construction team staff and performance;
- Assisting the Senior Project Manager in the controls of the budget for the construction phase;
- Assisting the Senior Project with status reports and presentations for the construction phase;
- Promoting high quality standard for the construction phase;
- Promoting ethical behaviors and work ethic within the construction team;
- Assuming responsibility for work products of the construction team; and
- Any other function required to support the R3 program.

The Lead Construction Manager shall maintain a complete understanding of all applicable R3 Program policies, requirements, and procedures. He / She shall possess academic and practical knowledge in construction (method, materials, equipment, etc.), Puerto Rico Building Code,

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safety, scheduling, contract administration, and construction management in CDBG disaster recovery or similar construction programs/projects. The Lead Construction Manager must have:

- A bachelor's or master's degree from an accredited institution in architecture or engineering;
- Knowledge of design-build projects.
- Professional license to practice engineering or architecture in Puerto Rico;
- Active membership of the Puerto Rico College of Architects or Landscape Architects or the Puerto Rico College of Engineers and Land Surveyors;
- Active registration with the Puerto Rico Department of State;
- At least ten (10) years of experience as construction manager in the construction industry; and
- At least five (5) years of experience in the construction of housing or residential projects.

3.2.6. Lead Safety Manager

The resource assigned as Lead Safety Manager shall work together and under the direct supervision of the Senior Project Manager, to control the occupational safety and health aspects of the R3 projects. The Lead Safety Manager will supervise the safety compliance team of the R3 program, with the following responsibilities:

- Development, implementation and maintenance of the overall safety plan for the R3 projects;
- Development, implementation and maintenance of the projects' specific safety plan for the R3 projects;
- Development and enforce safety protocols related to occupational safety and health issues;
- Preparing and certifying the regulatory documentation, related to occupation safety and health aspects, including but limited to: OSHA 300 form, OSHA 300A form, incident report, safety data sheets' binder, hazard communication, and warning labels;
- Analyzing incidents, tracking incident metrics, and preparing protocols to prevent future events;
- Preparing and conducting safety meeting and training with the group leaders of the safety compliance team;
- Assigning tasks and managing the safety compliance team's personnel;
- Identifying and allocating resources to the occupational safety and health activities;
- Assisting the Senior Project Manager with the risk assessment of regulatory and occupation safety issues;
- Recommending and advising the Senior Project Manager as the subject matter expert in the occupation safety and health issues;
- Owning and pursuing outstanding safety and health related issues, like, but not limited to: submittals, rigging plans, protocols, high risk events, OSHA, PROSHA, personal protection equipment, and safety inspections;
- Coordinating various components of projects to ensure the on-time delivery of safety compliance deliverables, including but limited to: rigging plan, risk evaluation, safety reports, tool box meeting, training, record keeping, and certifications;
- Promoting inter-team communication and keeping all the safety compliance team informed;

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- Managing the individual group leaders of the safety compliance team;
- Assisting the Senior Project Manager in the evaluation of safety compliance team, staff and performance;
- Assisting the Senior Project in the controls of the budget for the safety compliance activities;
- Assisting the Senior Project with status reports, trainings and presentations for the safety compliance activities;
- Promoting responsible safety and health practices during the abatement, demolition, construction, closeout and warranty phases of the R3 projects;
- Promoting ethical behaviors and work ethic within the safety compliance team;
- Assuming responsibility for work products of the safety compliance team;
- Assuming responsibility for the prevention, communication and correction of safety issues during the all the phases of the R3 projects;
- Assuming responsibility for safety and health issues during the construction phase; and
- Any other function required to support the R3 program.

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The Lead Safety Manager must maintain a complete understanding of all applicable R3 Program policies, requirements, and procedures. He / She shall possess academic and practical knowledge in occupational safety, human health, risk assessment, labor laws and regulations related to workplace safety, contract administration, and team management in CDBG disaster recovery or similar construction programs/projects. The Lead Safety Manager must have:

- A bachelor's from an accredited institution;
- Knowledge of OSHA regulations with regards to construction;
- 30 hour of OSHA training (OSHA trainer certificate preferred);
- Ability to train, influence, and motivate groups and team members;
- Clear understanding of specific safety issues related to construction;
- At least ten (10) years of experience in the occupational safety and health industry; and
- At least five (5) years of experience in construction safety for housing or residential projects.

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3.2.7. Lead Quality Control Manager

The resource assigned as Lead Quality Control Manager shall work together and under the direct supervision of the Senior Project Manager to control the quality control and quality assurance aspects of the R3 projects. The Lead Quality Control Manager will supervise the quality control team of the R3 program, with the following responsibilities:

- Assisting with the development of the projects' schedule, especially the quality control testing during the construction phase;
- Development, implementation and maintenance of the program's overall quality plan for the R3 projects;
- Development, implementation and maintenance of the projects' specific quality plan for the R3 projects;
- Development and enforce quality control and quality assurance procedures and testing, related to construction;
- Tracking and resolving non-compliance reports;

- Preparing and conducting meetings and trainings with the group leaders of the quality control team;
- Assigning tasks and managing the quality control team's personnel;
- Identifying and allocating resources to the quality control activities;
- Recommending and advising the Senior Project Manager as the subject matter expert in the quality control and quality assurance issues;
- Owning and pursuing outstanding quality related issues similar to, but not limited to: coordination drawings, quality control submittals, quality requirements, testing procedures, testing results, equipment start-up, quality control inspection, and mock-ups;
- Coordinating various components of projects to ensure the on-time delivery of quality control deliverables, including but limited to: testing, quality control reports, QC meetings, QC training, record keeping, and QC certifications;
- Promoting inter-team communication and keeping all the quality control team informed;
- Managing the individual group leaders of the quality control team;
- Assisting the Senior Project Manager in the evaluation of the quality control team, staff and performance;
- Assisting the Senior Project Manager in the controls of the budget for the quality control activities;
- Assisting the Senior Project Manager with status reports, trainings and presentations for the quality control activities;
- Promoting total quality control practices during the construction, closeout and warranty phases of the R3 projects;
- Promoting ethical behaviors and work ethic within the quality control team;
- Assuming responsibility for work products of the quality control team;
- Assuming responsibility for the prevention, communication and correction of quality control issues, during the construction, closeout and warranty the phases of the R3 projects;
- Assuming responsibility for quality control issues during the construction, closeout and warranty phases; and
- Any other function required to support the R3 program.

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The Lead Quality Control Manager must maintain a complete understanding of all applicable R3 Program policies, requirements, and procedures. He / She shall possess academic and practical knowledge in quality control, quality assurance, commissioning, contract administration, and team management in CDBG disaster recovery or similar construction programs/projects. The Lead Quality Control Manager must have:

- A bachelor's from an accredited institution in engineering, architecture, business or science-related field;
- Clear understanding of specific quality issues related to construction;
- Knowledge in Total Quality Management concepts and practical application to the construction industry;
- At least ten (10) years of experience as team manager in the quality management industry; and

- At least five (5) years of experience in quality control in the construction industry for housing or residential projects.

3.2.8. Lead Human Resource Manager

The resource assigned as Lead Human Resource Manager shall work together and under the direct supervision of the Senior Project Manager to control the labor regulation compliance and staffing aspects of the R3 projects. The Lead Human Resource Manager will supervise the Human Resource team of the R3 program, with the following responsibilities:

- Development, implementation and enforcement of the program's personnel policy and employee manual for the R3 projects;
- Development, implementation and update of the projects' specific staffing plan for the R3 projects;
- Assist and track the subcontractor with the labor laws and regulation compliance for the R3 projects;
- Documenting, tracking and resolving staffing issues, complains and discipline;
- Preparing and conducting meetings and trainings with the group leaders of the human resource team;
- Assigning tasks and managing the human resource team's personnel;
- Identifying and allocating resources to the human resource activities;
- Recommending and advising the Senior Project Manager as the subject matter expert in the human resource issues;
- Ensuring the Selected Proposer and its lower tier contractors, document and comply with Executive Order OE-2018-033 "EXECUTIVE ORDER OF THE GOVERNOR OF PUERTO RICO, HON. RICARDO ROSELLO-NEVARES, TO INCREASE THE MINIMUM WAGE OF CONSTRUCTION WORKERS, TO BRING INTO FORCE THE LAWS REQUIRING THE USE OF CEMENT PRODUCED IN PUERTO RICO, AND TO REQUIRE THE USE OF LABOR AGREEMENTS IN PUBLICLY FUNDED CONSTRUCTION PROJECTS";
- Owning and pursuing outstanding labor compliance related issues for the Selected Proposer and its subcontractors.
- Knowledge in the following subjects, but not limited to: minimum wage, the Davis-Bacon Act, the Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Fair Housing and Equal Opportunities Standards, Section 3 of the Housing and Urban Development Act of 1968, Minority Business Enterprise, and Women Business Enterprise;
- Coordinating various components of projects to ensure the on-time delivery of quality control deliverables, including but limited to: PRDOH documentation, labor compliance certifications, payroll weekly statement of compliance; worker classification system, and employee interviews;
- Promoting inter-team communication and keeping all the human resource team informed;
- Managing the individual group leaders of the human resource team;
- Assisting the Senior Project Manager in the evaluation of the resource team, staff and performance;
- Assisting the Senior Project Manager in the controls of the budget for the labor compliance activities;

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- Assisting the Senior Project Manager with status reports, trainings and presentations for the human resource activities;
- Promoting safe, healthy, fulling workplace, and fair compensation in all phases of the R3 projects;
- Promoting ethical behaviors and work ethic within the human resource team;
- Assuming responsibility for work products of the human resource team;
- Assuming responsibility for labor compliance issues during the all the phases of the R3 projects; and
- Any other function required to support the R3 program.

The Lead Human Resource Manager must maintain a complete understanding of all applicable R3 Program policies, requirements, and procedures. He / She shall possess academic and practical knowledge in labor law, conflict resolution, contract administration, and team management in CDBG disaster recovery or similar construction programs/projects. The Lead Human Resource Manager must have:

- A bachelor's or master's degree from an accredited institution in business administration, laws, or human resource fields;
- Knowledge in Best Human Resource practical to the construction industry;
- At least ten (10) years of experience as team manager in the human resource or labor laws fields; and
- At least five (5) years of experience in human resource or labor laws compliance in the construction industry.

3.2.9. Lead Warranty Manager

The resource assigned as Lead Warranty Manager shall work together and under the direct supervision of the Senior Project Manager to control the final turn over and warranty phase of the projects of the R3 projects. The Lead Warranty Manager will supervise the warranty team of the R3 program, with the following responsibilities:

- Development, tracking, and certifying the projects' specific closeout checklist and binder for the R3 projects;
- Preparing and certifying the closeout procedures and documentation, related to the closeout process, including but limited to: checklist, record documents, permits, taxes, certification, insurances, and warranties;
- Preparing and conducting closeout and warranty meeting with the group leaders of the warranty team and stakeholders;
- Assigning tasks and managing the warranty team personnel;
- Identifying and allocating resources to the warranty activities;
- Owning and pursuing outstanding closeout and warranty issues, like, but not limited to: final inspections, non-conformance work, and outstanding debts;
- Coordinating various components of projects to ensure the on-time delivery of closeout and warranty deliverables, including but limited to: record drawings, record specifications, closeout binder, warranty certifications, master plumber certification, professional electrician certification, commissioning, and final cleaning;
- Promoting inter-team communication and keeping all the warranty team informed;
- Managing the individual group leaders of the warranty team;

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- Assisting the Senior Project Manager in the evaluation of warranty team, staff and performance;
- Assisting the Senior Project Manager in the controls of the budget for the warranty activities;
- Assisting the Senior Project Manager with status reports, trainings and presentations for the closeout and warranty activities;
- Promoting ethical behaviors and work ethic within the warranty team;
- Assuming responsibility for work products of the warranty team;
- Assuming responsibility for the closeout and warranty issues during the closeout and warranty phases; and
- Any other function required to support the R3 program.

The Lead Warranty Manager must maintain a complete understanding of all applicable R3 Program policies, requirements, and procedures. He / She shall possess academic and practical knowledge in quality, commissioning, contract administration, and team management in CDBG disaster recovery or similar construction programs/projects. The Lead Warranty Manager must have:

- A bachelor's from an accredited institution in engineering, architecture, business or science-related field;
- At least ten (10) years of experience as team manager in the construction industry; and
- At least five (5) years of experience in the construction industry for housing or residential projects.

3.3. Organizational and Staffing Plan

Proposers shall submit to the PRDOH an initial organizational chart detailing the identity of each person (whether employed by Proposer or a subcontractor), position, rank and relationship of the personnel performing any Construction Manager services or planned to work on the R3 Program. The Proposers' organization and staffing plan shall specifically include the required number of personnel, roles, and responsibilities of each person on the project, their planned level of effort, their anticipated duration of involvement, and their on-site availability.

4. Deliverables and Milestones

The Selected Proposers are responsible to complete the specific activities and task for the R3 Program as describe in this section. These deliverables must be produced in a timely manner with the utmost diligence. The PRDOH or its representatives could modify (reduce or expand) theses deliverables or milestones, as required by the R3 Program circumstances. The deliverables required in this section will be presented in the Proposers schedules as milestones of the program or the projects.

4.1. Planning and Design Deliverables for Replacement Homes

The PRDOH will require three (3) phases of design for replacement homes (to be implemented under the reconstruction and relocation venues of the R3 Program). The first phase is the Conceptual Design. The second phase is Design Development. The third phase is the Construction Documents Phase. For repair works to be performed under the Program only Phase III of design

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(Construction Documents Phase) will apply. All Proposers will present their design alternatives for review in the following phases and timeframes.

4.1.1. Conceptual Design (Phase I)

The conceptual design for single-story and two-story 3-bedroom Model Homes will be submitted as part of the Proposals. For single-story and two-story 2-bedroom and 4-bedroom Model Homes the conceptual designs will be submitted after contract execution. Proposers must submit all the necessary information to clearly explain the design and construction technique intentions. The information and drawings for the Model Homes must clearly express the designer's intents in the following concepts:

- Appearance and aesthetics;
- Functionality and universal design;
- Areas and space distribution;
- Quality of proposed materials;
- Construction methodology and innovation; and
- Sustainability and resiliency.

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4.1.1.1. Drawings

For conceptual design purposes one facade will be presented for each Model Home. The base model designs will be illustrated in floor plan, elevations, and sections drawings with a graphic scale. It is not necessary to include a site plan drawing in this phase. These renderings should be produced in standard commercial software like AutoCAD®.

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4.1.1.2. Renderings

Conceptual designs must include color renderings of **(i)** a perspective view of the home, **(ii)** a 3D view of the front-façade, and **(iii)** a 3D view of interior living/dining areas. Renderings shall depict the overall appearance of the home and must be submitted in 11x17 (tabloid) paper. The hardcopy illustrations must have a high-quality printing and paper. Digital copy of the rendering could be required as part of the RFP evaluation process. These renderings should be produced in standard commercial software like Revit® or SketchUp®.

4.1.1.3. Narrative

The Proposers shall submit a technical narrative for each of the Model Home types which, additionally to describing the overall design concept, sets forth: **(i)** the codes and versions of such codes to be used for the Model Homes, **(ii)** the spaces provided and layout functionality, **(iii)** the proposed construction materials, **(iv)** the proposed construction methods to be used, **(v)** any energy efficiency or water conservation considerations, **(vi)** any sustainable design considerations, **(vii)** the expected time for construction, **(viii)** any necessary strategies to meet designated budgets; and **(ix)** how the home will comply any of the Green Standards set forth in this Scope of Work.

4.1.1.4. Document Format

Drawings, renderings and design narrative must be presented in an 11" x 17" (tabloid) bound booklet. All presentation material shall be delivered in printed and digital format (PDF). Scale drawings so that they fit as large as possible in the booklet. The booklet will have the following

order per sheet: design narrative, cover sheet, floor plans and room legend, sections, elevations, 3D drawings and other documents. Digital files must be supplied in CD or DVD disc(s).

4.1.1.5. Schedule of Deliverables

Time is of the essence for the R3 Program and the disaster recovery efforts. The Proposers shall be responsible for completing the conceptual design activities and must produce the products or services required within the following timeline:

- **Conceptual Designs for all Model Homes (Standard and ADA Compliant, single- and two-story):** To be submitted within ten (10) calendar days from contract execution.

4.1.2. Design Development (Phase II)

The Selected Proposers will submit a more detailed presentation of all the Model Homes for the evaluation and approval of the PRDOH or its representative. The Proposers should expect frequent communications, clarifications, and meetings with PRDOH or its representative. During this phase the Selected Proposers will prepare a standard: cost estimate, drawings, technical specification and permits, for the Model Homes.

4.1.2.1. Drawings

The Selected Proposers shall develop and submit drawings for all the 2-bedroom, 3-bedroom, and 4-bedroom single-story and two-story Model Homes, with all three (3) options for façade. These drawings will illustrate the floor plans, elevations, sections, schedules, detail views, and typical details, among others. The drawings must include, as a minimum, the following items: cover sheet, titles, structural, architectural, plumbing, mechanical, and electrical drawings. These renderings should be produced in standard commercial software like AutoCAD®.

4.1.2.2. Technical specification

The Selected Proposers shall develop and submit technical specifications for all the 2-bedroom, 3-bedroom, and 4-bedroom single-story and two-story Model Homes, with all three (3) options for façade. These specifications will describe the materials, products, quality, testing, construction method, and execution. Technical specifications are to include, as a minimum, the following: general requirements; concrete; masonry; metals; wood, plastic and composites; thermal and moisture protection; openings; finishes; specialties; equipment; furnishing; fire suppression; plumbing; mechanical; electrical; communications; electronic safety and security; exterior improvements; and utilities. The technical specifications should be produced in standard commercial software like MasterSpec®.

4.1.2.3. Renderings

The Selected Proposers shall develop and submit for all the Home Models (standard) color renderings of (i) a perspective view of the home, (ii) a 3D view of the front-façade, and (iii) a 3D view of interior living/dining areas. Renderings shall depict the overall appearance of the home and must be submitted in 11x17 (tabloid) paper and digital copy. The hardcopy illustrations must have a high-quality printing and paper. These renderings should be produced in standard commercial software like Revit® or SketchUp®.

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4.1.2.4. Narrative

The Proposers shall submit a technical narrative for each of the Model Home types which, additionally to describing the overall design concept, sets forth: **(i)** the codes and versions of such codes to be used for the Model Homes, **(ii)** the spaces provided and layout functionality, **(iii)** the proposed construction materials, **(iv)** the proposed construction methods to be used, **(v)** any energy efficiency or water conservation considerations, **(vi)** any sustainable design considerations, **(vii)** the expected time for construction, **(viii)** any necessary strategies to meet designated budgets; and **(ix)** how the home will comply any of the Green Standards set forth in this Scope of Work.

4.1.2.5. Cost Estimate

The Proposers shall submit a detailed cost breakdown of the construction of each of the Model Homes submitted with the Design Development Phase. The cost breakdown must be itemized, show estimated cost of all trades, and sufficiently detailed for the PRDOH to perform a cost reasonableness analysis.

4.1.2.6. Document Format

The Selected Proposers must present the drawings, renderings in an 11" x 17" (tabloid) bound booklet. The technical specification and design narratives in an 8-½" x 11" (letter) bound binder. All presentation material shall be delivered in printed and digital format (PDF). Scale drawings so that they fit as large as possible in the booklet. The booklet will have the following order per sheet: cover sheet, titles, structural, architectural, plumbing, mechanical, electrical, 3D drawings, and other documents. The binder will have the following order: design narrative, technical specification, cost estimate, other documents. Digital files must be supplied in CD or DVD disc(s).

4.1.2.7. Permits and Endorsement

The Selected Proposers shall prepare, submit, and obtain all preliminary construction permits and endorsements for all the Model Homes. The Construction Managers will submit all the applicable documents and pay all the application fees to obtain the necessary approvals pursuant to a preliminary construction permit as per OGPe ("Oficina de Gerencia y Permisos" for its Spanish Acronym) guidelines for designs for which no site has been selected.

4.1.2.8. Schedule of Deliverables

Time is of the essence for the R3 Program and the disaster recovery efforts. The Selected Proposers shall be responsible for completing the design development activities and must produce the products or services of this section in the following timeline:

- **Design Development Documents and Applicable Permits for all Model Homes (Standard and ADA Compliant, single- and two-story):** To be submitted within twenty (20) days from the PRDOH's or its representative's approval of the Conceptual Design Phase.

PRDOH and its representatives will evaluate all documents submitted, and issue comments or approve them within ten (10) days of receipt.

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4.1.3. Final Construction Documents (Phase III)

The Selected Proposers will develop and submit the final construction documents for all the repair and replacement home construction. For repair works this is the only design submission required for the R3 Program. The final construction documents will include all revisions required by the PRDOH or its representative, as well as the final permits approval for construction. This phase of design will be executed by the Selected Proposers upon assignment of homes through the R3 Program. Homeowners, when a replacement home is to be constructed, will select the façade for the home, paint color schemes, cabinets color schemes, floor color schemes, and any other optional component that has no impact on costs.

4.1.3.1. Project Site and Conditions

The Selected Proposers will assess the specific property to complete the design. Construction Managers will be expected to diligently engage its organization to complete the civil and structural analysis, and design.

4.1.3.2. Drawings

The Selected Proposers shall modify Model Home Plans and specifications as completed during the Design Development Phase to incorporate to the design the site conditions for the lot where the home is to be built and incorporate all design options selected by the homeowner to the drawings. The drawings developed during this stage of design will become the Final Construction Documents for the projects. Drawings shall illustrate the floor plans, elevations, sections, schedules, detail views, and typical details, among others. Drawings are to include, as a minimum, the following items: cover sheet, titles, structural, architectural, plumbing, mechanical, and electrical. These renderings should be produced in standard commercial software like AutoCAD®.

4.1.3.3. Technical specification

The Selected Proposers shall modify and complete the technical specifications approved under the Design Development Phase. These final specifications will describe the materials, products, quality, testing, construction method, and execution for each project assigned. The specifications are to include, as a minimum, the following: existing conditions; concrete; masonry; metals; wood, plastic and composites; thermal and moisture protection; openings; finishes; specialties; equipment; furnishing; fire suppression; plumbing; mechanical; electrical; communications; electronic safety and security; earthwork; exterior improvements; and utilities. These technical specifications should be produced in standard commercial software like MasterSpec®.

4.1.3.4. Document Format

The Selected Proposers must modify and present the final drawings in 24" x 36" sheets. All presentation material shall be delivered in printed and digital format (PDF). The final drawings set will have the following order per sheet: cover sheet, titles, civil, structural, architectural, plumbing, mechanical, and electrical. The Project Manual will have the following order: technical specification with MasterFormat sequence and other relevant documents. The Plans will have a graphic scale, the title of each drawing, and PRDOH logo and name. A presentation format for these drawings may be specified before delivery. Digital files must be supplied in CD or DVD disc(s).

4.1.3.5. Permits and Endorsement

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The Selected Proposers shall prepare, submit, and obtain all final construction permits for all the homes assigned. The Construction Managers will submit all the applicable documents and pay all the application fees to obtain the necessary approvals pursuant to the construction permit as per OGPe ("Oficina de Gerencia y Permisos" for its Spanish Acronym).

4.1.3.6. Schedule of Deliverables

Time is of the essence for the R3 program and the disaster recovery efforts. The Selected Proposers shall be responsible for completing the Final Construction Drawing activities and must produce the products or services of this section within twenty (20) days from the assignment of homes.

4.2. Lead and Asbestos Abatement, Demolition, Repair, and Replacement Home Construction Deliverables

The Selected Proposers will be responsible for completing all work applicable to the homes assigned (including design, permitting, abatement work, demolition work, repair work, and new construction work, as may be applicable) within the following timeframes:

- **Design and Permitting:** Construction Managers, upon assignment of any home, will begin the required design and permitting work for the construction activities to be performed. **There is no specific timeframe of performance for the design and permitting work.** Nonetheless, Construction Managers must complete this work within the least amount of time possible, as the "Average Build Time" metric specified in Section 5 of this document will be measured from the date assignments are issued to the Construction Manager.
- **Repair Works:** All work under a repair award must be completed by Contractor within **sixty (60) days**. This period will begin counting upon Program issuance of a Notice to Proceed with the construction works. Such Notice to Proceed will be issued by the Program upon **(i)** the Contractor notifying OGPe or the Autonomous Municipality of the project for Applications that do not require a formal construction permit or acquisition of the Construction Permit Notice ("Notificación de Permiso de Construcción") by the Contractor for Applications that require a formal construction permit; **(ii)** the Homeowner having moved out of the property to be assisted, if required; **(iii)** the Title Clearance Program having made a proprietary interest determination in favor of the Applicant in the case of non-traditional ownership Application; and **(iv)** upon having no outstanding issues outside of the Contractor's control, other than the payment of taxes and applicable insurances for acquisition of the actual Construction Permit, when applicable, for the construction works to start. This period will be considered completed on the date at which the Contractor submits the request of a Substantial/Finishes Milestone Inspection which later passes the inspection performed by the Program.
- **Replacement Home Construction Work:** All work under an award that requires the construction of a replacement home must be completed by Contractor within **one hundred and eighty (180) days**. This period will begin counting upon Program issuance of a Notice to Proceed with construction works. Such Notice to Proceed will be issued by the Program upon **(i)** acquisition of the Construction Permit Notice ("Notificación de Permiso de Construcción") by the Contractor; **(ii)** the Homeowner having moved out of

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the property to be assisted; (iii) the Title Clearance Program having made a proprietary interest determination in favor of the Applicant in the case of non-traditional ownership Applications; and (iv) upon having no outstanding issues outside of the Contractor's control, other than the payment of taxes and applicable insurances for acquisition of the actual Construction Permit, for construction works to start. This period will be considered completed on the date at which Contractor submits the request of a Substantial/Finishes Milestone Inspection which latter passes the inspection performed by the Program.

Repair Work and Replacement Home Construction Work periods of performance are subject to liquidated damages. If any issues or events that warrant a time extension to the periods of performance of the Construction Managers as set forth above arise, then the proper request for a time extension shall be submitted by the Construction Manager to the PRDOH for evaluation. If the request is justified and warrants a time extension the PRDOH shall extend the time allotted to the Construction Manager for the completion of the assigned works. Approved time extensions are non-compensable excusable delays.

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5. Metrics, Milestones, and Performance

The PRDOH or its representatives will actively review the Selected Proposers' responsiveness and performance in the R3 program. Repeated failures or low performance will result in limited future assignments of projects, reduction in the geographical regions assigned, or a probation period without receiving additional R3 projects. Construction Managers will be evaluated during the life of the Contract for:

- **Workmanship:** To be quantified by examining the ratio of total failed milestone inspections. The R3 Construction Managers with the lowest ration will be assigned a higher weighted factor. The PRDOH's representatives will monitor all "rolling" failed inspections within last thirty (30) days. Performance may trend upward or downward over a given period;
- **Average Build Time:** Calculated as a measure of the total number of days from a Task Order being issued to passing a Substantial/Finishes milestone inspection. The R3 Construction Manager with the lowest average build time is assigned a higher weighted factor;
- **Work in Progress:** A measure of the amount of work the R3 Construction Manager currently has under contract for which a Task Order has been issued, but a Substantial/Finishes inspection has not been completed. This value will be compared against initial baseline capacity that is established for the R3 Construction Manager. Less work in progress means a higher capacity to be assigned more projects. The baseline may be adjusted over the life of the project based on actual performance of each R3 Construction Manager;
- **Client and Homeowner Satisfaction:** This evaluation will be performed using customers surveys to the homeowner, owners and its representatives. A self-evaluation survey will be given to the Selected Proposers to be used in an improvement tool for the R3 Program. The survey results will be tabulated and valued to establish a composite score of the customers satisfaction. These results will be share and discussed with the corresponding Construction Manager.

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PRDOH, at its sole discretion, may determine, implement, and monitor additional performance indicators for Construction Managers through the life of the Contract and the R3 Program.

6. Compliance of Work with Federal Laws

6.1. [Reserved]

6.2. Fair Labor Act

All work performed for the R3 Program by the Construction Managers, as well as any of their subcontractors, as part of the Contract must comply with the requirements of the Fair Labor Act.

6.3. Davis-Bacon Act

All work performed for the R3 Program by the Construction Managers, as well as any of their subcontractors, as part of the Contract must comply with the requirements of the Davis-Bacon Act, if applicable¹.

7. Environmental Review

Environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. The Environmental Reviews of the properties in the R3 Program will be prepared by Environmental Consultants retained by the PRDOH. An environmental review process will be required for all awards to be issued under the R3 Program to ensure that the proposed activities do not negatively impact the surrounding environment and that the property itself will not have an adverse environmental or health effect on end users.

The R3 Program will have documentation that follows the National Environmental Policy Act (NEPA) and/or HUD requirements for environmental review. Therefore, all R3 projects shall have an Environmental Review Record (ERR). The ERR for the projects will set forth (a) the existence of negative impacts on a site, (b) the means to mitigate negative impacts, (c) alternatives to the project (if needed), and (d) the rejection of the proposed activities if all other options fall and it becomes the most prudent action to take. Selected Proposers will be responsible for implementing any means to mitigate negative environmental impacts for projects, including lead and asbestos abatement measures.

7.1. Lead Hazard Assessments

Federally funded programs, such as CDBG-DR, will assist housing built before 1978, therefore steps must be taken to address lead hazards. A lead-based paint hazard is any condition that causes exposure to lead form dust-related hazards, soil-lead hazards, or lead-based paint that is deteriorated, or present in chewable surfaces, friction surfaces, or impact surfaces that would

¹ 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. In the case of the R3 Program, Davis-Bacon requirements may not be triggered, since the Program is limited to single-family rehabilitation/reconstruction.

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result in adverse human health effects. The R3 Program will comply with provisions found at 24 CFR 35 for lead reduction. The Lead Hazard Assessments of the properties in the R3 Program will be prepared by the PRDOH's Environmental Consultants and prospectively provided to the Construction Managers upon assignments.

Lead hazard assessments are on-site investigations to determine the existence, nature, severity, and location of lead-based paint hazards accompanied by a report explaining the results and options for reducing lead-based paint hazards (40 CFR 745.227(d)(11)). Lead hazard assessments for the R3 Program will describe the options for controlling lead hazards, if hazards are found, including interim controls and abatement measures. If any abatement measures are needed, Construction Managers will be responsible for implementing such measures and obtaining environmental clearance in accordance with any federal, state, and local requirements for such works.

7.2. Asbestos Survey

Exposure to asbestos increases risk of developing lung diseases. In general, the greater the exposure to asbestos, the greater the chance of developing harmful health effects. Disease symptoms may take many years to develop following exposure. Because of its fiber strength and heat resistance asbestos has been used in a variety of building construction materials for insulation and as a fire retardant. Asbestos has also been used in a wide range of manufactured foods, mostly in building materials (roofing shingles, ceiling and floor tiles, paper products, and asbestos cement products), friction products (automobile clutch, brake, and transmission parts), heat-resistant fabrics, packaging, gaskets, and coatings. Asbestos fibers may be released into the air by the disturbance of asbestos-containing materials during product use, demolition work, building or home maintenance, repair, and remodeling.

An asbestos survey is used to locate and describe asbestos-containing materials in a structure. The R3 Program will conduct comprehensive building asbestos surveys through inspection of the properties. The Asbestos Surveys of the properties in the R3 Program will be prepared by the PRDOH's Environmental Consultants. If any abatement measures are needed, Construction Managers will be responsible for implementing such measures and obtaining environmental clearance in accordance with any federal, state, and local requirements for such works.

8. Damage Assessment Report

A Damage Assessment Report prepared by the PRDOH's representative will be given to the R3 Construction Manager for each property. These damage assessments will be performed by qualified Program Damage Assessors from the Program Managers. These reports and their probable estimated cost of repairs will be the base to determine if a house will be repaired or replaced.

The Damage Assessment Report, in addition to documenting actual damages sustained by the dwelling unit, because of Hurricane's Irma and María, will also serve to establish the scope of work for the repair task of the R3 Construction Manager. This report will have the following information:

- The total cost of the rehabilitation to bring the home within the R3 Program parameters;

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- The quantification of the value of work performed by the applicant at his/her home after the disaster;
- Detailed item-by-item take-off of the damages identified, for cost determination. The take-offs shall be combined with standardized unit prices (Program's Unit Pricelist) for each type of damage;
- Photographic evidence of the home's exterior including photos of the front, back, and sides. Any additional photograph required to document the overall building structure and site;
- Photographic evidence of the damages identified during the damage assessment;
- Any conditions identified (engineering or otherwise) during the assessment that may not allow rehabilitation works to be performed at the home and, as such, may trigger reconstruction or relocation;
- Overall recommendation for the Scope of Work to be performed through the R3 Program (i.e. Rehabilitation, Reconstruction, Relocation); and
- Any other pertinent information to the Damage Assessment Report.

9. Program's Unit Pricelist

The R3 Program requires standardization of unit costs. This:

- Facilitates communication and provides consistency amongst the PRDOH and its vendors (including Construction Managers);
- Ensures applicants are treated fairly during award determination process;
- Prevents unfair and unbalanced treatment to applicants;
- And facilitates the review and approval of applications for payment and change orders for Construction Managers.

The R3 Program will make use of Xactware's Pricing Lists as the main source for pricing of construction works to be performed. Xactaware is an independent, third-party, company that researches and reports on industry pricing. They use pricing information from general contractors, subcontractors, insurance carriers, insurance adjusters, and a host of other industry professionals as they research and report on average market price for each price list item. Xactaware assures that no one party or industry segment has any undue influence on the pricing data that they research and report on. Xactaware's Pricing Lists have been used in other implementations of CDBG-DR Programs all through the United States (e.g. Louisiana, North Carolina, Texas, West Virginia, etc.) and has been accepted by HUD as of reasonable cost.

Xactaware issues updates to its pricing lists constantly, sometimes even once (1) a month. Therefore, Xactaware's Pricing Lists ensures that the cost for work performed under the R3 Program maintains itself within reasonable cost levels for the duration of the Program. Initially, the R3 Program will make use of the Xactaware Pricing List **PRSJ8X_JUN19** for Puerto Rico and for the month of June 2019 with a Contractor Profile. Xactaware's Pricing List to be used by the Program will be updated on a yearly basis at the beginning of each State Fiscal Year to the most recently up to date list published by Xactaware. This allows for pricing within the Program to become fixed for one-year terms to facilitate Program Administration and allows for adjustments to the pricing due to conditions outside of the PRDOH's and the Construction Managers' control. The frequency

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for updates to the Program Price List herein stated may be adjusted by the PRDOH if such a change is beneficial to R3 Program's implementation.

Xactaware's Pricing Lists are published through Xactimate Software. Therefore, Construction Managers are required to acquire, maintain, and pay for Xactimate Licenses while under an engagement with the PRDOH for Construction Management Services.

As Xactaware's Pricing Lists may not hold every item of work required by the Program, the PRDOH reserves the right to include additional items of work and their reasonable pricing/cost as part of Program issued documents. Construction Managers must perform work specified under additional line items published by the PRDOH, at the pricing established by the PRDOH, when works that include such additional line items are assigned. PRDOH will only establish pricing at reasonable costs. Additional Line Item Lists, and their updates, will be published by the PRDOH as part of program issued documents whenever necessary.

Xactaware's Pricing Lists in combination with any Additional Line Item List published by PRDOH are the **Program Unit Price List**. All work performed under the Program Unit Price List must conform to all design and construction requirements for Puerto Rico, as well as with the Minimum Architectural and Design Standards included as **Attachment 8** to the RFP.

9.1. Overhead

Overhead for Program Unit Price List items will also be standardized under the R3 Program. Overhead percentage to be paid for all construction-related activities is equal to twenty percent (20%). Overhead is inclusive of indirect expenses (general overhead) such as (i) salaries and benefits of employees and personnel like bookkeepers, executives, administrative personnel, purchasing staff, estimators, and anyone else working on the central offices and not directly employed on a specific project; (ii) any central office cost including rent, utilities, supplies, phones, internet services, insurance, office equipment, furniture, and taxes; (iii) any physical property including vehicles and associated cost; (iv) costs of marketing, advertising, travel costs, and fees for professional services such as legal fees and audit services, among others; (v) and depreciation expenses for any office equipment or any other company owned construction equipment that would have a percentage written off as part of a general overhead expense and the cost of doing business. Overhead is also inclusive of any direct expenses (job overhead) such as (i) cost for space and structures including temporary office structures such as trailers, architect quarters, and leased office space; (ii) project-specific salaries including wages, payroll taxes, benefits and any reimbursable expenses for foremen, schedulers, engineers, and job superintendents, among other employed on-site staff; (iii) temporary facilities such as on-site offices and other temporary structures like tool sheds, on-site container storage, temporary barricades, railing, ramps, walls, and protection; (iv) temporary utilities such as hydrant meters, temporary water, heat, electricity, generators, and fuel, including connection and disconnection fees; (v) cost for drinking water for on-site staff and workers including cups and maintenance; (vi) project photographs and signage; (vii) surveying and project staking; (viii) site cleanup, both daily and final; and (ix) and testing and inspection required including pumping, soil testing, and material testing.

9.2. Profit

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Profit for Program Unit Price List Items will also be standardized under the R3 Program. Profit percentage to be paid for all construction-related activities is equal to ten percent (10%).

10. Payment Terms and Method of Payments

Payments shall be issued for services provided under the Construction Manager contract as stated in this Section. Invoices must be submitted with all supporting documents, as required by HUD and PRDOH. The supporting documents may include, but not limited to following:

- Invoice;
- Documents checklists;
- Breakdown for Payment;
- Photographical evidence;
- Expense plans or projections;
- Payroll statement of compliance;
- Work projections or project schedules;
- Monthly status or quality control reports;
- Insurance and bonds evidence, including renewals;
- Approved change orders or contract modifications;
- Certification of compliance with update of record drawing;
- Certification of compliance with updated of record specification;
- Certifications required by federal, state or local governments; and
- Any other documents that supports the service provided and billed.

PRDOH reserves the right to review the correctness of invoices and perform the audits as it deems fit. The Proposer must take into account that one or more of the documents presented in the payment request will required formal signatures, notarization or official certifications from one or more entities within the Construction Managers organization.

The Selected Proposers shall submit monthly invoices (every month) for services performed. Invoices must be detailed, specified, and itemized accompanied by a description of the services provided as previously approved by the PRDOH.

Each assigned home will have pay points dependent on the type of work assigned to the Selected Proposers. General pay points for work are as follows:

- **Payments when an Applicant Withdraws after a Task Order is Issued:** If the Contractor is issued a Task Order to begin design and permitting work on an Application and, thereafter, the Applicant decides to withdraw from the Program before construction begins, the Contractor will be compensated by PRDOH in an amount that represents the work completed up to the withdrawal date of the Applicant. The procedure to determine the amounts to be disbursed to Contractor under these scenarios will be set forth by PRDOH in the Program's policies and procedures.
- **Repair Works:** Only a single pay point will be allowed for repair works under the R3 Program. Invoices for repair works will be submitted by the Selected Proposers with their monthly invoice once all repair work is completed and accepted by the Program. Retainage of 10% will be applied to the repair award invoices in cases where the Construction Manager

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is unable to obtain a No-Debt Certification on Taxes from the applicable Municipality. Such amount will be retained until such time when a No-Debt Certification on Taxes is provided to PRDOH for each specific Application.

- **Construction of Replacement Homes:** Four (4) pay points have been currently identified for construction or replacement homes. These pay points are **(1)** upon completion of the replacement home foundation (includes the demolition of the substantially damaged homes for reconstruction awards) (up to 25% of the total Task Order amount less 10% retainage), **(2)** upon completion of the replacement home structure (up to 60% of the total Task Order amount less 10% retainage), **(3)** upon completion of the replacement home finishes (up to 100% of the total Task Order amount less 10% retainage), and **(4)** upon final acceptance of the work (includes the demolition of the substantially damaged homes for relocation awards) (100% of the total Task Order amount).

The PRDOH reserves the right to include additional pay points for work performed by Construction Managers if it is deemed to be in the best interest of the Program.

The Selected Proposers will deliver the original invoice to PRDOH's designated representatives. The PRDOH's designated representatives for the R3 Program will be the Program Managers. Invoices must be properly completed and certified by the Selected Proposers. Upon receipt of a proper invoice recommended for payment by the R3 Program Manager, the designated office within PRDOH will process it for certification, in accordance with the Accounting Act Law, following the standards and regulations established by enforcement agencies of the Government of Puerto Rico.

Selected Proposers will be paid on a per home assigned basis. No payments will be issued by the PRDOH for the development of the Model Home plans and specifications with no site (i.e. Conceptual Design and Design Development Phases). PRDOH will pay for all design as it applies to the Final Construction Documents deliverable for assigned projects.

11. Code Compliance Requirements

The 2018 International Building Code® as recently incorporated establishes minimum requirements for building systems using prescriptive and performance-related provisions. This 2018 edition is fully compatible with all of the International Codes® (hereinafter "I-Codes") published by the International Code Council (hereinafter "ICC"). This regulation arises from the adoption of ten (10) of the ICC family with its amendments to conform to the requirements of Laws and Regulations of construction and occupancies in Puerto Rico. This edition of the Puerto Rico Codes, like the other Codes published by the ICC, is arranged and organized to follow sequential steps that generally occur during a plan review or inspection and must be used with the corresponding code of the I-Codes family as follows:

1. *Puerto Rico Building Code* (hereinafter "PRBC"), as amended from the 2018 International Building Code® (hereinafter "IBC")
2. *Puerto Rico Residential Code* (hereinafter or "PRRC"), as amended from the 2018 International Residential Code® (hereinafter "IRC")
3. *Puerto Rico Mechanical Code* (hereinafter "PRMC"), as amended from the 2018 International Mechanical Code® (hereinafter "IMC")

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4. Puerto Rico Plumbing Code (hereinafter "PRPC"), as amended from the 2018 International Plumbing Code® (hereinafter "IPC")
5. Puerto Rico Fire Code (hereinafter "PRFC"), as amended from the 2018 International Fire Code (hereinafter "IFC")
6. Puerto Rico Fuel Gas Code (hereinafter "PRFGC"), as amended from the 2018 International Fuel Gas Code® (hereinafter "IFGC")
7. Puerto Rico Energy Conservation Code (hereinafter "PRECC"), as amended from the 2018 International Energy Conservation Code® (hereinafter "IECC")
8. Puerto Rico Existing Building Code (hereinafter "PREBC"), as amended from the 2018 International Existing Building Code® (hereinafter "IEBC")
9. Puerto Rico Private Sewage Disposal Code (hereinafter "PRPSDC"), as amended from the 2018 International Private Sewage Disposal Code® (hereinafter "IPSD")
10. Puerto Rico Swimming Pool and Spa Code (hereinafter "PRSPSC"), as amended from the 2018 International Swimming Pool and Spa Code® (hereinafter "ISPSC")

All work performed by R3 Construction Managers must also comply with most current federal, state and local, codes, laws, regulations and standards including, but not necessarily limited to:

1. 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 on June 7, 2019;
2. Local planning and zoning requirements;
3. Planning and Capacity Building (Section 105(a)(12) of the HCDA);
4. Energy Development Goals (Section 105(a)(16) of the HCDA);
5. Puerto Rico Firefighters Code; most current approved version;
6. Applicable Environmental Regulations;
7. Applicable HUD Terms and Conditions;
8. Fair Housing Act, as amendment;
9. American with Disabilities Act (where required)

12. Tasks

The R3 Program is a complex and extensive program that will cover all municipalities of Puerto Rico. The following are the tasks the PRDOH expects Construction Managers to perform professionally, diligently, and adhering to the highest standards of the construction industry.

12.1. Task 01: Construction Management/Administration

Selected Proposers' organization must have the knowledge, experience and resources to incorporate the best construction management and administrative technics to the R3 Program.

12.1.1. Duties and Responsibilities

- Organized the Selected Proposers' personnel and subcontractors;
- Expedite the R3 process to deliver the repaired, reconstructed, or newly constructed homes diligently and within budget;
- Standardize the document controls to improve the quality of the documentation and construction;
- Standardize the design processes and solutions, while reducing the submittals and clarifications, burden on the Owner and its representatives;

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- Ensure compliance with local and federal regulations, including permit and environmental laws;
- Provide solutions to the unforeseen conditions and reduce contract modifications;
- Increase the compliance with green building initiatives/checklists; and
- Standardize and expedite the close-out process of the projects.

12.1.2. Document Control and Information Technology

The Selected Proposers shall engage in the use of the latest technologies for the document controls and information technologies as an ancillary requirement to operate and interact with the R3 Program. No additional compensation for the implementation, maintenance, or licenses of these technologies will be provided to the Construction Managers. The Selected Proposers must expect the usage of the following commercial technologies, but not limited to:

- Word processor software, like MS Word or Google Docs;
- Spread sheet software, like MS Excel or Google Sheets;
- Web browser software, like MS Edge or Google Chrome;
- Presentation software like MS PowerPoint or Google Slides;
- File Transfer services, like MS SharePoint or Dropbox;
- Project Scheduling software, like MS Project or Primavera;
- Computer Aid Design (CAD) software, like AutoCAD, MicroStation or Revit;
- Geographic Information Systems (GIS), like Geosoft or ArcGIS;
- Scanners for drawings and documents with Optical Character Recognition (OCR) capacity;
- Estimating database and software, like Gordian RSMean and Xactimate; and
- Grant Management Software to be provided by the PRDOH.

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12.1.3. Occupational Safety and Health

The Selected Proposers must comply with the federal, state or local labor laws, related to the occupational safety, health and wellbeing of the employees and stakeholders of the Construction Manager organization. Selected Proposers will prepare and update, from time to time, the Safety Plan (general or projects' specific). The Selected Proposer will have the qualified and competent safety personnel to ensure and reduce the risk of accidents or incidents. The Selected Proposers will be responsible to provide the Personal Protection Equipment (PPE) to all employees and visitors, including, but limited to, the PRDOH or its representatives during the visits or meetings at the projects.

12.1.4. Quality Control and Quality Assurance

The Selected Proposers must comply with the highest quality parameters for the residential construction industry. These quality parameters will be prepared and updated by the Selected Proposers in the Quality Plan. The Quality Plan will be coordinated and approved by the PRDOH or its representatives. The projects' specific quality control and quality assurances procedures, testing, and reporting will be developed by the Construction Managers' design team as part of the technical specifications of each project and approved by the PRDOH or its representatives.

12.1.5. Resilience Standard

The Proposers shall incorporate resilient materials and characteristics into the design and performance of repair and replacement home construction projects. The Selected Proposers are expected to include resilient materials like concrete, as well as resilient characteristics like seismic restraints for equipment and windstorm resistant for exterior windows.

12.1.6. Green Building Standard

The R3 Program's construction activities must comply with the Green Building Standards as described in the Federal Register (83 FR 5844) published on February 9, 2018. All rehabilitation, reconstruction, or new construction should be designed to incorporate principles of sustainability, including water conservation, energy efficiency, resilience, and mitigating impact of future disasters.

12.1.6.1. Green Standards for Repairs

The Selected Proposers must apply the following principles or requirements to the extent applicable to the repair activities undertaken:

- HUD Guidelines on the Community Planning and Development Green Building Retrofit Checklist;
- HUD CPD Green Building Retrofit Checklist;
- Use of mold resistant products when replacing surfaces;
- Use of Energy-Star labeled products or appliances;
- Use of WaterSense labeled products or appliances; or
- Use of Federal Energy Management Program (FEMP) designated products or appliances.

12.1.6.2. Green Standards for Replacement Home Construction

The Selected Proposers will require that all Reconstruction or New Construction covered by this RFP meet an industry-recognized standard that has achieved certification under at least one of the following programs:

- ENERGY STAR Certified Homes (version 3 program requirements for the Tropic);
- 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
- Any other equivalent comprehensive green building program acceptable to HUD.

The Proposer must identify which Green Building Standard(s), they plan to use for the rehabilitation, reconstruction, or new construction projects. Selected Proposers must comply with at least one of the standards set forth above as certification under a Green Building Standard is a program requirement as part of project closeout and final payment to the Proposer.

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Due to the above, the PRDOH encourages selected Proposers to make use of a Green Building Standard that ensures completed homes can be certified at the time construction is completed such as it is the case with the Energy Star Certification. At any time during the contract, and with the consent of the PRDOH, selected Proposers may change the Green Building Standard to be used for homes at which construction has not yet begun.

12.1.7. Public Relations

The Selected Proposers are expected to cooperate with R3 Program's public relation efforts and facilitate dissemination of information. In order to achieve these goals, the Selected Proposers will, from time to time, provide and assist with data and information related to the R3 Program and its performance. The Construction Managers will channel any communication requests through the PRDOH and its representatives. The Proposers are not authorized to share any of the internal documents, data, confidential materials or sensitive information related to the R3 Program, unless an express and written authorization are provided by PRDOH.

12.1.8. R3 Program Coordination

The Selected Proposer will be responsible for the coordination and communication with the other entities working in the R3 Program. These R3 Program's team member will be:

- **PRDOH:** The Puerto Rico Department of Housing is the recipient and grantee of the Community Development Block Grant for Disaster Recovery. This public entity is called the "Owner" in the R3 Program;
- **Program Managers:** responsible for everyday management of the different tasks performed by the PRDOH's other contractors and consultants. Will also be responsible for the inspection of all works completed through the housing programs. This entity will provide services to the PRDOH that could include, but are not limited to, operation support, construction compliance, project management, statutory compliance; document control, accounting and reporting for the PRDOH;
- **Cost Estimators:** responsible for the estimating services in the construction and non-construction services for all CDBG-DR Programs. This entity will provide services to the PRDOH, that could include but are not be limited to, cost estimating, bid evaluation, special cost reports, cost-benefit analysis, claims analysis, price analysis, and cost analysis;
- **Environmental Consultants:** responsible for the environmental reviews of the properties in the R3 Program. This entity will provide services to the PRDOH that could include, but are not limited to, wetland evaluation, environmental site assessment, environmental testing, historical site evaluation, and archeological study.

Proposers may have to coordinate and communicate with additional stakeholders through the life of the Program.

12.2. Task 02: Architectural and Engineering Design

The Selected Proposers will be responsible for all aspects relating to the design of single-family homes. These designs will be performed and certified by individuals who are licensed to practice the professions of architecture or engineering in Puerto Rico. Services provided by Construction Managers, its subcontractors, agents and employees, shall comply with all applicable federal and local laws and regulations, including but not limited to those that relate to the practice of licensed

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professions and those that could affect the Construction Managers ability to carry out the scope of services under the contract. Also, Construction Managers must possess all necessary permits, endorsements and approvals necessary to perform the Work, which are to be valid and updated for the duration of the Contract. Construction Managers, and each of their employees, agents, subcontractors, and subconsultants must have all licenses, permits, authorizations, consents, and approvals necessary for the performance of the Scope of Work under the contract, and such licenses, permits, authorizations, consents, and approvals are to be up to date and in full force and effect from the date of submission of a Proposal and for the duration of the any Contract. Construction Managers will ensure that professional, architectural, or engineering work is performed by qualified professionals with the proper education, know-how, training, knowledge, expertise, experience and license to perform such works, according to applicable federal and local rules and regulations.

The design for non-substantially damaged single-family homes will fall under the design category of Repairs. The design for substantially damaged single-family homes or structures in high risk areas, as determine by the PRDOH or its representative, will fall under the design categories of Reconstruction in place or New Construction. Existing homes that require demolition or abatement will fall under the design category of Demolition. The design of demolition work for substantially damaged homes will also be part of the Selected Proposers' responsibilities.

The risk of design includes (but is not limited to): inadequate design planning and substandard design versus user requirements; ineffective design development coordination and delays in complying with schedules; risk that design does not fully comply with technical requirements, relevant codes, and standards; and general risk of not completing the design on schedule and within budget.

12.2.1. Objectives

- Sustainable design;
- High resilience housing;
- Universal design methodology;
- Safer conditions for the homeowners;
- Healthier residents and communities;
- ADA compliant home, if applicable; and
- Water conservation and energy efficient.

12.2.2. General Design Requirements:

- All submitted written texts, including but not limited to all communications (electronic or otherwise), questions, design descriptions, texts in drawings, and specifications must be in English;
- Meetings may be carried out in Spanish or English;
- For design purposes, Proposers may follow the requirements for zoning district classification that applies of the "Reglamento conjunto para la evaluación y expedición de permisos relacionados al desarrollo, y uso de terrenos y operación de negocios, as adopted on June 7, 2019, and as it may be updated from time to time by the Puerto Rico Planning Board";

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- Assume that the lots in which the Model Home (standard) prototypes will be sited are flat and that the ground has adequate bearing capacity for the proposed structure;
- All rooms of the house must have access to natural light and ventilation. Bathrooms may be the only exception to this requirement, although it is desirable to comply with it wherever possible;
- Bathrooms shall have showers (no bathtubs);
- All doors must have a minimum 32-in clear door opening width.
- Kitchens must be open to the dining/living area;
- Rough-in for photovoltaic cell panels and electricity generator installation must be provided;
- Rough-in for potable water cistern must be provided;
- Solar water heater (installed) anchored to withstand hurricane force winds according to applicable codes;
- All the dwelling unit's original components shall resist hurricane force winds as per applicable codes and materials must be waterproof as much as possible;
- Laundry area may not be included in interior space of dwelling units unless it meets the cost constraints;
- Supply the rough-in for a gas stove. Store gas tanks area outside the house. Add also and electrical outlet (120 - 240 volts) for electrical stoves;
- Designers may submit creative and innovative design strategies for different intentions and clearly explain them during the presentation process.

All design and construction work under the contract must also comply with the Minimum Architectural and Design Standards set forth in **Attachment 8** to the RFP.

12.2.3. Specific Requirements:

- Primary material of construction for the structure and site will be concrete with local manufactured cement in accordance with the requirements of Executive Order No. OE-2018-033 and Act 109 of 1985. For the purpose of clarity, the use of local manufactured cement will apply to any cast-in-place 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.
- Single-Family Manufactured or Modular homes will be allowed.
- All the engineer or architectural research, data and analysis necessary for the completion of the R3 designs will be included in the costs of the repairs, reconstruction or new construction work. These ancillary costs may include but limited to: soil studies, traffic studies, tree inventory, hydrology & hydraulic study, or land surveys;
- The maximum construction / hard cost for a 2-bedroom single-story home (standard) shall not exceed \$145,000.00;
- The maximum construction / hard cost for a 2-bedroom two-story home (standard) shall not exceed \$160,000.00;
- The maximum construction / hard cost for a 3-bedroom single-story home (standard) shall not exceed \$170,000.00;

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- The maximum construction / hard cost for a 3-bedroom two-story home (standard) shall not exceed \$185,000.00;
- The maximum construction / hard cost for a 4-bedroom single-story home (standard) shall not exceed \$185,000.00;
- The maximum construction / hard cost for a 4-bedroom two-story home (standard) shall not exceed \$205,000.00;
- Maximum Hard Costs include: (i) construction of the Replacement Home in compliance with all applicable requirements of the Scope of Work and the Minimum Design and Architectural Standards, including costs associated to the structure, its components, and finishes, including the cost of excavation and soil preparation for foundations underneath the home's footprint; (ii) construction of a minimum 200 square feet carport pad (no roof) for the Replacement Home; (iii) construction of 180 square feet of driveway to the home's carport pad (considering minimum setbacks for a typical R-I Lot); (iv) construction of 50 square feet of walkway to the home (considering minimum setbacks for a typical R-I Lot); (v) a 75 feet connection length for power to existing utilities; (vi) a 25 feet connection length for potable water measured from the Replacement Home's front edge to existing meter location; (vii) a 25 feet connection length for sanitary sewer measured from the Replacement Home's front edge to existing clean out ("registro"); (viii) softscape (either by hydroseeding or sodding; if by hydroseeding include at least 2 inches of topsoil) for the square footages specified in BAFO Letter; (ix) operational costs associated to the construction of the Replacement Home; (x) overhead costs associated to the construction of the Replacement Home; (xi) profit costs associated to the construction of the Replacement Home; and (xii) cost of other related activities not excluded from the hard / construction caps.
- Maximum Hard Costs exclude: (i) any earthwork (cut, fill, and other related activities) additional to that required directly under the Replacement Home's footprint (Additional earthwork requirements will be compensated to the Construction Managers using the Program Unit Price List); (ii) any sitework (sidewalks, driveways, landscaping, etc.) in addition to the driveway, walkway, and softscape requirements by the cap (Additional sitework requirements will be compensated to the Construction Managers using the Program Unit Price List); (iii) demolition work required at the storm-damaged home (This cost will be compensated to the Construction Managers using the Program Unit Price List); (iv) any abatement work required at the storm-damaged home (If any abatement is required at the storm-damaged home, it will be compensated to the Construction Managers using the Program Unit Price List); (v) cost of Municipal Patents and Construction Taxes ("Arbitrios") applicable to the construction of the Replacement Home and any demolition and abatement work required at the storm-damaged property (These costs will be added to the Construction Managers total cost of the work based on the applicable percentages of the Municipality were work is to be performed); and (vi) cost of insurance related to the work.
- If applicable, the design of homes must include modifications to accommodate SHPO requirements.
- Homes to be built on a historic district, must submit and conform the façade designs to the special permit requirements as dictated by the federal and local cultural and preservation offices; and

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- All Model Homes shall have the options for applicants to choose from such as exterior paint color schemes, cabinets color scheme, floor color schemes, and any other optional component that will not have an impact on costs.

12.2.4. Repairs

The Selected Proposers will design the repair work of existing non-substantially damaged homes as indicated in the Damage Assessment Reports. Due to the nature of the repair work the Selected Proposers will be expected to create practical design and custom solutions for each household. The design for the repair work will be discussed and approved by the PRDOH or its representatives, prior to its execution.

12.2.5. Reconstruction or New Construction

Homes constructed for the R3 Program aims to make its housing units usable by more LMI households at little to no extra cost. The Selected Proposers must aim to build resilient housing units that maintain livable conditions in the event of extended loss of power or water.

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12.2.6. Minimal suggested approximate area requirements

Space	2-Bedrooms	3-Bedrooms	4-Bedrooms
Front Porch	60.00 sq. ft.	60.00 sq. ft.	60.00 sq. ft.
Kitchen	90.00 sq. ft.	90.00 sq. ft.	90.00 sq. ft.
Living / Dining Area	240.00 sq. ft.	240.00 sq. ft.	240.00 sq. ft.
Bedrooms (w/ Closet)	120.00 sq. ft. (at least one) 110.00 sq. ft. (others)	130.00 sq. ft. (at least one) 110.00 sq. ft. (others)	130.00 sq. ft. (at least one) 110.00 sq. ft. (others)
Total Min. Area	800.00 sq. ft.	1,000.00 sq. ft.	1,200.00 sq. ft.

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Homes constructed under the R3 Program must include a carport slab (not roofed) for at least one (1) vehicle.

12.2.7. Single-Story Detached houses

Homes for construction in urban or suburban lots with front, rear, and lateral yard space in accordance with zoning regulations. These types of homes must not share walls with adjacent homes (no rowhouse nor twin house configuration). Patio homes, in which the wall of a lateral yard is shared with the interior of the adjacent house may be a design option to be discussed before the presentation of the first Schematic Design Phase.

12.2.8. Party-Wall houses

In urban lots where lot space is at a premium or in rural setting where the lots have geometrical constraints. These houses are to be built in generally narrow lots where the unit lateral walls meet the lots limits, adjacent to neighbor buildings' walls/property, and where continuous lateral yards are impractical. Thus, the availability of natural light and ventilation availability must be achieved by incorporating creative design solutions such as non-continuous yards or wells. These models must have a rear yard as per zoning regulations, but a front yard may not be required or desirable (consult zoning and land use plans of specific locations).

12.3. Task 03: Permits and Endorsements

The Selected Proposer shall secure and pay for all incidental permits, endorsements, or certifications required to execute and use the repaired, reconstruction, or new construction project, as assigned to them and within the boundaries of the R3 Program. These permits, certifications, or endorsements shall be acquired in a timely manner to not adversely affect the progress of the work and the critical path of the work. Permits must be acquired in the name of the Program beneficiary (i.e. homeowner). The list of typical permits or endorsements shown below is a general list and shall not be interpreted by the Proposer as an exclusive list of documents, other permits could be required for each project.

12.3.1. List of Permits or Endorsements

- Department of Transportation endorsement;
- Solid Waste Authority endorsement;
- Fire Department endorsement;
- Department of Agriculture endorsement;
- Municipality endorsement;
- Culture Institute endorsement;
- State Historical Preservation Office endorsement;
- United States Army Corp of Engineers endorsement;
- Environmental Quality Board endorsement;
- Planning Board endorsement;
- Department of Natural Resources and Environmental permit;
- General Consolidated permit;
- Public Service Commission permit;
- Demolition Permit;
- Lead and Asbestos Abatement permit;
- Construction permit;
- Propane Gas permit;
- Emergency Generator permit (installation);
- Emergency Generator permit (operation);
- Roadwork construction or modification permit;
- PREPA endorsement;
- PRASA endorsement; and
- Occupancy permit ("Permiso de Uso").

12.4. Task 04: Lead & Asbestos Abatement

The Selected Proposer shall secure and pay for all abatement permits, mitigation work, testing, and certifications required to execute the cleaning and prepare the projects for the demolition, rehabilitation, reconstruction or new construction activities. This task has to be completed in a timely, secure and safe manner, to ensure the compliance with the environmental laws and regulations.

12.4.1. Objectives

- Mitigating or removing the hazardous material from the household;

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- Mitigating or removing the Hazardous material from the community;
- Preparing the structure for general demolition;
- Preparing the structure for selective demolition; and
- Improving the standard of living and wellness for the impacted households.
- Obtaining environmental clearance once all abatement work is completed.

12.4.2. General Requirements

- All submitted written texts, including but not limited to all communications (electronic or otherwise), questions, design descriptions, texts in drawings and specifications must be in English.
- Project or coordination meetings may be carried out in Spanish or English.
- Acquiring a copy of the lead hazard assessment and reports, prepare by the PRDOH's Environmental Consultants;
- Acquiring a copy of the asbestos survey and reports, prepare by the PRDOH's Environmental Consultants;
- Providing homeowners with the Lead and Asbestos Pamphlet;
- The Selected Proposer will start the mitigation or abatement work as directed in writing, by the PRDOH or its representatives; and
- The Selected Proposer will be responsible for the design, permits and expenses related to this task.
- All LBP contractor activities must be implemented in accordance with the EPA's 2008 Renovation, Repair, and Painting (RRP) Rule.

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12.4.3. Specific Requirements (if required)

- Providing a secure perimeter and appropriate signages for the mitigation or abatement activities in the project, while safeguarding the public;
- Performing the abatement design or mitigation procedures, as required by the hazardous materials assessment;
- Performing all the mitigation or abatement in the house or project;
- Performing all the inspection and material disposals as required by the environmental laws and regulations;
- Performing all the testing and certification required for the mitigation or abatement in the house or the project;
- Closing the mitigation of abatement permits;
- Providing evidence and digital copy of the closing documentation of the mitigation of abatement permits; and
- Documenting and reporting all the mitigation or abatement activities.

12.4.4. Notice of Completion

The mitigation and abatement for each R3 project under this task will be consider completed, when the following conditions are met:

- All the change requests have been closed, either eliminate or executed;
- All the hazardous materials have been mitigated or eliminated from the house or project;
- Delivery of the test results have been provided to PRDOH or its representatives;

- Delivery of the final inspection reports with certification have been provided to PRDOH or its representatives;
- The Lead Abatement permit have been closed with the corresponding government agencies;
- The Asbestos Abatement permit have been closed with the corresponding government agencies; and
- The PRDOH or its representative have provided a written confirmation that this task has been completed.

12.5. Task 05: General Demolition

The Selected Proposers will provide the general demolition services for the Reconstruction, New Construction, or Relocated families. The demolition activities will be assigned to the Construction Managers by the PRDOH or its representatives. If required, the lead and asbestos abatement will be performed by the Selected Proposers under the Task 04 and before the General Demolition starts. The Contractor may not perform any work outside of the approved written task without prior authorization or an approve Change Order to the work order. The demolition's work plan will be designed by the Selected Proposers.

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12.5.1. Notice of Completion

The general demolition for each R3 project under this task will be consider completed, when the following conditions are met:

- All the change requests have been closed, either eliminate or executed;
- The house structure has been removed and the resulting materials disposed as required by the demolition design, permits, and regulations;
- The site has been clean of all debris, trash or unsuitable materials;
- The site has been prepared to a level that permits the start of the foundations;
- The grading for the structure and site has been adjusted to the require levels of the demolition design and flood analysis; and
- The Owner or its representative have provided a written confirmation that this task has been completed to the satisfaction of the Contract.

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12.6. Task 06: Single-Family Repair

Homes with an estimated cost of repair less than \$60,000 or 50% of the current value of the home, whichever is lesser, will be rehabilitated in place to achieve living standards and compliance with applicable building codes. The estimated costs of repair will be determined by the Program's Damage Assessment Report. The repair scope of work for each home will be provided to the R3 Construction Manager by the PRDOH or its representative. Construction Managers must confirm on site all work stated in the Damage Assessment Report.

12.6.1. General Requirements

- All submitted written texts, including but not limited to all communications (electronic or otherwise), questions, design descriptions, texts in drawings and specifications must be in English;
- The Selected Proposer will conduct regular construction and coordination meeting in coordination with the other interested parties of the CDBG-DR program. The frequency

of the meetings will depend of the complexity and phase of the project. These meetings may be carried out in Spanish or English;

- Any obsolete products replaced as part of the rehabilitation must be replaced with Energy Star, Water Sense, or FEMP designated products or appliances, as per 83 FR 5844;
- Selective demolition will be executed and paid under this task;
- General demolition will be executed in Task 05 of this RFP;
- Lead and Remediation of known or suspected environmental contamination, including project-specific environmental assessment costs will be executed under Task 04 of this RFP;
- Cost of labor, materials, supplies, equipment, and any other expenses ancillary or required for the rehabilitation of property, are included in the R3 Construction Manager cost proposal under each Program's unit Pricelist item;
- The purchase and installation of washers, dryers, and other appliances that promote energy efficiency;
- Rehabilitation of a home in substantially the same manner as the original condition before the disaster, subject to practical, technical or legal limitations (deviations are permitted for reasons of safety or of otherwise impractical);
- Specialty construction elements associated with historical properties, including coordination with the Puerto Rico Cultural Institute and State Historical Preservation Office (SHPO), must be included under this task; and
- Obtaining all necessary federal, state or municipal permits, certificates or endorsements to close-out the rehabilitation work is included in Task 03 of this RFP.

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12.6.2. Specific Requirements

The Selected Proposer will be required to repair the eligible homes from an array of repairs ranging from minor to mayor. The rehabilitation activities for each dwelling unit will be based in the Damage Assessment Report and may include, although not be limited to, the following:

- Preparing a work plan and schedule for each household repair, using the information provided in the Damage Assessment report and Probable Cost Estimate;
- Verifying the information giving by the Owner's or Owner's representative, to diligently notifying any discrepancy or inconsistencies;
- Preparation of initial report, including photographs of the initial conditions. This report will certify if the conditions observed match the Damage Assessment report, if not it will list the discrepancies;
- Obtaining all necessary federal, state or municipal permits or endorsements to commence the repair work;
- Providing architectural and engineering construction plans and technical specification for the repair work;
- Selective demolition of site, exterior or interior elements in the lot;
- Site clearance and improvements;
- Removal of buildings materials or debris;
- Foundation remediation, leveling or repairs;
- Structural damage repairs or seismic retrofit;
- Installation of smoke detectors, dead-bolt locks, and other devices for security purposes;

- Equipment and systems to increase the efficient use of water and improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, and modification or replacement of heating and cooling equipment;
- Utility connection from residential structure to water distribution system or local sewer collection lines, or installing septic tank system;
- Utility connection from residential structure to electrical distribution system;
- Building envelopes rehabilitation, including: roof, exterior doors, exterior windows, exterior walls, siding, and exterior MEP systems.
- Removal of materials and architectural barriers that restrict the mobility and accessibility of elderly and severely disabled persons to the dwelling unit;
- Improvements to the quality of life of elderly and handicap persons, that are eligible for rehabilitation;
- Construction or replacement of landscape materials, sidewalks, and driveways when incidental to other rehabilitation of the property;
- Preserving or restoring properties of historic significance;
- Surface preparation and finishes rehabilitation, including painting;
- Flooring repairs or replacement;
- Cabinet, shelving and appliances replacement;
- MEP equipment repair or replacement;
- Preparing the punch lists and correcting the deficiencies; and
- Preparing and keeping relevant documents, including record drawings and technical specifications (both signed and sealed by a professional engineer);
- Preparation of the final report, including photographs of the repaired elements. This report will certify that all the conditions observed in the Damage Assessment report were corrected and certify any deviation work or modifications performed.

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12.6.3. Notice of Completion

The individual rehabilitation projects under this task will be consider completed, when the following conditions are met:

- All the change requests have been closed, either eliminate or executed;
- All the punch lists have been corrected;
- All the non-conformance reports have been sign-off by the PRDOH or its representative;
- Delivery of the final report and corresponding certification of work completed;
- Waivers of Mechanic's Lien for the work completed to the date of the substantial completion and lawfully entitled to subcontractor, consultants, supplier, etc. This waiver should list any pending payments, even if not due but duly submitted to the R3 Construction Manager;
- The home has passed its final inspection, as evidenced by written inspection report from the Program Manager stating such fact.

12.7. Task 07: Single-Family Reconstruction or New Construction

Homes with an estimated cost of repair greater than \$60,000 or 50% of the current value of the home, will be candidates for reconstruction in-place or new construction on another lot. The estimated costs of repair will be determined by the Program's damage assessment. The repair's

scope of work for each home will be provided to the R3 Construction Manager by the PRDOH or its representatives.

12.7.1. General Requirements

- All submitted written texts, including but not limited to all communications (electronic or otherwise), questions, design descriptions, texts in drawings and specifications must be in English;
- The Selected Proposer will conduct regular construction and coordination meeting in coordination with the other interested parties of the CDBG-DR program. The frequency of the meetings will depend of the complexity and phase of the project. These meetings may be carried out in Spanish or English;
- Any obsolete products replaced as part of the rehabilitation must be replaced with Energy Star, Water Sense, or FEMP designated products or appliances, as per 83 FR 5844;
- General demolition will be executed in Task 05 of this RFP;
- Lead and Remediation of known or suspected environmental contamination, including project-specific environmental assessment costs will be executed under Task 04 of this RFP;
- Cost of labor, materials, supplies, equipment, and any other expenses ancillary or required, are included in the R3 Construction Manager cost proposal under each Program's unit Pricelist item;
- The purchase and installation of washers, dryers, and other appliances that promote energy efficiency;
- Specially construction elements associated with historical properties, including coordination with the Puerto Rico Cultural Institute and State Historical Preservation Office (SHPO), must be included under this task;
- Obtaining all necessary federal, state or municipal permits, certificates or endorsements to close-out the rehabilitation work is included in Task 03 of this RFP;
- The home reconstruction or new construction will provide a single-family dwelling unit of 2, 3, or 4 bedrooms, depending on Applicant eligibility;
- The reconstructed or newly constructed dwelling unit will be a single-story or two-story unit, as determinate by the PRDOH or its representatives; and
- The façade style for the reconstruction or new construction dwelling unit will select by the homeowner and approved by the PRDOH or its representative, during the pre-construction meeting. Homeowner will also choose from options such as exterior paint color schemes, cabinets color schemes, floor color schemes, and any other optional component that will not have an impact on costs.

12.7.2. Specific Requirements

The Selected Proposer will be required to construct a new dwelling unit for a single-family in the same lot (Reconstruction) or a new lot (New Construction). The reconstructed or newly constructed housing unit will be based on the Model Homes, previously pre-approved by the PRDOH or its representatives. These Model Homes and subsequent work on the properties may include, although not be limited to, the following:

- Preparing a work plan and schedule for each reconstructed or newly constructed dwelling unit;

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- Verifying the information provided by the PRDOH or its representative, to diligently notifying any discrepancy or inconsistencies;
- Preparation of initial report, including photographs of the initial conditions of the lot and its perimeter. This report will certify the site conditions observed;
- Obtaining all necessary federal, state or municipal permits or endorsements to commence the reconstruction or new construction work;
- Providing architectural and engineering construction plans and technical specification for the reconstruction or new construction;
- Geotechnical work for the site and the structure, including, but limited to: borings, in-site tests, slope stabilization analysis, laboratories, certification, and technical reports;
- Laboratory testing, certification and reporting for quality control, quality assurance or commissioning work, including, but not limited to: soils, concretes, masonries, asphalts, and waterproofing;
- Clearance, grading and improvements to the Site;
- Removal of buildings materials or debris in the lot;
- Geometrical correction or new construction to the Site entrance;
- Removal of buildings materials or debris in the lot;
- Site work preparation and condition for the new building structure including, but not limited to: footing excavation, foundation excavation, utility trenching, sidewalks, driveway, sanitary facility, potable water facility, and perimeter fences;
- Site work preparation and condition for the new building structure including, but not limited to: footing excavation, foundation excavation, utility trenching, sidewalks, driveway, sanitary facility, potable water facility, and perimeter fences;
- Foundation work for new building structure including, but limited to: footing, block wall, foundation wall, and floor slab;
- Exterior work for new building structure including, but not limited to: concrete wall, masonry block wall, stone veneer, exterior plastering, metal siding, exterior window, exterior door, envelop insulation, shutter, skylight, built-up roofing, concrete roof, and metal roof;
- Interior work for new building structure including, but limited to: concrete wall, drywall partitions, interior plaster, ceiling stucco, suspended ceiling, interior door, flooring, and stairways;
- Specialty work for new building structure including, but not limited to: kitchen, appliances, bathroom accessories, and wood deck;
- Mechanical, electrical and Plumbing (MEP) work for new building structure including, but not limited to: domestic water system, bathroom fixtures, water heater, sanitary system, ventilation system, storm drainage system, fire protection, lighting fixture, fire alarm system, wiring devices and electrical distribution system;
- Accessibility (if applicable) to comply with the American with Disabilities Act, as amended, for eligible homeowner.
- Preparing the punch lists and correcting the deficiencies; and
- Preparing and keeping relevant documents, including record drawings and technical specifications (both signed and sealed by a professional engineer);
- Preparation of the final report, including photographs of the reconstructed or newly constructed dwelling unit and site.

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12.7.3. Notice of Completion

The reconstruction or new construction projects under this task will be considered completed, when the following conditions are met:

- All the change requests have been closed, either eliminated or executed;
- All the punch lists have been corrected;
- All the non-conformance reports have been sign-off by the Owner or the Owner's Representative;
- Delivery of the final report and corresponding certification of work completed;
- Waivers of Mechanic's Lien for the work completed to the date of the substantial completion and lawfully entitled to subcontractor, consultants, supplier, etc. This waiver should list any pending payments, even if not due but duly submitted to the R3 Construction Manager;
- The home has passed its final inspection, as evidenced by written inspection report from the Program Manager stating such fact.
- The warranty binder (as specified in Task 08: Projects Closeout) has been delivered by the Construction Manager to the Homeowner and the PRDOH or its representatives.

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12.8. Task 08: Projects Closeout

The Selected Proposers will be responsible for the closeout process of the repaired, reconstructed or newly Constructed homes. The closeout procedures and record documentation will be defined and coordinated with the PRDOH or its representatives, after the Proposers are selected.

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12.8.1. Duties and Responsibilities:

- Deliver one hardcopy and digital copy of closeout binder to the PRDOH or its representatives;
- Deliver one hardcopy and digital copy of closeout binder to the Homeowner;
- Maintaining and preserving the projects records for the period prescribed in the contract;
- Maintaining and preserving the projects records for the period required by the federal and state laws and regulations; and
- Assist with any audits performed by the Owner or its representatives.

12.8.2. Closeout Checklist and Binder (PRDOH):

The Closeout binder for each project may include, but not limited to following:

- Binder cover, dividers and checklist;
- Copy of the Agreement and its amendments;
- Waterproofing system warranties and bonds;
- Transfers of all warranties and equipment ownership;
- Operation and Maintenance Manuals;
- List of vendors, supplier or manufacturer used;
- Record drawings, signed and sealed;
- Record specification, signed and sealed;
- Master plumber certifications;
- Professional electrician certifications (interior and exterior);
- Submittal log and its digital copies in pdf format;

- Copy of closing government permits; and
- Any other documents required by the R3 Program.

12.8.3. Closeout Checklist and Binder (Homeowner):

The Closeout binder for each project may include, but not limited to following:

- Binder cover, dividers and checklist;
- Waterproofing system warranties;
- Equipment warranties and transfer to homeowner;
- Operation and Maintenance Manuals;
- Record drawings, signed and sealed;
- Master plumber certifications;
- Professional electrician certifications (interior and exterior);
- Digital copies of relevant submittals (pdf format);
- Construction and Occupancy permits; and
- Any other documents required by the R3 Program.

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12.9. Task 10: Warranty Period

All work performed by the Selected Proposers will be guaranteed as follows:

- Roof waterproofing works will be guaranteed for a minimum of ten (10) years;
- Solar Water Heaters will be guaranteed for a minimum of five (5) years;
- Equipment and Appliance installed will be guaranteed for a minimum of one (1) years or as provided for by the manufacturer (whichever is greater); and
- All other work will be guaranteed for a period of one (1) year.

For the warranty periods established above the assisted homeowner may require the Selected Proposers to correct defects or problems arising from the Selected Proposers' work under the contract. The R3 Program will have designated case managers to receive and process warranty and construction complaints. All warranty and construction complaint issues shall be logged into the Program's system of record for follow up. A reasonable amount of time will be given to correct the problem; however, in no case will such time exceed two (2) weeks to respond. Should the Construction Manager fail to correct the problem the assisted homeowner may contact the Program to take any necessary legal resources as prescribed in the Construction Manager's contract.

12.10. Task 11: Temporary Relocation

CDBG-DR funds may be used for temporary relocation payments and assistance to persons displaced by an activity that is not subject to the requirements described above. This may include payments and other assistance for temporary relocation (when persons are not permanently displaced).

Applicants to the R3 Program qualify for temporary relocation assistance only if they must vacate the storm-impacted property during program-sponsored construction. Applicants who are not residing in the storm-impacted property for any reason other than program-sponsored construction are not eligible for temporary relocation assistance. The R3 Program may provide temporary relocation assistance only on an extremely limited basis and as a last resort for applicants to secure temporary housing during program-sponsored construction.

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In order to qualify for temporary relocation assistance, the applicant must:

1. Be determined to be eligible to receive assistance that requires the applicant vacate the damaged property during construction;
2. Have an income of less than 50% of HUD-approved income limits for Puerto Rico;
3. Have no duplication of benefits issues that could prevent the Program from providing services;
4. Have exhausted all possible options to temporarily reside with friends, family, in self-funded housing or any other options available; and
5. Have no other options for temporary housing, as identified by a counselor in PRDOH's Housing Counseling Program.

The Program will compensate the applicant in the amount of 100% of the HUD fair-market rent rate² for a home large enough to accommodate the household in the municipality where the damaged property is located. Most up to date rates published by HUD for Fiscal Year 2019 are also herein included as **Attachment 9**. Rates to be paid by the Program will be updated from time to time based on HUD-issued guidance and updates. Temporary relocation will be provided from the time the applicant moves out of the property until one (1) week after the construction passes a final inspection and the its confirmed that work was completed in accordance to the agreed upon scope and a occupancy permit (permiso de uso) is obtained, if applicable.

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Applicants who qualify for temporary relocation assistance will receive payment for the duration of construction, plus two (2) weeks to accommodate time to obtain a final inspection and occupancy permit (permiso de uso). Temporary relocation assistance will be prorated for partial months, as needed. Temporary relocation assistance will not be offered for any period of time beyond one (1) week after the date of final inspection or date occupancy permit (permiso de uso) is issued, whichever is later.

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Construction Managers are required to issue temporary relocation payments to Program applicants as applicable and approved by the PRDOH under an assignment or a case-specific change order related to an assignment. The PRDOH will reimburse Construction Managers for temporary relocation assistance payments issued to applicants as approved by the Program. Reimbursements for temporary relocation payments issued will not include any additional costs (administrative, overhead, profit, or otherwise).

END OF SCOPE OF WORK

² https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2018_code/2018state_summary.odn

ATTACHMENT E
Performance Requirements
Homeowner Repair, Reconstruction, or Relocation Program Construction Managers
Request for Proposals No. CDBG-DR-RFP-2018-09
(Revised for First Amendment)

Scope of Work

Contractor is responsible for compliance with all aspects of the Scope of Work included as **Attachment C** of the Contract.

Practice of Licensed Professions

Contractor and its subcontractors, agents, and employees, shall comply with all applicable federal and local laws and regulations, including but not limited to those that relate to the practice of licensed professions and those that could affect the Contractor's ability to carry out the Scope of Work under the Contract. Contractor certifies that it possesses all necessary permits, endorsements, and approvals necessary to perform the Work, which are to be valid and updated for the duration of the Contract. Contractor and each of its employees, agents, subcontractors, and subconsultants must have all licenses, permits, authorizations, consents, and approvals necessary for the performance of the Scope of Work under the contract, and such licenses, permit, authorizations, consents, and approvals are to be up to date and in full force and effect from the date of Contract execution and for the duration of the Contract. Contractor must ensure at all times that professional, architectural, or engineering work is performed by qualified professionals with the proper education, know-how, training, knowledge, expertise, experience, and license to perform such works, according to applicable federal and local rules and regulations.

Replacement Home Design Submission Performance Timeframes

Contractor is responsible for the conceptual design and design development phases of the following models for Replacement Homes:

- Single-Story 2-Bedroom (Standard & ADA-Compliant Variant)
- Single-Story 3-Bedroom (Standard & ADA-Compliant Variant)
- Single-Story 4-Bedroom (Standard & ADA-Compliant Variant)
- Two-Story 2-Bedroom (Standard & ADA-Compliant Variant)
- Two-Story 3-Bedroom (Standard & ADA-Compliant Variant)
- Two-Story 4-Bedroom (Standard & ADA-Compliant Variant)

Contractor must submit Replacement Home design deliverables as follows:

- **Conceptual Designs:** Must be submitted within **ten (10) days** from contract execution. Conceptual designs are to be evaluated and approved by PRDOH or its designated representative.
- **Design Development:** Must be submitted within **twenty (20) days** from the PRDOH's, or designated representative's, approval of the Conceptual Designs.

Details of documents that must be included with each submission can be found in the Scope of Work.

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Repair or Replacement Home Assignment Performance Timeframes

Contractor is responsible for completing all work applicable to homes assigned (including design, permitting, abatement work, demolition work, repair work, and new construction work, as may be applicable) within the following timeframes:

- **Design and Permitting:** Contractor, upon assignment of any home, will begin the required design and permitting work for the construction activities to be performed. There is no specific timeframe of performance for the design and permitting work. Nonetheless, Contractor must complete this work within the least amount of time possible, as the "Average Build Time" metric specified in Section 5 of the Scope of Work will be measured from the date assignments are issued to the Contractor.

- **Repair Works:** All work under a repair award must be completed by Contractor within **sixty (60) days**. This period will begin counting upon Program issuance of a Notice to Proceed with the construction works. Such Notice to Proceed will be issued by the Program upon **(i)** the Contractor notifying OGP_e or the Autonomous Municipality of the project for Applications that do not require a formal construction permit¹ or acquisition of the Construction Permit Notice ("Notificación de Permiso de Construcción") by the Contractor for Applications that require a formal construction permit; **(ii)** the Homeowner having moved out of the property to be assisted, if required; **(iii)** the Title Clearance Program having made a proprietary interest determination in favor of the Applicant in the case of non-traditional ownership Application; and **(iv)** upon having no outstanding issues outside of the Contractor's control, other than the payment of taxes and applicable insurances for acquisition of the actual Construction Permit, when applicable, for the construction works to start. This period will be considered completed on the date at which the Contractor submits the request of a Substantial/Finishes Milestone Inspection which later passes the inspection performed by the Program.

- **Replacement Home Construction Work:** All work under an award that requires the construction of a replacement home must be completed by Contractor within **one hundred and eighty (180) days**. This period will begin counting upon Program issuance of a Notice to Proceed with construction works. Such Notice to Proceed will be issued by the Program upon **(i)** acquisition of the Construction Permit Notice ("Notificación de Permiso de Construcción") by the Contractor; **(ii)** the Homeowner having moved out of the property to be assisted; **(iii)** the Title Clearance Program having made a proprietary interest determination in favor of the Applicant in the case of non-traditional ownership Applications; and **(iv)** upon having no outstanding issues outside of the Contractor's control, other than the payment of taxes and applicable insurances for acquisition of the actual Construction Permit, for construction works to start. This period will be considered

¹ Pursuan to Planning Board Resolution No. JPE-2019-017, Program repair works, under certain conditions, are exempt from the Construction Permit requirement in the Reglamento Conjunto para la Evaluación de Permisos Relacionados al Desarrollo, Uso de Terrenos, y Operación de Negocios. The Program, however, must comply with the proper notification of the project to OGP_e or the Autonomous Municipality prior to beginning construction.

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completed on the date at which Contractor submits the request of a Substantial/Finishes Milestone Inspection which latter passes the inspection performed by the Program.

Liquidated Damages & Penalties

Contractor performance is subject to the following liquidated damages and penalties:

- **Liquidated Damages²:** Contractor will be subject to liquidated damages as related to its timeframes of performance under the Program. Timeframes of performance will be established under Task Orders to be issued to the Contractor for each home where work is to be performed. Contractor shall pay to PRDOH, as liquidated damages, an amount equal to **\$100.00** for each calendar day that the completion of works is late until deemed in compliance. Said sums, in view of the difficulty of accurately ascertaining the loss which PRDOH and/or homeowner will suffer by reason of delay in the completion of works requested, are hereby fixed and agreed as the liquidated damages that PRDOH and/or the homeowner will suffer by reason of such delay. Liquidated damages received are not intended to be nor shall they be treated as either a partial or full waiver or discharge of the PRDOH's right to indemnification, or the Contractor's obligation to indemnify the PRDOH, or to any other remedy provided for as a provision of the contract or law. Liquidated damages may be assessed at the sole discretion of PRDOH. For the purpose of applying and calculating such liquidated damages, a grace period of ten (10) days shall be observed, and the schedule may be extended by any additional time or delays outside the control of the Contractor caused by act of omission of the PRDOH, HUD, or any of their representatives. The PRDOH may deduct and retain out of the monies which may become due to the Contractor, the amount of any such liquidated damages; and in case the amount which may become due is less than the amount of liquidated damages due to the PRDOH, the Contractor shall be liable to pay the difference.

- **Penalty for Failed Milestone Inspections:** If the Contractor requests a milestone inspection for work performed, such inspection is completed by PRDOH's consultants, and the inspection has a "failed" result; the Contractor shall pay to the PRDOH, as penalty, the amount of **\$500** for each "failed" inspection. Said sum will cover the cost of re-inspections to confirm the Contractor's work compliance with Program quality and performance requirements.

Metrics, Milestones, and Performance

The PRDOH or its representatives will actively review the Contractor's responsiveness and performance in the Program. Repeated failures or low performance will result in limited future assignments of projects, reduction in the geographical regions assigned, or a probation period without receiving additional projects. Contractor will be evaluated during the life of the Contract for:

- **Workmanship:** To be quantified by examining the ratio of total failed milestone inspections. The Contractor with the lowest ration will be assigned a higher weighted factor. The PRDOH's representatives will monitor all "rolling" failed inspections within last thirty (30) days. Performance may trend upward or downward over a given period;

² For the purpose of clarity, liquidated damages only apply to Repair Work and Replacement Home Construction Work timeframes of performance as established in Section 4.2 of the Scope of Work.

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- **Average Build Time:** Calculated as a measure of the total number of days from a Task Order being issued to passing a Substantial/Finishes milestone inspection. The Contractor with the lowest average build time is assigned a higher weighted factor;
- **Work in Progress:** A measure of the amount of work the R3 Construction Manager currently has under contract for which a Task Order has been issued, but a Substantial/Finishes inspection has not been completed. This value will be compared against initial baseline capacity that is established for the Contractor. Less work in progress means a higher capacity to be assigned more projects. The baseline may be adjusted over the life of the project based on actual performance of the Contractor;
- **Client and Homeowner Satisfaction:** This evaluation will be performed using customer surveys to the homeowner, owners and its representatives. A self-evaluation survey will be given to the Contractor to be used as an improvement tool for the Program. The survey results will be tabulated and valued to establish a composite score of the customers satisfaction. These results will be shared and discussed with the Contractor.

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PRDOH, at its sole discretion, may determine, implement, and monitor additional performance indicators for Contractor through the life of the Contract and the Program.

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Amendment A to CMs DSW HOMES, LLC

Final Audit Report

2021-08-10

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