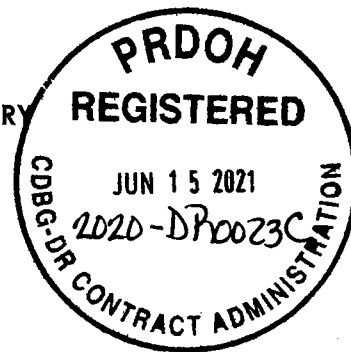




COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY  
(CDBG-DR)

AMENDMENT C to the SUBRECIPIENT AGREEMENT  
BETWEEN THE PUERTO RICO DEPARTMENT OF HOUSING  
AND THE

CORPORACIÓN PARA LA PROMOCIÓN DE PUERTO RICO COMO DESTINO, INC. DBA  
DISCOVER PUERTO RICO



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This **AMENDMENT C TO THE SUBRECIPIENT AGREEMENT** (hereinafter, the "Amendment C") is entered into this 14 day of June, 2021, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (the "PRDOH", for its Spanish language acronym), a public agency of the Government of Puerto Rico created under Act No. 97, dated June 10, 1972, as amended, known as the "Department of Housing Organic Act" (the "Organic Act"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, William O. Rodríguez Rodríguez, Esq., of legal age, attorney, single, and resident of San Juan, Puerto Rico; and **CORPORACIÓN PARA LA PROMOCIÓN DE PUERTO RICO COMO DESTINO, INC. DISCOVER PUERTO RICO**, doing business as Discover Puerto Rico (DPR), a Puerto Rico Nonprofit corporation authorized under Act No. 17, of March 30, 2017, known as the "Act to Promote Puerto Rico as a Destination" (Act 17-2017), with principal offices at 500 Calle de la Tanca, Ochoa Building, Suite 402B, San Juan, Puerto Rico, represented herein by its Chief Executive Officer, Brad Dean, of legal age, married, and resident of Guaynabo, Puerto Rico; collectively the "Parties".

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**RECITALS AND GENERAL AWARD INFORMATION**

**WHEREAS**, on October 24, 2019 the PRDOH and DPR executed a Subrecipient Agreement, Contract Number 2020-DR0023 (hereinafter, "Agreement") for eight million dollars (\$8,000,000) for a period of performance ending February 7, 2021, for DPR to undertake a portion of the Tourism and Business Marketing Program (hereinafter "the Program" or "TBM") from the Economic Development portfolio that consists in developing marketing activities outside the Island in order to attract visitors that can contribute to Puerto Rico's economy and to promote economic development.

**WHEREAS**, on April 7, 2020 the PRDOH and DPR executed the Amendment A (2020-DR0023A) of the original Agreement to: modify and replace several sections of the original Agreement; add new sections and subsections to the Agreement; also, to replace Exhibit A (Scope of Work), Exhibit B (Timelines and Performance Goals), and Exhibit D (Budget) of the Agreement by a modified Exhibit A (Scope of Work), Exhibit B (Timelines and Performance Goals), and Exhibit D (Budget).

**WHEREAS**, on February 4, 2021 the PRDOH and DPR executed the Amendment B (2020-DR0023B) of the original Agreement to: modify and replace several sections of the original Agreement; add new sections and subsections to the Agreement; also, to replace Exhibit A (Scope of Work) and Exhibit B (Timelines and Performance Goals) of the Agreement by a modified Exhibit A (Scope of Work) and Exhibit B (Timelines and Performance Goals).

**WHEREAS**, according to the approved current Action Plan, for the use of Community Development Block for Disaster Recovery (CDBG-DR) funds in response to 2017 Hurricanes Irma and María, the total allocation for the CDBG-Tourism and Business Marketing Program (TBM) will be up to twenty-five million dollars (\$25,000,000.00), as stated in the Federal Register Vol. 84, No. 33 (February 19, 2019), 84 FR 4836. In this proposed amendment to the Discover Puerto Rico Subrecipient Agreement, PRDOH will allocate

an additional seven million forty thousand dollars (\$7,040,000) from the \$25,000,000 total allocation, for a total SRA CDBG-DR funding of fifteen million forty thousand dollars (\$15,040,000).

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

**WHEREAS**, it is the intention of the parties to modify and amend the Exhibit D (Budget) attached to the Agreement and previously modified by the aforementioned Amendment A. Consequently, a modified Exhibit E (Certification of Funds) is attached to the Agreement in order to reflect DPR's budget increase to the new total of fifteen million forty thousand dollars (\$15,040,000.00). Exhibit A (Scope of Work) of the Agreement is modified via this Amendment C to the mere extent of acknowledging in Section 6 of the beforementioned Exhibit, the new the budget allocation designated to DPR to undertake the Program. Moreover, this Amendment C is not intended to effect nor does it constitute an extinctive novation of the obligations of the parties under the Agreement.

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

**WHEREAS**, the Subrecipient, in accordance with its enabling statute, has the legal power and authority to enter into this Agreement and has agreed to enter into this Amendment C with the PRDOH, and by signing this Amendment C, the Subrecipient assures PRDOH that Subrecipient shall comply with all the requirements described herein.

**NOW THEREFORE**, in consideration of the mutual promises and the terms and conditions set forth herein, the PRDOH and the Subrecipient agree to execute this Amendment subject to the following:

**TERMS AND CONDITIONS**

**I. SAVINGS CLAUSES**

The information included in this Amendment serves the purpose of modifying and amending the Exhibit A (Scope of Work), Exhibit D (Budget) and Exhibit E (Funds Certification) under the original Agreement and its Amendment A, including any modified Exhibits. All provisions of the original Agreement shall continue to be in full force and effect, as amended by this Amendment C.

**II. ATTACHMENT**

The information included in this Amendment C serves the purpose of modify the Subrecipient budget in accordance with the Tourism and Business Program remaining allocation of funds.

**III. SCOPE OF AMENDMENT**

The PRDOH and the Subrecipient have agreed to enter into this Amendment C with the purpose of revising the amount of obligated funds under Discover Puerto Rico Subrecipient Agreement (SRA) as well as conforming the Subrecipient Agreement to applicable federal and state regulations and statutes.

**IV. AMENDMENTS**

- a. The Parties intend to amend **GENERAL AWARD INFORMATION** of the Subrecipient Agreement, as follows:

CDBG-DR Grantee Federal Award Identification Number:	PRDOH DUNS #: 054115628
CDBG-DR Grantee Federal Award Date:	September 20, 2018
Federal Award project description:	See <b>Exhibit A</b> for <u>Scope of Work</u>
Subrecipient Contact Information:	Brad Dean, Chief Executive Officer, Corporation for the Promotion of Puerto Rico as a Destination, Inc., doing business as Discover Puerto Rico 500 Calle De La Tanca, Ochoa Building, Suite 402B San Juan, 00901-1969
Subrecipient Unique Identifier:	DUNS number: 081300103
Subaward Period of Performance:	Start Date: Effective Date, as defined in Section V of this Agreement. End Date: February 8, 2022
Funds Certification:	Dated: March 3, 2021 Authorized Amount: \$ 15,040,000.00 Funds Allocation: B-17-DM-72-0001 / B-18-DP-72-0001 Account Number: R01E19TBM-EDC-UN / R02E19TBM-EDC-UN See <b>Exhibit E</b> for <u>Funds Certification</u>

- b.** The following Exhibits are being replaced by a modified Exhibit:
- i.** **Exhibit A**, (Scope of Work), of the Agreement is being replaced by a modified **Exhibit A** (Scope of Work) that reads in its Section 6 as follows:  
*6. Budget.*  
*As per the currently approved Action Plan, the Program has a designated total budget of fifteen million forty thousand (\$15,040,000) to be funded by CDBG-DR.*  
*(See Attachment 1)*
  - ii.** **Exhibit D** (Budget) of the Agreement is being replaced by a modified **Exhibit D** (Budget) in order to increase the SRA budget from eight million dollars (\$8,000,000) to fifteen million, forty thousand dollars (\$15,040,000). (See **Attachment 2**)
  - iii.** **Exhibit E** (Funds Certification) of the Agreement is being replaced by a modified **Exhibit E** (Funds Certification) in order to increase the SRA budget from eight million dollars (\$8,000,000) to fifteen million, forty thousand dollars (\$15,040,000). (See **Attachment 3**)
- c.** The Parties agree to incorporate the following subsection to clause to **Section X. Compliance with Federal Statutes, Regulations and Terms and Conditions of the Federal Award and Additional PRDOH Requirements**, of the Subrecipient Agreement, as follows:

**BB. Subrecipient Disaster Relief Account for CDBG-DR Funds".**

*Pursuant to Federal Register Vol. 85, No. 17, 85 FR 4681 (January 27, 2020), PRDOH must comply with an additional requirement imposed by an Order of October 26, 2017, granted by the United States District Court for the District of Puerto Rico, as may be amended from time to time. As required by the Order, grant funds or disaster relief funds received by the Commonwealth*

*of Puerto Rico or other Non-Federal Entities (as defined by 2 C.F.R. §200.69) shall be deposited solely into a Disaster Relief Account.*

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

#### **V. ASSIGNMENT OF RIGHTS**

The Subrecipient shall not assign or transfer any interest in this Amendment without the prior written consent of the PRDOH.

#### **VI. 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.

#### **VII. 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.

#### **VIII. 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.

#### **IX. ENTIRE AGREEMENT**

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

#### **X. SEVERABILITY**

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

#### **XI. SURVIVAL OF TERMS AND CONDITIONS**

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

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and intellectual property, copyright; records retention methods and time requirements; inspection, monitoring and audit; confidentiality; public records; indemnification and liability; infringement of intellectual property rights; independent CONTRACTOR relationship; compliance with laws; notices; choice of law and venue; severability; dispute resolution; consolidations, merger and dissolution. Terms and conditions that, explicitly or by their nature, evidence the Parties' intent that they should survive the termination or expiration of the Agreement, as amended, shall so survive.

**XII. COMPLIANCE WITH THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO (FOMB) POLICY.**

As part of the PRDOH contract process, and pursuant to Section 204(b)(2) of PROMESA Act, the Financial Oversight and Management Board for Puerto Rico (FOMB) require FOMB approval of certain contracts to assure that they "promote market competition" and "are not inconsistent with the approved fiscal plan."

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

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

**PUERTO RICO DEPARTMENT OF HOUSING  
CDBG-DR Grantee**

By: William O. Rodríguez Rodríguez  
Name: William O. Rodríguez Rodríguez, Esq.  
Title: Secretary

**CORPORACIÓN PARA LA PROMOCIÓN DE PUERTO RICO COMO DESTINO, INC. DBA /  
DISCOVER PUERTO RICO  
CDBG-DR Subrecipient**

By: Bradley Dean  
Name: Brad Dean  
Title: Chief Executive Officer  
DUNS: 081300103



# EXHIBIT A

## SCOPE OF WORK

### TOURISM AND BUSINESS MARKETING PROGRAM (TBM)

#### 1. Program Overview/Background

In September 2017, Puerto Rico was severely impacted by Hurricanes Irma and María. The damage, destruction, and devastation caused by both Hurricanes, directly impacted leisure travel, business travel, tourism-oriented events, and promotions. Other events such as the earthquake in January 2020 and the worldwide pandemic COVID-19 have slowed the pace of economic recovery beyond what most destinations experience after a major natural disaster.

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Tourism is an important part of the economy of Puerto Rico and a vital component to its economic future. Puerto Rico was experiencing record inbound visitation in the first six months of 2017. As a result of the hurricanes, arrivals for the same period in 2018 were down by 12%. The decrease would have been much higher without the inbound traffic related to disaster relief work. During 2019, leisure travel started to rebound however, the COVID-19 pandemic exacerbated the hurricane's effect on the travel industry and eliminated the progress that had been made. For the first six months of 2020, visitor arrivals were down 48% from pre-hurricane levels.

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The world's leading tourism economists at Tourism Economics estimated early in the pandemic that the impacts of COVID-19 would be four times more severe than Hurricane María. Since March, they estimate the Puerto Rico tourism industry has had more than \$2.5 billion in losses due to the virus. And while tourism accounts for approximately 25% of the economic impact loss, the industry makes up 40% of job losses. Current estimates by these leading economists are targeting 2024 for when tourism revenues will return to 2019 levels.

With the funds provided under this Subrecipient Agreement, and the TBM Program extension published in 86 FR 569, the Subrecipient will strategically keep consumers engaged with the destination, solidify plans for its full inbound reopening and will build back Puerto Rico's visitor base to restore thousands of hospitality jobs that have been lost as a result of the pandemic.

This **Exhibit A** (Scope Work) details the activities to be undertaken by the Subrecipient, **Corporación para la Promoción de Puerto Rico como Destino, Inc.**, doing business as Discover Puerto Rico (DPR), which is Puerto Rico's official Destination Marketing Organization.

The focus of the Subrecipient is to undertake promotion activities outside the Island in order to attract visitors. The PRDOH designated eight million dollars (\$8,000,000.00) of the mentioned funds to the Subrecipient who will serve as administrator and servicer for the services herein described.

As part of the Economic Development Portfolio, this Subrecipient Agreement between the PRDOH and DPR authorizes this Subrecipient to expend eight million dollars (\$8,000,000.00) in CDBG-DR funds for the Tourism & Business Marketing program.

As the Subrecipient demonstrates a highly satisfactory performance, with the approval of PRDOH, it might submit a subsequent amendment for access to the balance of funds in the program budget.

## 2. National Objective

All CDBG-DR funded activities must meet at least one (1) of the three (3) HUD National Objectives established in 24 C.F.R. § 570.483(b). It is anticipated that projects funded through the Program will meet one of the following National Objectives:

- Benefit Low- and Moderate- Income (**LMI**);
- Benefit Urgent Need (**UN**) activities; and
- Prevention or Elimination of Slums or Blight (**SB**).

The Subrecipient certifies that the activities carried out under this Agreement shall meet the following national objective(s) and satisfy the following criteria:

- Urgent Need (UN).

## 3. Program Description

The total allocation for the Tourism & Business Marketing Program is up to twenty-five million dollars (\$25,000,000). In accordance with HUD rules as stipulated in 83 FR 40314, 83 FR 4836, and with the TBM Program extension granted in 86 FR 569, the TBM Program will be implemented on or before February 8, 2022. To grant this one-year extension of the previously established expiration deadline, HUD determined that the rapidly emerging needs of states and local governments in responding to the COVID-19 pandemic, provides good cause to allow extensions of the expiration date for these waivers and alternative requirements established in Federal Register notices published on August 14, 2018 (83 FR 40322) and February 19, 2019 (84 FR 8422-45).

Through this Program, Puerto Rico will build full-scale tourism and business marketing campaigns to complement the need for local cultivation of small business growth, local employment opportunities with new businesses, and increased tourism.

### 3.1 Tourism Marketing

To stabilize the tourism industry and avoid projected (further) decline in economic activity, the Subrecipient proposes strategic, targeted marketing activities including an Economic Intervention Strategy to Revitalize Tourism.

This marketing strategy will enforce the established Key Performance Indicators (**KPI**) and will provide a necessary foundation for further economic recovery actions that can be initiated with CDBG-DR funds and measured throughout the marketing life cycle.

## 4. Tasks

Discover Puerto Rico will serve as the Subrecipient and contributing entity for the Tourism and Business Marketing program under this Subrecipient Agreement (**SRA**) with PRDOH. In addition to the tasks included herein, the Subrecipient shall perform any other task necessary for the proper performance of the services under the SRA.

The Subrecipient and the contracted professional service providers shall furnish this program production and grant compliance management services to successfully operate the marketing activities.

### 4.1 Office Configuration and Logistics

- 4.1.1** Set-up offices and secure necessary equipment for these offices to function. Office spaces must be suitable for the services to be provided, and provide required visitor amenities such as on-site parking, rest rooms, and comply with ADA accessibility requirements.
- 4.1.2** Secure or provide workspace items and materials such as furnishings and equipment for the offices (including such items as computers, printers, office materials, etc.).
- 4.1.3** Secure equipment and technologies required to support remote or virtual program operations (including items such as laptop computers and MiFi devices).

### 4.2 Project/Agreement Management

- 4.2.1** Work closely with PRDOH to ensure timely delivery of Program activities, in accordance with the agreed upon Program Schedule.

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- 4.2.2** Ensure adequate staffing levels to support Program activities funded in whole or in part by CDBG-DR, including human resources management.
- 4.2.3** Provide a dedicated Program Management team, to efficiently and effectively carry out Program activities.
- 4.2.4** Manage stakeholder and related communications.
- 4.2.5** Manage outreach activities when applicable, including but not limited to, those included in the Program Guidelines, and draft related materials as determined by PRDOH (i.e. talking points, presentations, press releases, etc.).
- 4.2.6** Regularly communicate potential risks, issues, and statuses with PRDOH, in the manner they arise.
- 4.2.7** Implement the Program in a compliant manner, per the CDBG-DR regulations, policies, procedures, and all applicable state, local and federal regulations.
- 4.2.8** Monitor and control team performance (including all staff and vendors under the Subrecipient's direct and indirect supervision) in accordance with established performance goals, regulatory compliance, and quality standards and recommend corrective action and/or performance plan for underperforming team members, subcontractors, vendors, or other staff.
- 4.2.9** Lead and review all program monitoring activities to prepare and present reports, data, documents, or other information as required by PRDOH, HUD, the US Office of Inspector General (OIG), or other oversight entities.
- 4.2.10** Act as point of contact between PRDOH or its representative, and elected officials for all Program issues. Lead, coordinate, and facilitate all necessary high profile, program-wide public presentations and meetings, applicant-entity meetings and government or non-government stakeholders' meetings.
- 4.2.11** Create, maintain, and control project plan which includes clear critical path, task dependencies, identified slack, resource allocation (including human and other resources), and activity status.
- 4.2.12** Deliver staff listed in Exhibit C promptly to support program demands, which may increase and decrease or change throughout the program life cycle. Ensure sufficient staff is available at all times to support program operations in a timely and efficient manner.

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- 4.2.13** Establish, communicate, and enforce standard, efficient, and streamlined processes and strategies to support delivery of program goals, risk management, supplanting and duplication of benefits prohibitions, quality assurance, stakeholder management, and change management; engage in total quality management practices to regularly evaluate effectiveness of established processes and implement change when needed. Processes may be subject to PRDOH review and approval.
- 4.2.14** Ingrain transparent, regular reporting to ensure stakeholders of all levels and importance remain informed and empowered to make decisions and report on issues such as, but not limited to risk, program progress, milestones achieved, performance issues, program successes, compliance concerns, and program demographics.
- 4.2.15** Maintain a complete understanding of all applicable Program policies, requirements, procedures, guidelines; and shall possess knowledge of regulatory and statutory compliance requirements for CDBG-DR and similar programs/projects. Ensure all program participants, including applicant-entities, vendors, and stakeholders are aware of all policy changes.

**4.3 Document Control and Management**

- 4.3.1** In accordance with HUD regulations, follow the records retention requirements as cited in 24 C.F.R. § 84.53, which includes: financial records, supporting documents, statistical records and all other pertinent records. Following PRDOHs' CDBG-DR Recordkeeping Management & Accessibility Policy; records must be maintained for **five (5) years**.
- 4.3.2** Maintain a clearly defined process for acquiring, organizing, storing, retrieving and reporting on financial records and project and activity records.
- 4.3.3** Store, archive, and retrieve physical documents and electronic images of all paper documents, applicant-related emails, correspondence, training material, policies and procedures, and other documents or materials as may be required.
- 4.3.4** Establish and maintain protocols for physical file management, as applicable, to include, among other things, access to a file, tracking of location and possession of a file.
- 4.3.5** Ensure all project information and documentation is available at all times in the system of record.

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**4.3.6** Any systems, tools, or technology provided must meet Personal Identifiable Information (PII) requirements as outlined in the Privacy Act of 1974, 5 U.S.C. § 552(a) (Privacy Act), 24 C.F.R. Part 5, and PRDOHs' policy for protection of PII.

**4.3.7** Provide sufficient, appropriate document control and management to meet the financial and documentation requirements for CDBG-DR grants. At a minimum, the following records are required:

4.3.7.1 Records providing full description of each activity;

4.3.7.2 Records verifying that activity meets national and grant objectives;

4.3.7.3 Records related to demonstrating eligibility of activities;

4.3.7.4 Records required to document activity related to real property;

4.3.7.5 Records documenting compliance with Davis-Bacon Act, Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Minority Business Enterprise, Women Business Enterprise, Section 3 of the Housing and Urban Development Act of 1968, fair housing and equal opportunity requirement, as applicable;

4.3.7.6 Financial records and reports required by the Program; and

4.3.7.7 Records supporting any specific requirements of the Program or the CDBG-DR allocations.

**4.3.8** Any other task necessary for the proper document control management.

#### **4.4 Program Design and Outreach**

**4.4.1** Develop and implement Program policies and templates required for the implementation and administration of the Program (i.e. Program Guidelines, Standard Operating Procedures (SOP), Forms, Contracts, Correspondence, Applications, etc.), as applicable.

**4.4.2** Conduct procurement and/or provide assistance to PRDOH to perform procurements, as needed. RFP and other solicitation documents must be reviewed and approved by PRDOH prior to publication. All procurements must be done in accordance with the latest version of the PRDOH Procurement Manual for CDBG-DR.

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**4.4.3** Publish programmatic information as determined by PRDOH and required by program needs (e.g. Program Guidelines, training materials, outreach materials, etc.).

**4.4.4** Provide PRDOH with required documentation and information as specified in Federal Register Vol. 83, No. 28 (83 FR 5844) for posting on the PRDOH Disaster Recovery Website ([www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov)). Provision of non-essential information (when requested) such as bulletins, newsletters, or marketing materials for publication on PRDOH Disaster Recovery Website.

**4.5 Systems Development and Maintenance**

4.5.1 The Subrecipient must follow the Program tracking system designed by PRDOH to track the marketing activities outcomes.

**4.6 Accounting and Reporting**

**4.6.1** The Subrecipient shall adhere to PRDOH's financial management policies and procedures as outlined in its manual, the Program Guidelines, or policies and procedures for this Program, including but not limited to:

4.6.1.1 Establish a separate bank account to receive payments from PRDOH of HUD CDBG-DR funds that provide the funding for disbursement and subsequently disburse payments.

**4.6.2** Account and reporting of uses of CDBG-DR funds, including but not limited to information on National Objectives met, beneficiary demographics, and project completion status.

**4.6.3** Maintain System of Records as previously detailed herein.

**4.6.4** Submit regular Monthly Progress Reports and ad-hoc reports, as necessary, to PRDOH, in the form and with the content specified and required by PRDOH, in the frequency or form determined by PRDOH at the moment of request.

**4.6.5** Follow monitoring policies and procedures as directed by PRDOH.

**4.6.6** Provide status reports on a regular basis to keep PRDOH informed of progress.

**4.6.7** As requested, meet with PRDOH to discuss the status of the program, [applicant concerns], and any other issues that may have arisen during the administration of the assigned Program.

**4.6.8** Provide PRDOH with project progress reports on demand, as well as access to the project management system for PRDOH to monitor the project.

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- 4.6.9** Report on information that includes project activity deemed critical by PRDOH.
- 4.6.10** Compile and review information necessary to prepare reports required under HUD regulations.
- 4.6.11** Account for and reconcile, (a) all federal funds requested and drawn from HUD and awarded to grant recipients, (b) all funds returned by applicants, (c) all funds deposited by applicants to reduce duplicative benefits potential award gap, and any other funds as applicable..
- 4.6.12** Reconcile with PRDOH, on an established periodic basis, a complete inventory of all items furnished by PRDOH or funded by the CDBG-DR grant, including items such as equipment, furniture, computers, phones, laptops, network printers, network equipment, etc., if applicable.
- 4.6.13** Review and submit recommendations for approval of CDBG-DR funding requests if needed.
- 4.6.14** Review requests for payment from applicant-entities for CDBG-DR awards. This will include review of all reimbursement of eligible costs as well as cost feasibility.

**4.7 Program Closeout**

- 4.7.1** Ensure that all program funding has been expended as stipulated in the terms of the grant agreement and suppliers have completed all tasks required by the award to the applicant.
- 4.7.2** Ensure that all payments for tasks performed as related to the applicant and their awards have been performed Ensure that all applicable PRDOH quality control reviews have been completed.
- 4.7.3** Ensure that all supporting documentation, information, and log of applicant communications is included in the application file.
- 4.7.4** Ensure that the applicant was able to obtain flood insurance, if applicable, after program funded activities are completed.
- 4.7.5** Ensure compliance with 2 C.F.R. 200 Subpart F, 24 C.F.R. § 570.509, CPD Closeout Notices, and PRDOH CDBG-DR Closeout Process, as may be applicable to the application.

**4.8 Compliance with Cross-Cutting Requirements**

- 4.8.1** Uniform Relocation Act - Provide technical assistance to applicant-entities regarding acquisition and relocation requirements for acquisition activities, including developing and disseminating guidance documents regarding URA, Government

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of Puerto Rico, PRDOH, and local rules for property acquisition. Additional URA responsibilities may include:

- 4.8.1.1 Coordinating with and supporting the PRDOH Monitoring Team efforts in monitoring property acquisition activities, including providing project specific information.
- 4.8.1.2 Ensure that proposed property acquisition is in direct connection with the proposed CDBG-DR project.
- 4.8.1.3 Determine the occupancy status of the property and obtaining all required tenant information necessary for determining any required relocation assistance.
- 4.8.1.4 Ensure that property acquired for a CDBG-DR project is legally recorded and properly filed with the Puerto Rico Property Registry.
- 4.8.1.5 Ensure that all property acquisition activities comply with all requirements of 49 C.F.R. Part 24 - Uniform Relocation Assistance and Real Property Acquisition, HUD rules at 24 C.F.R. Part 85.31, and HUD Tenant Assistance, Relocation and Real Property Acquisition Handbook (1378.0), and the PRDOH URA and Residential Anti-Displacement Policy.
- 4.8.1.6 Coordinate with PRDOH URA staff to provide relocation advisory services and relocation payments for displaced tenants, as applicable.
- 4.8.1.7 Ensure Program Activities are carried out in a manner that is compliant with applicable cross-cutting requirements as outlined in the PRDOH cross-cutting policy guide, as may be amended from time to time.

- 4.8.2** Fair Housing and Equal Opportunity (FHEO) Policy for CDBG-DR Programs.
- 4.8.3** Davis Bacon and Related Acts Policy
- 4.8.4** Citizen Complaints Policy.
- 4.8.5** MWBE Policy.
- 4.8.6** Conflict of Interest and Standards of Conduct Policy
- 4.8.7** Personally Identifiable Information, Confidentiality, and Nondisclosure Policy.
- 4.8.8** Section 3 Policy.

**4.9** Program-Based Reconsideration Requests.

**4.10** AFWAM Policy.

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**5. Time Performance**

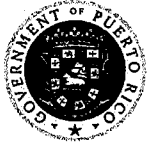
All program activities, including closeout, must be concluded on or before February 8, 2022.

**6. Budget**

As per the currently approved Action Plan, the Program has a designated total budget of fifteen million forty thousand (\$15,040,000.00) to be funded by CDBG-DR.

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# EXHIBIT D – SECTION 1

## BUDGET

### TOURISM AND BUSINESS MARKETING PROGRAM

#### DESCRIPTION SERVICES

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As stated on the CDBG-DR Action Plan, PRDOH allocated up to \$25 million for the Tourism and Business Marketing Program, serving as a basis for the execution of a detailed Subrecipient Agreement that complies with 2 C.F.R. part 200, related CDBG-DR regulation and applicable Puerto Rico and federal law and regulations.

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In Federal Register Vol. 83, No. 28 (August 14, 2018), 83 FR 40314, the United States Department of Housing and Urban Development (HUD) granted the Government of Puerto Rico a waiver permitting the use of \$15,000,000 from the first allocation for tourism and business marketing activities to promote travel and to attract new businesses to disaster-impacted areas. <sup>1</sup> This amount was later increased to the current value of \$25,000,000 in the Federal Register Vol. 84, No. 33 (February 19, 2019), 84 FR 4836. This infusion of CDBG-DR resources is necessary to sustain the following unmet tourism marketing and business promotion needs identified in Puerto Rico's prior waiver request: (1) advertising and publicity to correct and update the public perception of Puerto Rico as a tourism destination and location for new business investment; and (2) sales promotion and publicity to update professional planners' perceptions of the destination and its ability to host business events (e.g., conventions, quarterly sales conferences, corporate meetings, association conferences) and new businesses.

As a method of distribution, PRDOH assigns fifteen million, forty thousand dollars (\$15,040,000) to the Corporación para la Promoción de Puerto Rico como Destino, Inc., which does business as Discover Puerto Rico (DPR). According to the CDBG-DR Action Plan, the Program aligns with the ECN 11 course of action from the Puerto Rico Recovery Plan. With the funds provided, Puerto Rico will accelerate economic recovery of the Island's tourism industry.

Discover Puerto Rico has voluntarily decided not to submit charges for the staff worked hours performing the direct activities (marketing) for the Program. Instead, DPR will use the funds to invest in expanding its promotion scope and in strengthening the strategies of its marketing plan. |

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<sup>1</sup> <https://www.federalregister.gov/documents/2019/02/19/2019-02695/waivers-alternative-requirements-and-extensions-for-community-development-block-grant-disaster>



Please find below the Budget summary distribution as described in Exhibit D: Section 2.

EXHIBIT D - SECTION 2 - BUDGET

AMENDMENT C

Grant:		CDBG-DR - Tranche 1	
Contractor:		Corporación para la Promoción de Puerto Rico como destino turístico, dba Discover Puerto Rico	
Program:		Tourism and Business Marketing	
DRGR Activity Code:		R01E19TBM-EDC-R02	
Cost Type	Chart of Accounts Code	Activity Description	CONTRACT Budget
ADMINISTRATION			\$ -
TOTAL COSTS			\$ -
SALES PROGRAM			\$ -
TOTAL COSTS			\$ -
PROJECT			\$ 15,040,000.00
		Management of media advertising strategies such as digital advertising and traditional advertising, as a result of a procurement process.	
			\$ 15,040,000.00
TOTAL COSTS			\$ 15,040,000.00
PROJECT ACTIVITY DELIVERY COSTS			
TOTAL COSTS			\$ -
GRAND TOTAL			\$ 15,040,000.00


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WRR



March 3, 2021

Maytte Texidor López, Esq.  
Legal Director CDBG-DR  
Puerto Rico Department of Housing

  
Katherine Meléndez Mateo  
CDBG-DR Finance Director  
Puerto Rico Department of Housing CDBG-DR

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César A. Candelario Candelario  
Budget Manager CDBG-DR  
Puerto Rico Department of Housing

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CERTIFICATION OF FUNDS FOR THE AMENDMENT TO INCREASE CONTRACT WITH DISCOVER PR FOR TOURISM & BUSINESS MARKETING FOR CDBG-DR ECONOMIC PROGRAM

As requested by the Deputy Director-Contract Administration of CDBG-DR, we certify the availability of funds for **\$7,200,000.00** for the "3<sup>rd</sup> amendment to increase the contract with Discover PR for Tourism & Business Marketing Services for the CDBG-DR Economic Program". These funds are part of the **CDBG-DR Grant "B-18-DP-72-0001"**.

The breakdown of the certified funds is as follows:

Activity	Fund	Account	Description	Funds Certified	Amendment	Total Amount Certified
R01E19TBM-EDC-UN	B-17-DM-72-0001	6090-01-000	Tourism and Business Marketing	\$8,000,000.00	(160,000.00)	\$7,840,000.00
R02E19TBM-EDC-UN	B-18-DP-72-0001			0.00	\$7,200,000.00	\$7,200,000.00
Totals				\$8,000,000.00	\$7,040,000.00	\$15,040,000.00

If you have any questions or comments, please call me at (787)274-2527.

Yardi #360

KMM/CCC/ERP






# DPR AMENDMENT C

Final Audit Report

2021-06-14

Created:	2021-06-09
By:	Radames Comas Segarra (rcomas@vivienda.pr.gov)
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Transaction ID:	CBJCHBCAABAAWbo-3OdiL8gxvI125dwTgcmErxBLLLP4

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