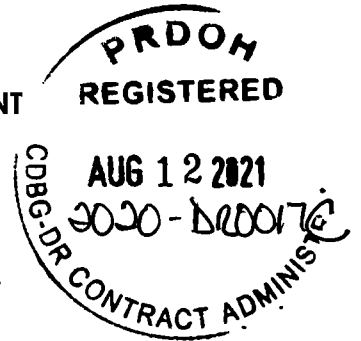




# AMENDMENT C

## COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR) HOUSING COUNSELING PROGRAM

### AMENDMENT C TO the SUBRECIPIENT AGREEMENT BETWEEN THE PUERTO RICO DEPARTMENT OF HOUSING AND PONCE NEIGHBORHOOD HOUSING SERVICES, INC. Contract No. 2020-DR0017



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THIS AMENDMENT C TO SUBRECIPIENT AGREEMENT FOR HOUSING COUNSELING PROGRAM, (hereinafter referred to as the "Amendment C") is entered 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" (hereinafter, "Organic Act"), with principal offices at 606 Barbosa Avenue, San Juan, Puerto Rico, herein represented by Hon. William O. Rodríguez Rodríguez, attorney, of legal age, single, and resident of San Juan, Puerto Rico, in his capacity as Secretary; and **PONCE NEIGHBORHOOD HOUSING SERVICES, INC.** (hereinafter, the "SUBRECIPIENT"), a nonprofit corporation with principal offices at Calle Méndez Vigo #57, Ponce, Puerto Rico, represented herein by its Executive Director, Elizabeth Colón Rivera, of legal age, single, and resident of Ponce, Puerto Rico, collectively the "Parties".

#### I. RECITALS AND GENERAL AWARD INFORMATION

**WHEREAS**, on August 13, 2019, the Parties entered into a Subrecipient Agreement for the Housing Counseling Program for a period of **twenty four (24) months** from the day of its execution, ending on August 12, 2021, registered as Contract Number 2020-DR0017, for **SEVEN HUNDRED FORTY-NINE THOUSAND NINE HUNDRED SEVENTY-NINE DOLLARS AND EIGHTY-SIX CENTS (\$749,979.86)**, from **Account: R01H12HCP-DOH-LM 4190-10-000** (hereinafter, "the Subrecipient Agreement").

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

**WHEREAS**, the Subrecipient Agreement was amended on August 21, 2020 through Amendment A, registered as Contract No. 2020-DR0017A, to modify **Exhibit C** ("Key Personnel") and **Exhibit D** ("Budget"), in addition to conform the Subrecipient Agreement to federal, state, and local regulations and statutes. Neither the amount, account, nor period of performance were modified in Amendment A.

**WHEREAS**, the Subrecipient Agreement was amended on February 25, 2021 through Amendment B, registered as Contract No. 2020-DR0017B, to modify **Exhibit D** ("Budget") and to conform the Subrecipient Agreement to federal, state, and local regulations and statutes. Neither the amount, account, nor period of performance were modified in Amendment B.

**WHEREAS**, the Parties wish to amend the Subrecipient Agreement to extend the period of performance, modify **Exhibit B** ("Timelines and Performance Goals"), **Exhibit C** ("Key Personnel"), **Exhibit D** ("Budget"), **Exhibit E** (Funds Certification"), **Exhibit F** ("HUD general

Provisions") and include new **Exhibit G** ("Subrogation and Assignment Provisions"). This Amendment C also increases the total amount of the Agreement by an additional **ONE MILLION FORTY-NINE THOUSAND NINE HUNDRED THIRTY-TWO DOLLARS AND FOURTEEN CENTS (\$1,049,932.14)**, for an adjusted total amount of **ONE MILLION SEVEN HUNDRED NINETY-NINE THOUSAND NINE HUNDRED TWELVE DOLLARS AND ZERO CENTS (\$1,799,912.00)**. (See **Attachment I** of this Amendment C).

**WHEREAS**, this Amendment C also conforms the Subrecipient Agreement to federal, state, and local regulations and statutes.

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

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

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**WHEREAS**, the PRDOH has the legal power and authority, in accordance with its enabling statute, the Organic Act, the Federal laws, and regulations creating and allocating funds to the CDBG-DR Program, and the current Action Plan, to enter into this Amendment C.

**WHEREAS**, the SUBRECIPIENT has duly adopted Resolutions dated May 23, 2019, authorizing its Authorized Representative, Elizabeth Colón Rivera, to enter into the Subrecipient Agreement.

**WHEREAS**, 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 Parties agree as follows:

**II. AMENDMENTS:**

A. The Parties agree to amend the **GENERAL AWARD INFORMATION** table as follows:

|  |   |
|--|---|
| CDBG-DR Grantee Federal Award Identification Number: | PRDOH DUNS number: 125967484  |
| 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:                    | Elizabeth Colón Rivera<br>Executive Director<br>PO Box 330223<br>Ponce, Puerto Rico 00730<br><a href="mailto:elicolonrivera.poncenhs@gmail.com">elicolonrivera.poncenhs@gmail.com</a><br>787-841-5055 |
| Subrecipient Unique Identifier:                      | DUNS number: 031444321  |
| Subaward Period of Performance:                      | Start Date: Effective Date, as defined in <b>Section V</b> of this Agreement, as amended.<br>End Date: As defined in <b>Section V</b> of the Agreement, as amended.                                   |
| Funds Certification:                                 | Dated: August 2, 2021<br>Authorized Amount: <b>\$1,799,912.00</b><br>Funds Allocation: CDBG-DR "R01H12HCP-DOH-LM"<br>CDBG-DR "R02H12HCP-DOH-LM"<br>CDBG-DR "R02H12HCP-DOH-UN"                         |

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|--|
| Account Number: 6090-01-000<br>See <b>Exhibit E</b> for <u>Funds Certification</u> |
|--|

- B. The Parties agree to amend **Article II. ATTACHMENTS** to replace **Exhibit B** ("Timelines and Performance Goals") with and **Exhibit B** amended. (See **Attachment II** of this Amendment C).
- C. The Parties agree to amend **Article II. ATTACHMENTS** to replace **Exhibit C** ("Key Personnel") with an **Exhibit C** amended. (See **Attachment III** of this Amendment C).
- D. The Parties agree to amend **Article II. ATTACHMENTS** to replace **Exhibit D** ("Budget") with an **Exhibit D** amended. (See **Attachment IV** of this Amendment C).
- E. The Parties agree to amend **Article II. ATTACHMENTS** to replace **Exhibit E** ("Funds Certification") with an **Exhibit E** amended. (See **Attachment V** of this Amendment C).
- F. The Parties agree to amend **Article II. ATTACHMENTS** to replace **Exhibit F** ("HUD General Provisions") with an **Exhibit F** amended. (See **Attachment VI** of this Amendment C).
- G. The Parties agree to amend **Article II. ATTACHMENTS** to add new **Exhibit G** ("Subrogation and Assignment Provisions"). (See **Attachment VII** of this Amendment C).
- H. The Parties agree to amend **Article III. SCOPE OF WORK, Section A** with the following:
- A. Subrecipient Management Responsibilities
1. As a condition of receiving this Subaward, the Subrecipient is responsible for the management, monitoring, and reporting of all services included in the **Exhibit A** ("Scope of Work") for the Program.
  2. All services shall be made in accordance with PRDOH guidelines, HUD guidelines and regulations, and other applicable state and federal laws and regulations.
  3. The Subrecipient will develop plans in accordance with the Exhibit A. The PRDOH reserves authority and discretion to review and approve such plans.

- I. The Parties agree to amend **Article III. SCOPE OF WORK, Section C** as follows:

C. National Objectives

All activities funded with CDBG-DR funds must meet one of the CDBG-DR Program's National Objectives: (i) benefit low-and moderate-income persons; (ii) aid in the prevention or elimination of slums or blight, or; (iii) meet community development needs having a particular urgency, as defined in 24 C.F.R. § 570.208.

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

- Benefit to low- and moderate-income persons (LMI) (24 C.F.R. § 570.483(b))
  - Area Benefit
  - Limited Clientele
  - Job Creation/Retention

  
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- Urgent Need (UN) activities (24 C.F.R. § 570.483(d))
- Aid in prevention or elimination of Slums or Blight (SB) (24 C.F.R. § 570.483(c))

The Subrecipient shall ensure that the services meet the applicable CDBG-DR National Objective(s) and that Subrecipient's contractors complete the applicable forms to document the National Objective(s).

- J. The Parties agree to amend **Article IV. PERFORMANCE, MONITORING AND REPORTING, Section A** with the following:

A. Monitoring

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

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

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

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

- K. The Parties agree to amend **Article V. EFFECTIVE DATE AND TERM** to extend the term of the Subrecipient Agreement with the following:

**V. EFFECTIVE DATE AND TERM**

This Subrecipient Agreement shall be in effect and enforceable between the parties from the date of its execution. The term of the original Subrecipient Agreement was twenty four (24) months from the date of its execution, ending in August 12, 2021. **The Parties hereby agree to amend the period of performance for an additional period of performance of twenty four (24) months, from the date of its execution and ending on August 10, 2023.**

The End of Term shall be the later of: (i) August 10, 2023, (ii) the date as of which the Parties agree in writing that all Close-Out Requirements<sup>1</sup> have been satisfied or, where no Close-Out

<sup>1</sup> "Close-Out Requirements" means all requirements to be satisfied by each party in order to close-out this Agreement and the CDBG-DR funds provided herein in accordance with applicable Requirements of Law, including the execution and delivery by one or more of the Parties of all close-out agreements or other legal instruments and the taking of any actions by one or more of the Parties in connection with such close-out, in any case as required under applicable Requirements of Law.

  
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Requirements are applicable to this Agreement, the date as of which the Parties agree in writing that no Close-Out Requirements are applicable hereto; or (iii) such later date as the Parties may agree to in a signed amendment to this Agreement.

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

  
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L. The Parties agree to remove **Section B. Notice to Proceed** in **Article V. EFFECTIVE DATE AND TERM.**

M. The Parties agree to amend **Article IX. AMENDMENT AND TERMINATION, Section A** with the following:

  
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A. Amendments

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

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

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

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

N. The Parties agree to amend **Article IX. AMENDMENT AND TERMINATION, Section B Subsection 6** with the following:

6. Immediate Termination

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

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

- . The Parties agree to replace **Section A** in **Article X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS** with the following:

A. General Compliance

*The Subrecipient shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, and the regulations at 24 C.F.R. § 570, as modified by the Federal Register notices that govern the use of CDBG-DR funds available under this Agreement. See Federal Register Notice 83 FR 5844 (February 9, 2018). Notwithstanding the foregoing, (1) the Subrecipient does not assume any of the PRDOH's responsibilities for environmental review, decision-making, and action, described in 24 C.F.R. part 58; and (2) the Subrecipient does not assume any of the PRDOH's responsibilities for initiating the review process under the provisions of 24 C.F.R. part 52. The Subrecipient shall also comply with all other applicable Federal, state and local laws, regulations, and policies that govern the use of the CDBG-DR funds in complying with its obligations under this Agreement, regardless of whether CDBG-DR funds are made available to the Subrecipient on an advance or reimbursement basis. This includes without limitation, applicable Federal Registers; 2 C.F.R. part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Community Development Act of 1974; 24 C.F.R. part 570 Community Development Block Grant; applicable waivers; Fair Housing Act, 24 C.F.R. part 35, 24 C.F.R. part 58, 24 C.F.R. part 135; National Historic*

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Preservation Act, and any other applicable state laws or regulations, including the requirements related to nondiscrimination, labor standards and the environment; and Action Plan amendments and HUD's guidance on the funds. Also, Subrecipient shall comply, without limitation, with those provisions set forth in Exhibit F ("HUD General Provisions").

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

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

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

- P. The Parties agree to amend **Article X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS, Section M** with the following:

*M. Client Data and Other Sensitive Information*

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

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

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

- Q. The Parties agree to amend **Article X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS, Section S** with the following:

S. Procurement and Subrecipient Oversight

The Subrecipient shall ensure that every process of procurement of goods and services comply with the federal procurement rules and regulations found in 2 C.F.R. § 200.318 through §200.327, procurement requirements that include, but are not limited to: (a) providing full and open competition; (b) following required steps to ensure the use of small and minority businesses, women's business enterprises, and labor surplus area firms when possible; (c) performing a cost or price analysis; (d) evaluating and documenting subrecipient's integrity, compliance with public policy, record of past performance, and financial and technical resources; (e) ensuring that the subrecipient has not been suspended or debarred; (f) prohibiting the use of statutorily or administratively imposed state, local, or tribal geographic preferences in evaluating bids or proposal; (g) excluding contractors that may have an unfair competitive advantage, and; (h) maintaining records to detail the history of procurement considerations. PRDOH must obtain and maintain records to document how the procurement performed by the Subrecipient complied with the aforementioned federal procurement rules and regulations, as amended from time to time.

In regard to the provisions of the Procurement Manual for CDBG-DR Programs, as found in the CDBG-DR Website (<https://cdbg-dr.pr.gov/en/download/procurement-manual-cdbg-dr-program/>) which is herein incorporated by reference and made integral part of this Agreement, as it may be updated from time to time, the Subrecipient shall comply with the provisions related to: minority, women, small, and Section 3 business participation; low and very low-income persons or firms participation.

The Subrecipient shall include all applicable PRDOH's conditions (as revised from time to time by the PRDOH in accordance with applicable law, rule or regulation) in any contract entered into under this Agreement. Subrecipient shall also require all contractors to flow down the PRDOH's Conditions, as well as termination for convenience of the PRDOH, to all subcontractors as well as the requirement to flow down such terms to all lower-tiered subcontractors. These Conditions include required terms for project contracts, HUD General Provisions, Participation by Minority Group Members and Women Requirements and Procedures for Contracts with Housing Trust Fund Corporation, Standard Clauses for Contracts with the PRDOH, and required diversity forms.

  
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The Subrecipient must comply with CDBG-DR regulations regarding debarred or suspended entities at 24 C.F.R. § 570.609 or 24 C.F.R. § 570.489(l) as appropriate. CDBG-DR funds may not be provided to excluded or disqualified persons.

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

  
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- R. The Parties agree to amend **Article X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS, Section T** with the following:

  
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T. Nondiscrimination

The Subrecipient shall comply with 24 C.F.R. Part 6, which implements the provisions of section 109 of title I of the Housing and Community Development Act of 1974 (Title I) (42 U.S.C. § 5309). Section 109 provides that no person in the United States shall, on the ground of race, color, national origin, religion, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Federal financial assistance.

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

The Subrecipient shall ensure that all CDBG-DR activities conducted by itself or its contractors are consistent with the applicable federal and local legal provisions, regulations, and policies that prohibit discrimination on the basis of race, creed, color, national origin, religion, sex, disability, familial status, actual or perceived sexual orientation or gender identity, marital status, or age, as established in the CDBG-DR Fair Housing and Equal Opportunity (FHEO) Policy for CDBG-DR Programs as found in the CDBG-DR website: <https://cdbgd-dr.pr.gov/en/download/fair-housing-and-equal-opportunity-fheo-policy-for-cdbgd-dr-programs/>.

- S. The Parties agree to amend **Article X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS, Section V Subsection C** with the following:

C. Women- and Minority-Owned Businesses (W/MBE)

The Subrecipient shall take the affirmative steps listed in 2 C.F.R. § 200.321(b)(1) through (5) to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible when the Subrecipient procures property or services under this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. § 632), and "minority and women's business enterprise" means a business at least fifty-one percent (51%) owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian- Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

In compliance with the CDBG-DR Minority and Women-Owned Business Enterprise Policy (M/WBE Policy), the Subrecipient shall complete a utilization plan to identify how they plan on successfully achieving the contracting goals for MBE and WBE's. Subrecipient shall also complete quarterly reporting to provide information on contracting opportunities and payouts provided to WBE or MBE contractors or subcontractors. Subrecipient shall also document their efforts and submit those to PRDOH on a quarterly basis. See the M/WBE Policy, as found in the CDBG-DR Website ([www.cdbg-dr.pr.gov](http://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.

- T. The Parties agree to amend **Article X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS, Section Y Subsection 1** with the following:

1. Contracts

- a. *Monitoring:* As applicable, the Subrecipient will monitor all contracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.
- b. *Content:* The Subrecipient shall cause all of the provisions of this contract in its entirety to be included in and made a part of any contract executed in the performance of this Agreement, as applicable.
- c. *Selection Process:* The Subrecipient shall ensure that all contracts awarded after the execution of this Agreement and in the performance of such, follow the procurement policies and procedures described in Section X, subsection S of this Agreement.
- d. *Notification:* The Subrecipient shall notify and provide a copy of any and all contracts related to this Agreement and CDBG-DR funds to the Contract Administration Area of the PRDOH CDBG-DR Legal Division within **three (3) days** of its execution. Additionally, the Subrecipient shall provide a copy of any and all subcontracts

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executed by its Contractors to the Contract Administration Area of the PRDOH CDBG-DR Legal Division within **three (3) days** of its execution.

- U. The Parties agree to amend **Article X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS, Section Y Subsection 3** with the following:

3. Conflict of Interest

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

a. It is presumed that the Subrecipient is subject to state and local ethic laws and regulations related to the conduct of its officers, employees or agents engaged in the award and administration of this Agreement.

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

c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-DR assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or Agreement with respect to the CDBG-DR assisted activity, or with respect to the proceeds from the CDBG-DR assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the PRDOH, the Subrecipient, or any designated public agency.

d. Clause of Governmental Ethics Certification of Absence of Conflict of Interests - The Subrecipient certifies that: (1) No public server of the Subrecipient has pecuniary interest in this contract. (2) No public server of the

  
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*Subrecipient has solicited or accepted, directly or indirectly, for themselves, for any member of their family unit or for any other person, gifts, allowances, favors, services, donations loans or any other thing of monetary value. (3) No public server of the Subrecipient related to this transaction, asked for or accepted any good of economic value, from any person or organization as payment for the duties and responsibilities of their employment. (4) No public server of the Subrecipient has solicited, directly or indirectly, for themselves, any member of their family unit, neither for any other person, business or organization, any good of economic value, including gifts, loans, promises, favors or services in exchange for their obligations and performance of said public employment, to influence or favor any organization. (5) No public server of the Subrecipient has kinship relationship, within the fourth degree of consanguinity and second by affinity, with nobody in public employment that has faculty to influence and to participate in the institutional decisions of this Agreement.*

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- V. The Parties agree to amend **Article X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS** to replace **Section AA** as follows:

AA. Citizen Grievances

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

- W. The Parties agree to replace **Article XXXII. 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:

**XXXII. 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 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, if applicable:** The parties acknowledge that the SUBRECIPIENT 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).

  
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- X. The Parties agree to replace **Article XXXIV. SUBROGATION** with the following:

#### **XXXIV. SUBROGATION**

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

  
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- Y. The Parties agree to replace **Article XXXVI. CONSOLIDATIONS, MERGERS, OR DISSOLUTIONS** with the following:

#### **XXXVI. 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 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.

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- Z. The Parties agree to replace **Article XXXVIII. CDBG-DR POLICIES AND PROCEDURES** with the following:

**XXXVIII. CDBG-DR POLICIES AND PROCEDURES**

*In addition to what is established in this Agreement, the Grantee shall comply with all CDBG-DR Program specific and general policies and procedures, including, but not limited to, the Subrecipient Management Policy, OS&H Guideline, MWBE Policy, Procurement Manual for CDBG-DR Programs, 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 (<https://cdbg-dr.pr.gov/en/resources/policies/>), 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.*

  
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- AA. The Parties agree to replace **Article XLII. SURVIVAL OF TERMS AND CONDITIONS** with the following:

**XLII. SURVIVAL OF TERMS AND CONDITIONS**

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

- BB. The parties agree to replace **Article XLIII. FORCE MAJEURE** as follows:

**XLIII. FORCE MAJEURE**

*In the event of a fire, flood, earthquake, natural disaster, hurricane, riot, act of governmental authority in its sovereign capacity, pandemic officially declared by the Government of Puerto Rico, strike, labor dispute or unrest, embargo, war, insurrection or civil unrest, any Force Majeure including inclement weather, herein collectively referred to as Force Majeure during the term of this Agreement, neither the PRDOH nor the SUBRECIPIENT shall be liable to the other party for nonperformance during the conditions created by such event.*

*The SUBRECIPIENT shall notify, as soon as possible, the PRDOH of the occurrence of the Force Majeure event and describe in reasonable detail, the nature of the Force Majeure event.*

- CC. All other terms and conditions of the Subrecipient Agreement, as amended, remain unchanged.

### III. HEADINGS

The titles to the paragraphs of this Amendment C 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 C.

### IV. FEDERAL FUNDING

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

  
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### V. 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 Subrecipient 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 Subrecipient 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.

  
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### VI. SUBROGATION

The Subrecipient acknowledges that funds provided through the Subrecipient Agreement, as amended, are Federal funds administered by HUD under the CDBG-DR Program and that all funds provided by the Subrecipient 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 Subrecipient shall promptly return any and all funds to the PRDOH, which are found to be ineligible, unallowable, unreasonable, a duplication of benefits, or non-compensable, no matter the cause. This clause shall survive indefinitely the termination of the Subrecipient Agreement, as amended.

### VII. COMPTROLLER REGISTRY

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

### VIII. ENTIRE AGREEMENT

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

### IX. SEVERABILITY

If any provision of this Amendment C shall operate or would prospectively operate to invalidate the Amendment C in whole or in part, then such provision only shall be



deemed severed and the remainder of the Amendment C shall remain operative and in full effect.

**X. COUNTERPARTS**

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

**XI. SURVIVAL OF TERMS AND CONDITIONS**

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

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

**PUERTO RICO DEPARTMENT OF HOUSING**

**PONCE NEIGHBORHOOD HOUSING SERVICES, INC.**

*William O. Rodríguez Rodríguez*  
William O. Rodríguez Rodríguez (Aug 10, 2021 11:44 EDT)

*Elizabeth Colón Rivera*  
Elizabeth Colón Rivera (Aug 6, 2021 15:51 EDT)

**Hon. William O. Rodríguez Rodríguez, Esq.**  
Secretary

**Elizabeth Colón Rivera**  
Executive Director  
DUNS No. 031444321



GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF HOUSING

July 19, 2021

**VISTO BUENO**

**Maytte Texidor, Esq.**  
CDBG-DR Legal Director

*[Signature]*  
**Lcdo. William O. Rodríguez Rodríguez**  
Secretario

*[Signature]*  
**Hon. William Rodríguez**  
Secretary Department of Housing

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*[Signature]*  
**Maretzie Díaz, Esq.**  
Disaster Recovery Deputy Secretary

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**Request for Amendment to Housing Counseling Agency Subrecipient Agreement of Ponce Neighborhood Housing Services, Inc. | Contract No. 2020-DR0017**

In August 2019, the Puerto Rico Department of Housing executed a subrecipient agreement with Ponce Neighborhood Housing Services, Inc. for the CDBG-DR Housing Counseling Program ("the Program"). The contract was executed as follows:

- Ponce Neighborhood Housing Services, Inc. | Contract 2020-DR0017. \$749,979.86

In August 2020, the Puerto Rico Department of Housing executed an amendment to the subrecipient agreement with Ponce Neighborhood Housing Services Inc. for the CDBG-DR Housing Counseling Program ("the Program"). The contract was executed as follows:

- Ponce Neighborhood Housing Services, Inc. | Contract 2020-DR0017A. \$749,979.86

In February 2021, the Puerto Rico Department of Housing executed an amendment to the subrecipient agreement with Ponce Neighborhood Housing Services Inc. for the CDBG-DR Housing Counseling Program ("the Program"). The contact was executed as follows:

- Ponce Neighborhood Housing Services, Inc. | Contract 2020-DR0017B. \$749,979.86

All costs within the Program budget are in the category of project activity deliverable costs. The category of project delivery costs consists of staffing, professional services, other operating, equipment and budget. The approved Subrecipient Agreement, with the pertinence of Exhibits B Timeline and Performance Goals, C Key Personnel and D Budget, is included herein as an attachment.

Ponce Neighborhood Housing Services, Inc. has requested an amendment within these categories with changes to their total budget, key personnel, and an extension of the agreement. In their written request, Ponce Neighborhood Housing Services, Inc. establish these changes are to extend their services for the Program and to improve their quality of services and their staff member availability.

  
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The proposed changes are as follows:

- Increase the established budget for project activity delivery costs from \$749,979.86 to \$1,799,912.00. This represents a total amendment increase of \$1,049,932.14.
- Extend the period of performance of the agreement for an additional 24 months starting on August 1, 2021.
- In the **Staffing** category:
  - **Executive Director Role:** Hours were decreased from 131 to 115 hours, pay rate per hour was maintained at the same cost.
  - **Chief Financial Officer Role:** Hours were decreased from 131 to 115 hours, the pay rate per hour did not change.
  - **Human Resources and Administrative Officer Role:** No changes were made to this position.
  - **Foreclosure Intervention and Housing Counselor I Role:** No changes were made to this position.
  - **Housing Counseling Support Officer Role:** No changes were made to this position.

  
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- **Foreclosure Intervention and Housing Counselor II Role:** No changes were made to this position. No changes were made to this position, but the agency requested an amendment which was executed on February 26, 2021 and Finance was not included in this analysis. Due to this amendment the agency only contemplated \$51K in expenditures but in fact the position had \$62K. When estimating the costs for April through August 2021 if the position invoices the maximum hours allowed this position will have an overbudget of \$6K. The position Foreclosure Intervention and Housing Counselor I have the same rate and maximum hours and could have a remaining balance of \$38K.
  - **Community Organizer Role:** Hours were increased from 70 to 73 hours, the pay rate per hour did not change.
  - **Community Program Coordinator Role:** Hours were decreased from 125 to 115 hours, the pay rate per hour did not change.
  - **Program and Quality Control Coordinator Role:** Hours were decreased from 150 to 116 hours, the pay rate per hour did not change.
  - **Program Support and Data Entry Role:** No changes were made to this position.
  - **Finance and Loan Servicing Officer Role:** No changes were made to this position.
  - **Call Center and Program Officer:** No changes were made to this position.
- In the **Professional Services** category:
    - **Technical Assistance:** This line item was eliminated in their proposed budget amendment; this action seems reasonable because the agency has not incurred in expenses for this line item.
    - **Legal Services:** This line item was eliminated in their proposed budget amendment; this action seems reasonable because the agency has not incurred in expenses for this line item.

  
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- In the **Other Operating** category:
  - **Outreach Material:** This line item was eliminated in their proposed budget amendment; this action seems reasonable because the agency has not incurred in expenses for this line item
  - **Travel:** This line item was eliminated in their proposed budget amendment, but this line item will be included with the budget to cover the incurred expenses.
  - **Credit Report:** This line item was eliminated in their proposed budget amendment; this action seems reasonable because the agency has not incurred in expenses for this line item.
  - **Overhead:** Entity will be reimbursed through the De Minis Rate (10%), on the current contract this line item is for \$57,417.75 from which \$44,304.77 have been incurred in expenses. Their current proposed amount based on the MTDC is \$104,464.00 that comply with 2 CFR 200, if the agency invoices the maximum amount within their staffing for April through August 2021, they will have an overbudget of \$3K. This overbudget is due to an amendment executed on February 26, 2021 which Finance was excluded from this analysis

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- In the **Equipment** category:
  - **Office Equipment:** This line item was reduced from \$21,998.54 to \$10,000.00; this seems reasonable because the agency told the programmatic area that they had difficulties with the procurement process and the equipment will be received after July 2021. Due to this scenario a line item was added to the contract extension for \$10,000.00 based on the quotes received by the suppliers
- **Reclassification of Expenses:**  
 The current expenditures for the following position are required to be reclassified as follows:

- Foreclosure Intervention & Housing Counselor I

| Allocation  | Current Expenditures* | Updated Expenditures | Current Balance | Updated Balance |
|-------------|-----------------------|----------------------|-----------------|-----------------|
| \$82,422.75 | \$38,867.53           | \$60,975.38          | \$43,555.00     | \$21,447.37     |

*\*These costs contemplate up to April 2021*

- Foreclosure Intervention & Housing Counselor II

| Allocation  | Current Expenditures* | Updated Expenditures | Current Balance | Updated Balance |
|-------------|-----------------------|----------------------|-----------------|-----------------|
| \$82,624.24 | \$82,375.00           | \$60,287.14          | \$249.24        | \$22,337.10     |

*\*These costs contemplate up to April 2021.*

Amount to be reclassified is to Foreclosure Intervention & Housing Counselor I:

  
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\$22,337.10 (\$82,624.24-\$60,287.14) the agency must submit an official request with the number of each invoice that will be adjusted for the position mentioned above.

The corresponding proposed amendments are included herein as an attachment.

  
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The amendment recommended herein for Ponce Neighborhood Housing Services, Inc. does not reach \$10,000,000.00. Therefore, it does not require approval of Management Board for Puerto Rico under their Contracts Policy.

If you should have any questions or doubts, feel free to contact me at your convenience.



Christian Pagán Mercado, M.P.A., JD  
Director of Disaster Recovery CDBG-DR Program

Cc: Félix Hernández Cabán, M.B.A., C.F.E., J.D.

**Attachments:**

1. Proposed Amended Exhibit B Timelines and Performance Goals
2. Proposed Amended Exhibit C Key Personnel
3. Proposed Amended Exhibit D Budget (Section 2)



## EXHIBIT B

# TIMELINES AND PERFORMANCE GOALS

## HOUSING COUNSELING PROGRAM

### [PONCE NEIGHBORHOOD HOUSING SERVICES, INC]

#### 1. Program Objective:

This Program will foster resilience through public education and advocacy delivered by HUD-Approved Housing Counseling Agency (HCA) professionals to explain the options available for Applicants receiving housing counseling services and/or in conjunction with other forms of housing assistance. These services may include a range of approved subjects, including but not limited to, one-on-one counseling and formal training sessions.

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#### 2. Terms

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

### 3. Timeline and Performance Goals

| KEY OBJECTIVE #1   | KEY ACTIVITY  | INDICATORS   | SOURCE OF VERIFICATION   | TARGET GOALS  | TIMELINE               |
|--|---|--|--|---|------------------------|
| Offer Housing Counseling Education Courses or Workshops to LMI Families<br><br><i>ECR</i><br><br><i>WORR</i><br>WORR | 1.1 Housing Counseling is provided to LMI and urgent need Household | # outreach activities                                | Local events, minutes report, participants list, social media etc. | 3 outreach activities per quarter                       | Monthly until 01/08/23 |
|  |   | # completed courses provided per month               | Courses certification of completion                                | 307 courses completed per month, per subrecipient       | Monthly until 01/08/23 |
|  |   | #households served (total cases)                     | Household data as submitted through Canopy                         | 300 LMI/Unmet households who participate in the Program | Monthly until 01/08/23 |
|  | 1.2 Application Closeout & Closeout Survey                          | % applicants that have completed the closeout survey | Completed surveys (Client Management System (Canopy))              | 50%   | Monthly                |
|  |   | % of participants who are satisfied with program     | Housing Counseling Survey Performance Report                       | 75-80% participants are satisfied                       | Monthly                |
|  |   |  |  |   |                        |



### 3.1.1 KEY ACTIVITY: OUTREACH ACTIVITIES & COUNSELING COURSES COMPLETED

The subrecipient are to provide outreach efforts through multiple media outlets including but not limited to radio, newspaper, social media, local marketing initiatives, local events, or fairs. This outreach effort should be documented, measurable, and create impact. Outreach will be measured through quarterly reports. The provision of information given by the subrecipient to the applicant should raise awareness about critical housing topics, such as predatory lending, fair lending, and fair housing issues. In terms of the number of courses completed by the applicant. The subrecipient must ensure that after the initial consultation has been completed with the applicant, all counseling courses and workshops that were recommended to the applicant by the housing counselor based upon the applicant's housing needs were completed before issuing a Certification of Completion.

  
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### 3.1.2 KEY ACTIVITY 1.2 APPLICANT PARTICIPATION IN THE CLOSEOUT SURVEY

The subrecipient shall coordinate a closeout process with the applicant, which may include an exit interview and an evaluation of the services needed, services provided, and outstanding needs. The subrecipient will also be responsible for tracking all counseling services offered to the applicant in the Grant Management System (Canopy). The Housing Counselor must also ensure that once the applicant has completed any counseling services the applicant is awarded a Certificate of Completion and that the applicant is sent the close out letter to complete the Closeout Survey.

  
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# EXHIBIT C

## KEY PERSONNEL

### HOUSING COUNSELING- PONCE NHS – KEY PERSONNEL

  
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Below is the Staffing Plan for the CDBG-DR **Housing Counseling** Program which reflects a combination existing employees or new hired employees dedicated for the CDBG-DR **Housing Counseling** Program.

  
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#### I. Roles Description

##### ***Executive Director (115 hours)***

- In charge of the CDBG-DR Program
- Participates and host in meetings relating with CDBG-DR Program
- Supervise employees work, production and tasks related with CDBG-DR Program
- Create, design, plan and implement promotion and advertising strategies to attract new participants
- Verify and follow up Employee's Action and Work Plans
- As a Program Director, oversees completed and approve Canopy's cases
- In charge of authorizing signatures, revise, and audit monthly reports, and all the official documents from the CDBG-DR Program
- In charge compliance audits, monitoring and any other the decision making in compliance of the CDBG-DR Program regulations
- Oversees with the Chief Financial Officer, expenses, financial budget management and other financial procedures
- Promotes the CDBG-DR Program in activities and meetings
- Servs as liaison with the R-3 Program Manager Regional Director
- Create, design and plan strategies to work with the R-3 Program Manager Regional Director, assisting R-3 Program participants
- In charge of reports to the Board of Directors relating administration, management, and procedures from CDBG-DR Program

##### ***Chief Finance Officer (115 hours)***

- Prepare Compliance Reports
- Verify and certify employees and Executive Director time sheets
- Make payments stubs, travel expenses, utilities, among other expenses and payments related to CBBG-DR Program
- In charge of look up and gather official documents for the CDBG-DR Program

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**procurement and compliance procedures**

- Participates in weekly and monthly conference call and reports meetings related to finance department with Housing Department and HORNE
- Certify and sign some of the travel expenses vouchers under CDBG-DR Program
- In charge of the assets and compliance procedures under CDBG-DR Program
- Prepare financial reports for CDBG-DR Program
- In charge of the CDBG-DR Program when the Executive Director is not available
- Approve bank reconciliations related CDBG-DR Program, prepared by the Finance and Loan Servicing Officer
- Prepare Annual Tax Forms (Local and Federal)

***Finance and Loan Servicing Officer (100 hrs)***

- Check and verify that the travel expenses procedure from the CDBG-DR Program has been followed as compliance reques
- Check utilities and other CDBG-DR Program related bills, submitting as a tenant account, those bills to the system
- Prepare banks reconciliations from the CDBG-DR Program, which the Chief Finance Officer approves
- Prepare SURI tax forms, submissions of quarterly tax forms to State Agencies related CDBG-DR funds

  
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***Human Resources and Administrative Officer (100 hrs)***

- In charge of verify and audit CDBG-DR Program employees time sheets
- Officer in charge of the Digital Time Clock System for employees
- Supervise time sheet submission on time and in compliance
- Prepare fringe benefit processes for CDBG-DR Program employees
- In charge of micro purchases related CDGB-DR Program
- In charge of CDBG-DR Program Procurement process

***Program and Quality Control Coordinator (116 hrs)***

- Prepare administrative monthly reports to CDBG-DR Program
- Gather data and information for CDBG-DR Program Performance Report
- Receive and audit work hours from CDBG-DR Program employees
- Receive, manage, and audit time sheets and other compliance documents from the CDBG-DR Program to prepare invoices and reimbursement processes
- Prepare invoices and reimbursement processes from CDBG-DR Program
- Submit invoices though Vendors Café System
- Verify CDBG-DR reports from different departments,
- In charge of submit monthly CDBG-DR reports
- Participate in weekly and monthly reports conference calls and meetings with Housing Department and HORNE
- Maintains constant communication with HORNE and the managers to keep the Program in compliance

***Housing Counselor Support Officer (160 hrs)***

- In charge of promoting and coordinate housing counseling and financial capability workshops
  - Participate in outreach meetings that are coordinated by the municipalities and other non- profits
-

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- Promotes CDBG-DR Program (Housing Counseling Services) in activities
  - Manage triage calls from CDBG-DR Program
  - Works with the R-3 Program and other CDBG-DR Program cases
  - Coordinates initial appointments for CDBG-DR Program participants
  - Provides the CDBG-DR Program initial orientation to the clients and fills out initial forms
  - Upload information to the Canopy system
  - Works with the CDBG-DR Performance Reports
  - Check cases in Canopy to verify that all the documents and information are complete and in compliance
  - Serve as a contact person and manage messages and emails related to CDBG-DR Program from our social media (Facebook page, webpage, among others)

*Foreclosure Intervention and Housing Counselor, I and II (160 hrs)*

- Provide Housing Counseling to CDBG-DR Program participants and clients
  - Prepare Counseling, Financial Capability and Post Purchase workshops
  - Provide Housing Counseling, Financial Capability and Post Purchase workshops to clients and CDBG-DR participants
- 
- Upload and manage clients from the CDBG-DR Program cases into the Canopy system
  - Counselor-to-client assistance that addresses unique financial circumstances and housing issues, and focuses on overcoming specific obstacles to achieving a housing goal such as repairing credit, addressing a rental dispute, purchasing a home, locating cash for a down payment, raising awareness about critical housing topics such as predatory lending practices, fair lending and fair housing requirements, finding units accessible to persons with disabilities, avoiding foreclosure, or resolving a financial crisis. Expert in counseling, all counseling will involve the creation of an action plan. For the purposes of HUD's Housing Counseling Program, education is defined as formal classes, with established curriculum and instructional goals, provided in a group or classroom setting, or other formats approved by HUD, covering topics such as, but not limited to: (1) renter rights; (2) the home buying process; (3) how to maintain a home; (4) budgeting; (5) fair housing; (6) identifying and reporting predatory lending practices; (7) rights for persons with disabilities; (8) and the importance of good credit. Special Note: The educational topic of "Fair Housing" may include the promotion and protection of civil rights as they relate to ensuring equal opportunity housing. Such educational sessions may include topics such as identifying and reporting discriminatory policies, procedures practices, fair lending, Section 504 of the Rehabilitation Act, and predatory lending.

*Program Support and Data Entry (120 hrs)*

- In charge of data entry process in Canopy system
- Manage data related to CDBG-DR Program such as number of participants, municipalities with more participants and applications, among other data management
- In charge of contact CDBG-DR participants to confirm appointments and follow ups
- Promotes CDBG-DR Program (Housing Counseling Services) in activities

*Community Program Coordinator (115 hrs)*

- Prepare Housing Maintenance and Disaster Preparedness workshops for CDBG-DR Program participants
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- **Coordinates and set dates for Housing Maintenance and Disaster Preparedness workshops for CDBG-DR Program participants**
  - **Identify and recruit participants for Housing Maintenance and Disaster Preparedness workshops under CDBG-DR Program**
  - **In charge of all the logistics related to the Housing Maintenance and Disaster Preparedness workshops under CDBG-DR Program**
  - **In charge of enter data of those CDBG-DR Program participants in Canopy System**

***Community Organizer (73 hrs)***

- **In charge of introduce the CDBG-DR Program to the municipalities and organize community activities such as fairs, community assemblies among others, to promote the Program**
  - **In charge of CDBG-DR Community Outreach**
  - **Serve as liaison between the communities and the Housing Counseling Program from the CDBG-DR funds**
- 
- **Coordinate initial orientations and community workshops of Foreclosure Intervention and Housing Counseling from CDBG-DR Program to Ponce NHS network community areas and municipalities**

  
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***Call Center and Program Support (120 hrs)***

- **Manage and channel phone calls and messages related CDBG-DR Program**
- **Register participants for Housing Counseling Program workshops for CDBG-DR**
- **Manage virtual platforms and google documents for Housing Counseling Program registering process for CDBG-DR**
- **Report CDBG-DR participants basic information to Housing Counselor Support Officer for initial triage**
- **Maintains records and statistics about the CDBG-DR participants registering process in workshops and other virtual activities.**

  
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**Budget Detail  
Housing Counseling Program**

Subrecipient Name: Ponce Neighborhood Housing Services, Inc.

**STAFFING**

| Position  | Qty. of Resources [A] | Max. Hours per month per Resource [B] | Hourly Rate [C] | Max. Monthly Cost [D=AxBxC] (New Proposed) |
|---|-----------------------|---------------------------------------|-----------------|--|
| Previous Expenditure (Staffing)   |                       |                                       |                 | \$ 580,875.00                              |
| <b>Staffing for Amendment C</b>   |                       |                                       |                 |  |
| Executive Director  | 1                     | 115                                   | \$72.79         | \$ 8,371.00                                |
| Chief Financial Officer   | 1                     | 115                                   | \$59.67         | \$ 6,863.00                                |
| Human Resources and Administrative Officer                              | 1                     | 100                                   | \$20.74         | \$ 2,074.00                                |
| Foreclosure Intervention and Housing Counselor I                        | 1                     | 160                                   | \$32.82         | \$ 5,252.00                                |
| Housing Counseling Support Officer                                      | 1                     | 160                                   | \$20.90         | \$ 3,344.00                                |
| Foreclosure Intervention and Housing Counselor II                       | 1                     | 160                                   | \$32.82         | \$ 5,252.00                                |
| Community Organizer   | 1                     | 73                                    | \$20.20         | \$ 1,475.00                                |
| Community Program Coordinator   | 1                     | 115                                   | \$19.58         | \$ 2,252.00                                |
| Program and Quality Control Coordinator                                 | 1                     | 116                                   | \$28.96         | \$ 3,360.00                                |
| Program Support and Data Entry  | 1                     | 120                                   | \$14.39         | \$ 1,727.00                                |
| Finance and Loan Servicing Officer                                      | 1                     | 100                                   | \$18.64         | \$ 1,864.00                                |
| Call Center and Program Officer   | 1                     | 120                                   | \$14.41         | \$ 1,730.00                                |
| <b>Total Maximum Monthly Cost:</b>                                      |                       |                                       |                 | <b>\$ 43,564.00</b>                        |
| <b>Total Cost for new 2 year extension:</b>                             |                       |                                       |                 | <b>\$ 1,045,536.00</b>                     |
| <b>Total Cost for Staffing in SRA (previous and additional 2 year):</b> |                       |                                       |                 | <b>\$ 1,626,411.00</b>                     |

**OTHER OPERATING**

| Item Name   | Item Description  | Budget               |
|---|---|----------------------|
| Previous Expenditures (Travel)  |   | \$ 1,619.00          |
| Previous Expenditures (Overhead)  |   | \$ 57,418.00         |
| <b>Expenses for Amendment C</b>   |   |                      |
| Overhead  | Indirect Cost through De Minimis Rate (10%) of the program. | \$ 104,464.00        |
| <b>Total Expenses for new 2 year extension:</b>                         |   | <b>\$ 104,464.00</b> |
| <b>Total Cost for Expenses in SRA (previous and additional 2 year):</b> |   | <b>\$ 163,501.00</b> |

**EQUIPMENT**

| Item Name                     | Item Description   | Budget              |
|-------------------------------|--|---------------------|
| Office Equipment              | Computers and printers for Ponce NHS Housing Counselors. | \$ 10,000.00        |
| <b>Total Expenses Budget:</b> |  | <b>\$ 10,000.00</b> |

|                         |           |                     |
|-------------------------|-----------|---------------------|
| Previous Expenditures   | \$        | 639,912.00          |
| Budget Extension        | \$        | 1,160,000.00        |
| <b>Total SRA Amount</b> | <b>\$</b> | <b>1,799,912.00</b> |

**EXHIBIT D - SECTION 2 - BUDGET**

| Grant:                                 |                        | CDBG-DR                                   |                        |
|--|------------------------|---|------------------------|
| Contractor:                            |                        | Ponce Neighborhood Housing Services, Inc. |                        |
| Program:                               |                        | Housing Counseling Program                |                        |
| DRGR Activity Code:                    |                        | R01H12HCP-DOH                             |                        |
| Cost Type                              | Chart of Accounts Code | Activity Description                      | CONTRACT Budget        |
| <b>ADMINISTRATION</b>                  |                        |   | <b>\$ -</b>            |
| Costs                                  |                        |   |                        |
|  |                        |   |                        |
| <b>TOTAL COSTS</b>                     |                        |   | <b>\$ -</b>            |
| <b>PLANNING</b>                        |                        |   | <b>\$ -</b>            |
|  |                        |   |                        |
|  |                        |   |                        |
|  |                        |   |                        |
|  |                        |   |                        |
| <b>TOTAL COSTS</b>                     |                        |   | <b>\$ -</b>            |
| <b>PROJECT</b>                         |                        |   | <b>\$ 1,799,912.00</b> |
| <b>Project</b>                         |                        |   |                        |
|  |                        |   |                        |
|  |                        |   |                        |
| <b>TOTAL COSTS</b>                     |                        |   | <b>\$ -</b>            |
| <b>PROJECT ACTIVITY DELIVERY COSTS</b> |                        |   |                        |
| Staffing                               |                        | Direct personnel for the program.         | \$ 1,626,411.00        |
| Other Operating                        |                        | Indirect cost incurred for the program.   | \$ 163,501.00          |
| Equipment                              |                        | Computers and printers to HCP personnel.  | \$ 10,000.00           |
| <b>TOTAL COSTS</b>                     |                        |   | <b>\$ 1,799,912.00</b> |
| <b>GRAND TOTAL</b>                     |                        |   | <b>\$ 1,799,912.00</b> |

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August 2, 2021

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

Félix Hernández Cabán, MBA, C.F.E., J.D.  
Director Disaster Recovery  
CDBG-DR Finance Division  
Puerto Rico Department of Housing

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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 PONCE NEIGHBORHOOD HOUSING SERVICES, INC. FOR CDBG-DR HOUSING COUNSELING PROGRAM**

As requested by the Deputy Director-Contract Administration of CDBG-DR, we certify the availability of funds for **\$1,049,932.14** for the "amendment to increase the contract with Ponce Neighborhood Housing Services, Inc. for the CDBG-DR Housing Counseling 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 Num.    | Account     | Description   | Funds Certified      | Amendment              | Total Amount Certified |
|------------------|-------------|---------------|----------------------|------------------------|------------------------|
| R01H12HCP-DOH-LM | 6090-01-000 | Program Funds | \$ 749,949.86        | -                      | \$ 749,949.86          |
| R02H12HCP-DOH-LM |             |               | -                    | 787,449.11             | 787,449.11             |
| R02H12HCP-DOH-UN |             |               | -                    | 262,483.03             | 262,483.03             |
| <b>Totals</b>    |             |               | <b>\$ 749,949.86</b> | <b>\$ 1,049,932.14</b> | <b>\$ 1,799,912.00</b> |

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

Yardi # cc5932

KMM/CCC/ERP



## EXHIBIT F

### HUD GENERAL PROVISIONS



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



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

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

#### **General Provisions:**

##### **1. PROVISIONS REQUIRED BY LAW DEEMED INSERTED**

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

##### **2. STATUTORY AND REGULATORY COMPLIANCE**

SUBRECIPIENT shall comply with all laws and regulations applicable to the Community Development Block Grant-Disaster Recovery funds appropriated by the Supplemental Appropriations for Disaster Relief Requirements, 2017 (Pub. L. 115-56), approved September 8, 2017 (Appropriations Act), as amended, including but not limited to the applicable Office of Management and Budget Circulars, which may impact the administration of funds and/or set forth certain cost principles, including if certain expenses are allowed.

##### **3. BREACH OF SUBRECIPIENT AGREEMENT TERMS**

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

##### **4. REPORTING REQUIREMENTS**

The SUBRECIPIENT shall complete and submit all reports, in such form and according to such schedule, as may be required by the PRDOH and/or the Government of Puerto Rico.

The SUBRECIPIENT shall cooperate with all the PRDOH and/or the Government of Puerto Rico efforts to comply with HUD requirements and regulations pertaining to reporting, including but not limited to 2 C.F.R. § 200.328 and 24 C.F.R. § 570.507, when applicable.

#### **5. ACCESS TO RECORDS**

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

#### **6. MAINTENANCE/RETENTION OF RECORDS**

The SUBRECIPIENT shall retain all official records on programs and individual activities shall be retained for the greater of **five (5) years**, starting from the closeout of the grant between PRDOH and HUD, or the end of the affordability period for each housing activity, whichever is longer. If any other laws and regulations as described in 24 C.F.R. § 570.490 applies to a project, the record retention period may be extended. All records involved in litigation, claims, audits, negotiations, or other actions, which have started before the expiration date of their retention, will be kept until completion of the action and resolution of all issues or the end of the regular **five (5) year** period, whichever is longer. (See 2 C.F.R. § 200.333 and 24 C.F.R. § 570.490(d).)

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

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

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

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

#### **8. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT**

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

#### **9. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964**

The SUBRECIPIENT will comply with the provisions of Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color, or national origin in any program

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

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

The SUBRECIPIENT shall comply with the provisions of Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Section 109 further provides that discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.

**11. SECTION 504 OF THE REHABILITATION ACT OF 1973**

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

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

**12. AGE DISCRIMINATION ACT OF 1975**

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

**13. DEBARMENT, SUSPENSION, AND INELIGIBILITY**

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

**14. CONFLICTS OF INTEREST**

The SUBRECIPIENT shall notify the PRDOH as soon as possible if this SRA or any aspect related to the anticipated work under this SRA raises an actual or potential conflict of interest (as defined 2 C.F.R. § 200.318(c), if applicable). The SUBRECIPIENT shall explain the actual or potential conflict in writing in sufficient detail so that the PRDOH is able to assess such actual or potential conflict. The SUBRECIPIENT shall provide the PRDOH any additional information necessary to fully assess and address such actual or potential conflict of interest. The SUBRECIPIENT shall accept any reasonable conflict mitigation strategy employed by the PRDOH, including but not limited to the use of an independent subcontractor(s) to perform the portion of work that gives rise to the actual or potential conflict.

**15. SUBCONTRACTING**

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

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

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

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

#### **16. ASSIGNABILITY**

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

#### **17. INDEMNIFICATION**

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

#### **18. COPELAND "ANTI-KICKBACK" ACT**

##### **(Applicable to all construction or repair contracts)**

Salaries of personnel performing work under this SRA shall be paid unconditionally and not less often than once a month without payroll deduction or rebate on any account except only such payroll deductions as are mandatory by law or permitted by the applicable regulations issued by the Secretary of Labor pursuant to the Copeland "Anti-Kickback Act" of June 13, 1934 (48 Stat. 948; 62 Stat. 740; 63 Stat. 108; Title 18 U.S.C. § 874; and Title 40 U.S.C. § 276c). The SUBRECIPIENT shall comply with all applicable "Anti-Kickback" regulations and shall insert appropriate provisions in all subcontracts covering work under this Agreement to ensure compliance by subcontractors with such regulations, and shall be responsible for the submission of affidavits required of subcontractors thereunder except as the Secretary of Labor may specifically provide for variations of or exemptions from the requirements thereof.

#### **19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT**

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

The SUBRECIPIENT shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-330) as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

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

#### **20. DAVIS-BACON ACT**

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

The SUBRECIPIENT shall comply with the Davis Bacon Act (40 U.S.C. §§ 276a to 276a-7) as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

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

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

#### **21. TERMINATION FOR CAUSE**

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

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

#### **22. TERMINATION FOR CONVENIENCE**

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

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

#### **23. SECTION 503 OF THE REHABILITATION ACT OF 1973**

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

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

Equal Opportunity for Workers with Disabilities:

- 1) The SUBRECIPIENT will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The SUBRECIPIENT agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with disabilities without discrimination based on their physical or mental disability in all employment practices, including the following:
  - (i) Recruitment, advertising, and job application procedures;
  - (ii) Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
  - (iii) Rates of pay or any other form of compensation and changes in compensation;
  - (iv) Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
  - (v) Leaves of absence, sick leave, or any other leave;
  - (vi) Fringe benefits available by virtue of employment, whether or not administered by the SUBRECIPIENT;
  - (vii) Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
  - (viii) Activities sponsored by the SUBRECIPIENT including social or recreational programs; and
  - (ix) Any other term, condition, or privilege of employment.
- 2) The SUBRECIPIENT agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
- 3) In the event of the SUBRECIPIENT's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
- 4) The SUBRECIPIENT agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Deputy Assistant Secretary for Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the SUBRECIPIENT'S obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The SUBRECIPIENT must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the SUBRECIPIENT may have the notice read to a visually disabled individual, or may lower the posted notice so that it might be read by a person in a wheelchair).
- 5) The SUBRECIPIENT will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the SUBRECIPIENT is bound by the terms of Section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment individuals with physical or mental disabilities.
- 6) The SUBRECIPIENT will include the provisions of this clause in every subcontract or purchase order in excess of \$10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to Section 503 of the Act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order

  
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as the Deputy Assistant Secretary for Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

#### **24. EQUAL EMPLOYMENT OPPORTUNITY**

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

The SUBRECIPIENT shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 C.F.R. chapter 60). During the performance of this Agreement, the SUBRECIPIENT agrees as follows:

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- 1) The SUBRECIPIENT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The SUBRECIPIENT shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- 2) The SUBRECIPIENT shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this non-discrimination clause. The SUBRECIPIENT shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- 3) The SUBRECIPIENT will, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- 4) The SUBRECIPIENT will send to each labor union or representative of workers with which he or she has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the SUBRECIPIENT's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 5) The SUBRECIPIENT will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
- 6) The SUBRECIPIENT will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- 7) In the event of the SUBRECIPIENT's non-compliance with the non-discrimination clause of this Agreement or with any of such rules, regulations or orders, this Agreement may be cancelled, terminated or suspended in whole or in part and the SUBRECIPIENT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

- 8) SUBRECIPIENT shall incorporate the provisions of 1 through 7 above in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor so that such provisions shall be binding on such subcontractor. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance, provided, however, that in the event the SUBRECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the SUBRECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.

  
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**25. CERTIFICATION OF NONSEGREGATED FACILITIES  
(Applicable to construction contracts exceeding \$10,000)**

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

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

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

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

The SUBRECIPIENT and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 U.S.C. § 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 C.F.R. Part 15 and 32, as amended, Section 508 of the Clean Water Act (33 U.S.C. § 1368) and Executive Order 11738.

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

- 1) A stipulation by the SUBRECIPIENT or subcontractors, that any facility to be utilized in the performance of any nonexempt contract or subcontract, is not listed on the Excluded Party Listing System pursuant to 40 C.F.R. 32 or on the List of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 C.F.R. Part 15, as amended.
- 2) Agreement by the SUBRECIPIENT to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 U.S.C. § 1857 c-8) and Section 308 of the Federal



Water Pollution Control Act, as amended, (33 U.S.C. § 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.

- 3) A stipulation that as a condition for the award of the Agreement, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized, or to be utilized for the Agreement, is under consideration to be listed on the Excluded Party Listing System or the EPA List of Violating Facilities.
- 4) Agreement by the SUBRECIPIENT that he or she will include, or cause to be included, the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the SUBRECIPIENT will take such action as the government may direct as a means of enforcing such provisions.

  
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## 27. ANTI-LOBBYING

  
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### (Applicable to contracts exceeding \$100,000)

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

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

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

## 28. BONDING REQUIREMENTS

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

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

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

  
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#### **29. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968**

  
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##### **(As required by applicable thresholds)**

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

- 1) The parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. Part 75, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.
- 2) The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which the SUBRECIPIENT has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the SUBRECIPIENT's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- 3) The SUBRECIPIENT agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 75. The SUBRECIPIENT will not subcontract with any subcontractor where the SUBRECIPIENT has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 75.
- 4) The SUBRECIPIENT acknowledges that subrecipients, contractors, and subcontractors are required to meet the employment, training, and contracting requirements of 24 C.F.R. 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

- 5) The SUBRECIPIENT will certify that any vacant employment positions, including training positions, that are filled: (1) after the SUBRECIPIENT is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 75 require employment opportunities to be directed, were not filled to circumvent the SUBRECIPIENT's obligations under 24 C.F.R. Part 75.
- 6) Noncompliance with HUD's regulations in 24 C.F.R. Part 75 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- 7) With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 450e) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible: (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).
- 8) The SUBRECIPIENT agrees to submit, and shall require its subcontractors to submit to them, quarterly reports to the PRDOH detailing the total number of labor hours worked on the Section 3 Project, the total number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 Workers and Targeted Section 3 Workers.

  
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### **30. FAIR HOUSING ACT**

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

### **31. ENERGY POLICY AND CONSERVATION ACT**

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

### **32. HATCH ACT**

SUBRECIPIENT agrees to comply with mandatory standards and policies relating to Hatch Act, Public Law 94-163, as amended.

The Hatch Act applies to political activities of certain state and local employees. As a Puerto Rico Department of Housing SUBRECIPIENT, you may do any of the following activities: be a candidate in nonpartisan elections; attend political meetings and

conventions; contribute money; campaign in partisan elections; and hold office in political parties.

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

### 33. HEALTH AND SAFETY STANDARDS

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

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### 34. PERSONNEL

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

### 35. WITHHOLDING OF WAGES

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

### 36. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES

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

### 37. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS

No person employed on the services covered by this Agreement shall be discharged or in any way discriminated against because he or she has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable hereunder to his or her employer.

### 38. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS

The SUBRECIPIENT agrees to establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have a family, business, or other tie. The SUBRECIPIENT will be aware of and avoid any violation of the

laws of this State which prohibit municipal officers and employees from having or owning any interest or share, individually or as agent or employee of any person or corporation, either directly or indirectly, in any contract made or let by the governing authorities of such municipality for the construction or doing of any public work, or for the sale or purchase of any materials, supplies or property of any description, or for any other purpose whatsoever, or in any subcontract arising therefrom or connected therewith, or to receive, either directly or indirectly, any portion or share of any money or other thing paid for the construction or doing of any public work, or for the sale or purchase of any property, or upon any other contract made by the governing authorities of the municipality, or subcontract arising therefore or connected therewith.

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

  
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#### **39. INTEREST OF CERTAIN FEDERAL OFFICERS**

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

  
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#### **40. INTEREST OF SUBRECIPIENT**

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

#### **41. POLITICAL ACTIVITY**

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

#### **42. RELIGIOUS ACTIVITY**

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

#### **43. FLOOD DISASTER PROTECTION ACT OF 1973**

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

#### **44. LEAD BASED PAINT**

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

#### **45. VALUE ENGINEERING**

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

The SUBRECIPIENT must comply with the regulations regarding systematic and organized approach to analyze functions of systems, equipment, facilities, services, and materials to ensure they achieve their essential functions at the lowest cost consistent to life cycle in execution, reliability, quality, and safety, in accordance with 2 C.F.R. § 200.318.(g).

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

Every project funded in part or in full by Community Development Block Grant – Disaster Recovery (CDBG-DR) funds, and all activities related to that project, are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, 42 U.S.C. § 4601 et seq., and section 104(d) of the Housing and Community Development Act of 1992, as amended (HCDA), 42 U.S.C. § 5304(d), except where waivers or alternative requirements have been provided by the U.S. Department of Housing and Urban Development (HUD). The implementing regulations for URA are at 49 C.F.R. Part 24, and the regulations for section 104(d) are at 24 C.F.R. Part 42, subpart C. Additionally, HUD has established regulations specific to CDBG-funded housing activities at 24 C.F.R. § 570.606. PRDOH has also established the Uniform Relocation Assistance Guide & Residential Anti-Displacement and Relocation Assistance Plan (URA & ADP Guide) which provides guidance and requirements regarding URA compliance and minimizing displacement that are applicable to all CDBG-DR programs. The primary purpose of these laws and regulations is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.

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

**END OF DOCUMENT**



## EXHIBIT G

### SUBROGATION AND ASSIGNMENT PROVISIONS

### HOUSING COUNSELING PROGRAM

#### PONCE NEIGHBORHOOD HOUSING SERVICES, INC.

  
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1. **General Provisions.**

- a) The Parties acknowledge that the following provisions of this Exhibit are hereto incorporated by reference and made an integral part of the aforementioned Subrecipient Agreement as **Exhibit G**.
- b) Changes in the provisions of this Exhibit will require an amendment to the Subrecipient Agreement. Such amendment would result in the incorporation by reference of a modified **Exhibit G** to the Subrecipient Agreement.

  
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2. **Subrogation and Assignment Relating to Funds Received from the Puerto Rico Department of Housing, Housing Counseling Program.**

- a) These provisions are incorporated into the Subrecipient Agreement in consideration of the commitment by PRDOH to evaluate Subrecipient's application for the award of disaster assistance funds (the "**Application**") or the Subrecipient's receipt of CDBG-DR disaster recovery funds (the "**Grant Proceeds**") under the Program being administered by PRDOH.
- b) Subrecipient understands and acknowledges that the Program is subject to the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. §§ 5121-5207 (the "**Act**") and that, under such Act, the Subrecipient may only receive assistance to the extent that the Subrecipient has a disaster recovery need that is not fully met by insurance or other forms of disaster assistance. Subrecipient further acknowledges that these provisions are intended to ensure that Subrecipient does not receive duplicate benefits available to the Subrecipient from another source, for the same purposes as the Grant Proceeds provided under the Program, and that, any assistance determined to be duplicative must be deducted from the Program's calculation of the Subrecipient's total need prior to awarding assistance.
- c) Subrecipient hereby subrogates and assigns to PRDOH any and all of Subrecipient's future rights to, and any interest Subrecipient may have in, any reimbursement and all payments received or subsequently received from any grant, loan, insurance policy or policies of any type (each individually, a "**Policy**" and collectively, the "**Policies**"), or under any subsidy, reimbursement or relief program related to or administered by the Federal Emergency Management Agency ("**FEMA**"), insurance payments, or any other federal, state or local government agency (each, individually, a "**Disaster Program**" and collectively, the "**Disaster Programs**") to the extent of all Grant Proceeds paid or to be paid under the Program and that are determined, in the sole discretion of PRDOH or its designated agent, to be a duplication of benefits ("**DOB**"). Any payments referred to in this paragraph, whether they are from Policies, FEMA, or any other source, and whether or not such amounts are a DOB, shall be referred to herein

as "**Proceeds**"; any Proceeds that are determined to be a DOB shall be referred to herein as "**DOB Proceeds**".

- d) Subrecipient agrees that, in the event that Subrecipient receives additional Proceeds related to disaster recovery that are not listed on the Duplication of Benefits Certification submitted in connection with the Application, Subrecipient will notify the PRDOH within **ten (10) working days** of receipt of the funds by sending a written notification to [cpagan@vivienda.pr.gov](mailto:cpagan@vivienda.pr.gov). PRDOH will, in turn determine, in its sole discretion, if such Proceeds constitute DOB Proceeds. If any of the Proceeds are determined to be DOB Proceeds, the Subrecipient shall pay PRDOH the DOB Proceeds, to be disbursed as provided in Section 3 of this Agreement.

  
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**3. Cooperation and Further Documentation.**

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

  
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**4. Agreement to Turn Over Proceeds; Future Reassignment.**

- a) If Subrecipient (or, to the extent permitted by superior loan documents, any lender to which DOB Proceeds are payable) hereafter receives any DOB Proceeds, Subrecipient agrees to promptly pay such amounts to PRDOH, if Subrecipient received Grant Proceeds under the Program in an amount greater than the amount Subrecipient would have received if such DOB Proceeds had been considered in the calculation of Subrecipient's award.
- b) In the event that Subrecipient receives or is scheduled to receive any Proceeds not listed on its Duplication of Benefits Certification ("**Subsequent Proceeds**"), Subrecipient shall pay such Subsequent Proceeds directly to the PRDOH, and PRDOH will determine the amount, if any, of such Subsequent Proceeds that are



DOB Proceeds ("**Subsequent DOB Proceeds**"). Subsequent Proceeds shall be disbursed as follows:

- (i) If Subrecipient has received full payment of the Grant Proceeds, Subrecipient shall remit any Subsequent DOB Proceeds to PRDOH. PRDOH shall return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.
  - (ii) If Subrecipient has received no payment of the Grant Proceeds, PRDOH shall reduce the payment of the Grant Proceeds to Subrecipient by the amount of the Subsequent DOB Proceeds and shall return all Subsequent Proceeds in excess of the Subsequent DOB Proceeds to Subrecipient.
  - (iii) If Subrecipient has received a portion of the Grant Proceeds, the following shall occur: (A) PRDOH shall reduce the remaining payments of the Grant Proceeds and return Subsequent DOB Proceeds in such amount to the Subrecipient; and (B) Subrecipient shall remit any remaining Subsequent DOB Proceeds to PRDOH. PRDOH shall also return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.
  - (iv) If the PRDOH makes the determination that Subrecipient does not qualify to participate in the Program or Subrecipient decides not to participate in the Program, PRDOH shall return the Subsequent Proceeds to Subrecipient, and the Agreement shall terminate.
- c) Once PRDOH has recovered an amount equal to the Grant Proceeds paid to Subrecipient, PRDOH will reassign to Subrecipient any rights given to PRDOH pursuant to these provisions.

  
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**5. Miscellaneous.**

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

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

**END OF DOCUMENT**

  
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# AMENDMENT C\_2020-DR0017

Final Audit Report

2021-08-10

|                 |   |
|-----------------|---|
| Created:        | 2021-08-05  |
| By:             | Maria M. Rivera Nieves (mmrivera@vivienda.pr.gov) |
| Status:         | Signed  |
| Transaction ID: | CBJCHBCAABAA85ec9sfe9mEqvCCLfWfKQjnIscZ4i5ju      |

## "AMENDMENT C\_2020-DR0017" History

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