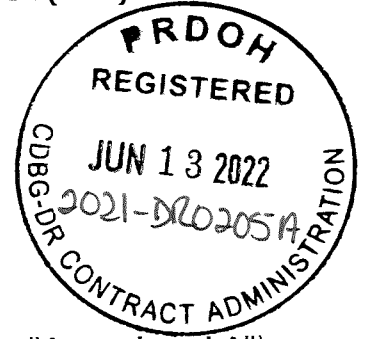




COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)
SMALL BUSINESS INCUBATORS AND ACCELERATORS PROGRAM (SBIA)

AMENDMENT A to the
SUBRECIPIENT AGREEMENT
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND
BUSINESS ATELIER



This **AMENDMENT A** TO THE SUBRECIPIENT AGREEMENT (hereinafter, the "**Amendment A**") is entered into this 10 day of June, 2022, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (the "**PRDOH**"), a public agency of the Government of Puerto Rico created under Act No. 97, of June 10, 1972, as amended, 3 LPRÁ § 441 *et seq.*, known as the "Department of Housing Organic Act" (the "Organic Act"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, William O. Rodríguez Rodríguez, of legal age, attorney, single, and resident of San Juan, Puerto Rico; and the **BUSINESS ATELIER** (the "**Subrecipient**"), for profit corporation, with principal offices at Metro Office Park 14 Suite 309, 2 Street Guaynabo, Puerto Rico, Puerto Rico, represented herein by its Business Development Director, Tamara Matos Hernández, of legal age, married, and resident of San Juan, Puerto Rico, collectively the "Parties".

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I. RECITALS AND GENERAL AWARD INFORMATION

WHEREAS, on May 14, 2021, the Parties entered into an Subrecipient Agreement Small Business Incubators and Accelerators Program ("**SBIA**" or "**the Program**") for a period of **four (4) years** from the day of its execution, ending on May 13, 2025, for **designated two million four hundred thirty-seven thousand two hundred five dollars (\$2,437,205.00)**, registered as **Contract Number 2021-DR0205** (hereinafter, the "**Agreement**").

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

WHEREAS, it is the intention of the parties to modify and amend certain terms of the Agreement, in addition **Exhibit C** (Key Personnel) and **Exhibit D** (Budget) of the Agreement.

WHEREAS, this Amendment A is not intended to affect, nor does it constitute an extinctive novation of the obligations of the parties under the Agreement but it is rather a modification and amendment of certain terms of the Agreement, specifically **Exhibit C** (Key Personnel) and **Exhibit D** (Budget), attached to the aforementioned Agreement;

WHEREAS, this Amendment A does not affect the term nor the overall amount of the Agreement.

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

WHEREAS, the Subrecipient has duly adopted a Certificate of Corporate Resolution subscribed by its President Marietta Matos Llavona dated April 20, 2021 authorizing the

Subrecipient (via its Authorized Representative, Tamara Matos Hernández) to enter into this Amendment A with the PRDOH, and by signing this Amendment A, the Subrecipient assures PRDOH that it shall comply with all the requirements described herein.

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

TERMS AND CONDITIONS

II. SAVINGS CLAUSES

The information included in this Amendment A serves the purpose of modifying and amending certain terms and conditions under the Agreement, replacing **Exhibit C** (Key Personnel) and **Exhibit D** (Budget), of the Agreement. All provisions of the original Agreement shall continue to be in full force and effect, as amended by this Amendment A. The Total Authorized budget included in the Agreement shall not be changed.

III. SCOPE OF THE AMENDMENT

The PRDOH and the Subrecipient have agreed to enter into this Amendment A with the purpose of amend the Exhibit C and Exhibit D which includes a titles change and a new position in the staffing section, reduced hours per month, and increased the hourly rate in some positions along with transferring positions from Professional Services to Staffing positions. In the Other Operating Costs Section, consolidate services, change line item names, and increase the amount allocated for some costs. In the Equipment section, change in line item names, descriptions, and budget. By implementing those changes, the difference has been re-distributed within the previously approved line items without exceeding the awarded amount. All other provisions of the Agreement and Exhibits shall continue to be in full force and effect.

IV. AMENDMENTS

- A. The parties intend to replace the **Exhibit C** (KEY PERSONNEL) of the Agreement. (See Attachment I of this Amendment A).
- B. The parties intend to replace the **Exhibits D** (Budget) of the Agreement. (See Attachment II of this Amendment A).

V. SEVERABILITY

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

VI. SECTION HEADINGS AND SUBHEADINGS

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

VII. COMPTROLLER REGISTRY



The PRDOH shall remit a copy of this Amendment A to the Office of the Comptroller for registration within **fifteen (15) days** following the date of execution of this Amendment A and any subsequent amendment hereto. The services object of this Amendment A may not be invoiced or paid until this Amendment A 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 Agreement, as amended, constitutes the entire agreement among the PARTIES for the use of funds received under the Agreement, as amended, and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written among the PARTIES with respect to the Agreement, as amended.



IX. FEDERAL FUNDING

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



X. COMPLIANCE WITH LAW

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

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.

SIGNATURES ON THE FOLLOWING PAGE.

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

PUERTO RICO DEPARTMENT OF HOUSING

William O Rodriguez Rodriguez
By: William O Rodriguez Rodriguez (Jun 10, 2022 15:58 EDT)
Name: William O. Rodríguez Rodríguez, Esq.
Title: Secretary


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SUBRECIPIENT

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By: Business Atelier (Jun 10, 2022 10:32 EDT)
Name: Tamara Matos Hernández
Title: Business Development Director



EXHIBIT C

KEY PERSONNEL

SMALL BUSINESS INCUBATORS AND ACCELERATORS

BUSINESS ATELIER

Below is the Staffing Plan for the CDBG-DR **Small Business Incubators and Accelerators** Program which reflects a combination existing employees or new hired employees dedicated for the CDBG-DR **Small Business Incubators and Accelerators** Program.



I.

Roles	FE Count
Chief Executive Officer	1
Executive Assistant	1
Chief Financial Officer	1
Sales & Marketing Advisor	1
Operations & Resilience Advisor	1
Human Resources Director	1
Accounting Advisor	1
Customer Journey Specialist	2

II. Roles Description:

Role	Description
Chief Executive Office	This resource will be responsible of supervising the incubator's operation as proposed. The role of the resource will be the planning, contracting and supervising execution of all internal and external key deliverables.
Executive Assistant	This resource will support the program manager and the leaders of each department in their day-to-day roles.
Chief Financial Office	This resource will be responsible of supervising the incubator's finance and accounting department and will be responsible for the oversight of the incubator financials. Also, this

	resource will supervise the Incubator's accounting advisor day to day duties.
Sales & Marketing Advisor	This resource will report to the Director of Sales and Marketing and will support the execution of the marketing and sales initiatives that we will be implementing with the participating companies. Roles and executions will support in managing the sales and marketing plan, including digital marketing.
Operations & Resilience Advisor	This resource will assume a dual role: to support the maximization of the operation of the incubator and as an operations advisor of the companies to be incubated. This resource will ensure that the company's business operation flows as embodied in the business plan and with the adjustments made to each inspection. In addition to its operational role, this resource will be responsible for the resilience plan detailed in this proposal.
Human Resources Director	Dual-role resource, which will ensure that contracts and recruitment are optimal internally and also support incubators in human resources consulting for their business.
Accounting Advisor	This resource will be responsible of running the incubator's finance and accounting department full-time. The role of the resource will be to review financial projections of companies to be incubated and to support companies in accounting aspects. Will be the resource that will train, guide and be the financial mentor of companies in the state of incubation and acceleration under the guidance and supervision of the incubators CFO. This resource will oversight participant's businesses in the execution of their finances by working directly with the accounting team. Will be an administrative support position for the company to be incubated.
Customer Journey Specialist	The customer journey specialist will be the full time assigned mentor for the incubator cohorts. Their role will be to accompany the incubator in every step of the implementation, making sure all deliverables are presented, tasks are completed and KPI's are achieved as agreed upon the incubator's technical assistance team and the incubator participants. They will also report progress and communicate suggested next steps as needed.



**III. Notes:
 Not Applicable**

END OF DOCUMENT



EXHIBIT D – SECTION 1

BUDGET

SMALL BUSINESS INCUBATORS AND ACCELERATORS

BUSINESS ATELIER

DESCRIPTION OF SERVICES

The incubator will have an innovative and efficient methodology and strategy. The purpose of this is to become a "Business Center" where not only the companies we incubate and/or accelerate can train and learn the strategy of how to establish a business, but will have the opportunity to execute with mentors by their side throughout the incubation process and then they can even graduate at acceleration. According to entrepenuer.com in his article "Less Time, More Money, Mentoring at "Accelerators and Incubators", it is proven that having a strong mentoring program in the incubation of a business not only helps the business grow faster and more robust, but also makes it possible to enter the acceleration stage more quickly and effectively. Thus, reducing the failure of a business that is incubated by up to 30%. In this way in Business Atelier we differentiate ourselves with our methodology "360" where, as the term tells us, we will see absolutely every aspect of the business to be incubated and accelerated by phases and / or stages.

The proposal SBIA program by Business Atelier is a Methodology implemented by phases, which will bring the potential business to be incubated and/or accelerated, the opportunity to have a mix of guided and self-education with technical assistance and mentoring.

During this phases Business Atelier will:

1. Promote and encourage entrepreneurship within the community.
2. **Promote Capability building thru education** (Phase 0). At this stage, we offer courses on different topics of general business to identify future candidates.
3. **Implement Phase 1: "Immersion 360"**. where a training curriculum will be carried out so that the participant can develop their business contemplating the primary areas of management and success for a company, including the adoption of technology and best practice so that the company can be 100% digital and remote, change of "Mindset" and development of its business plan, among others.
4. **Implement Phase 2 incubation "Incubation 360"**, the participant is taken by hand, with experts in each area during execution, while receive mentoring from our experts in the areas of:
 - a. Development of the business plan to raise capital.
 - b. Accounting



- c. Human resources
- d. Marketing
- e. Sales
- f. Legal
- g. Operations

At this stage, the company's progress is measured and evaluated. You will be assigned a mentor who will measure execution and have monthly *checkpoints* with the business to review execution.

5. **Stage 3: "Growth 360"**, consideration is given to each participant's assessment and progress in moving on to the accelerator. horizontal, vertical, government and federal growth, strategic alliances, access to expansion capital among others.



A combination of the Business Atelier's (**BA**) staff and/or professional services may be utilized in the successful completion of Key Deliverables and the execution of required tasks. If utilized, in addition to programmatic tasks, vendors will also work with the Business Atelier's staff who are supporting SBIA Program activities to build key skill sets associated with coordination, oversight, and management of planning efforts. Reimbursement will be provided for reasonable costs associated with specific planning and grant management activities within the following budget categories:

1. Staffing
2. Professional Services
3. Other Operational Costs
4. Equipment

Planning and grant management activities will include, but are not limited to, the following as described in **Attachment A (Scope of Work)** and **Attachment B (Timeline and Performance Goals)**:

1. Activities necessary to develop the **Business Atelier's** SBIA program.
2. Activities necessary for the Business Atelier's SBIA program monitoring, evaluation, and oversight of vendor activities and operational work plan deliverables.

STAFFING

Position	Qty. of Resources [A]	Estimated Hours per month per Resource [B]	Months Needed [C]	Estimated Hourly Rate [D]	Estimated Monthly Cost [E=AxBxD]	Max Cost for the Program [F=CxE]
Chief Executive Officer	1	80	60	\$56.00	\$ 4,480.00	\$ 268,800.00
Chief Financial Officer	1	80	60	\$52.00	\$ 4,160.00	\$ 249,600.00
Executive Assistant	1	160	60	\$15.00	\$ 2,400.00	\$ 144,000.00
Accounting Advisor	1	160	37	\$23.00	\$ 3,680.00	\$ 136,160.00
Sales & Marketing Advisor	1	80	60	\$25.00	\$ 2,000.00	\$ 120,000.00
Operations & Resilience Advisor	1	80	60	\$25.00	\$ 2,000.00	\$ 120,000.00
Human Resources Director	1	80	60	\$25.00	\$ 2,000.00	\$ 120,000.00
Customer Journey Specialists	2	160	37	\$16.00	\$ 5,120.00	\$ 189,440.00
Total Estimated Monthly Cost:					\$ 25,840.00	
Total Cost for 5 Years (60 Months):					\$ 1,348,000.00	

*Estimate amount in rate, hours, and monthly cost, could vary based on actual need and work performed on the program

The staff will support the outreach, recruitment, implementation and compliance of the Small Business Incubator and Accelerator Program. Positions will include the tasks of directing the program, general coordination, finances, and compliance, sales and marketing activities, workshops for technical assistance and human resource management.

PROFESSIONAL SERVICES

Services Name	Services Description	Budget
Legal Services	Legal consulting services such as but not limited to technical assistance for the program.	\$ 112,500.00
Innovation & Entrepreneurial Services	Advisor in charge of managing resumes, interviews, candidate selection and managing the incubator's mentoring programs.	\$ 105,000.00
Financing & Business Development Services	Advisor for technical assistance to support the creation of business plans and support in access to capital for the participants of the program.	\$ 140,000.00
Compliance Services	Officer responsible for internal audits and monitoring of compliance with program requirements.	\$ 30,000.00
Communications	Phone & Device.	\$ 938.00
Total Budget for Services to be Contracted:		\$ 388,438.00

The professional services allocation will be intended for external consultants focused on technical assistance for the program's participants and businesses. The allocation will also



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include communication, internal monitoring for grant compliance and creation of curriculums, interviews, candidate's selection and managing the mentoring programs that will be offered to the program's participants.

OTHER OPERATING

Item Name	Item Description	Budget
Outreach Materials	Visibility of the program throughout outreach activities such as but not limited to public relations, events, digital marketing, among others.	\$ 64,722.00
Rent	Facility exclusively for the SBIA program and the cost of utilities such as but not limited to electricity, water, internet, and telecommunications.	\$ 537,346.00
Office Supplies	Includes but not limited to office supplies, copier maintenance and cleaning supplies for the use in the office space where the project operates.	\$ 18,624.00
Travel	Cost incurred for but not limited to trainings to support incubation and acceleration technical assistance for the program.	\$ 10,000.00
Insurance	Natural disaster insurance for the program only.	\$ 15,000.00
Total Expenses Budget:		\$ 645,692.00

These "Other Operating Funds" are intended to complete the rent of incubation and acceleration spaces, industrial kitchen facilities rental, office supplies and employees travel expenses, hazard insurance, and program outreach. All the above has the purpose of enabling the facilities to be prepared for business incubation and acceleration of participants business development and job creating/strengthening.

EQUIPMENT

Item Name	Item Description	Budget
Computer Equipment	Desktops, laptops, printer, sound system, keyboards, mouses, battery backups and installation.	\$ 17,675.00
Software & Licensing	Automation and subscription software tools that will automatize program execution.	\$ 37,400.00
Total Expenses Budget:		\$ 55,075.00

Laptops, battery backups, printers, scanners, copiers, keyboard and mouses, and software and licenses are contemplated to be used by the program's staff and participants during the term of the proposal, directed to provide supplies, offices, and equipment for the implementation of the proposal's work plan.



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PROJECT ACTIVITY DELIVERY COSTS		
Staffing	Personnel that will execute the program on a daily basis.	\$ 1,348,000.00
Professional Services	Professional services to pay the day-to-day A activities of the incubators.	\$ 388,438.00
Other Operating	Needed for operations such as rent office supplies and other.	\$ 645,692.00
Equipment	Required office equipment for the program.	\$ 55,075.00
TOTAL COSTS		\$ 2,437,205.00
GRAND TOTAL		\$ 2,437,205.00

Budget Re-distribution

- a) The Subrecipient may request in writing to the PRDOH a re-distribution of the Maximum Authorized Budgets shown above without exceeding the Total Authorized Budget.
- b) The PRDOH will evaluate the re-distribution request to validate purpose and balance of funds, and if determined the re-distribution is in benefit for the Program and the balance of funds is validated, the PRDOH will provide written authorization to the Subrecipient. Until the written authorization is submitted by the PRDOH, the re-distribution cannot be considered as authorized.
- c) This re-distribution of funds as described here shall be considered binding and will not require an amendment to this SRA.

END OF DOCUMENT











BUSINESS ATELIER - AMENDMENT A

Final Audit Report

2022-06-10

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