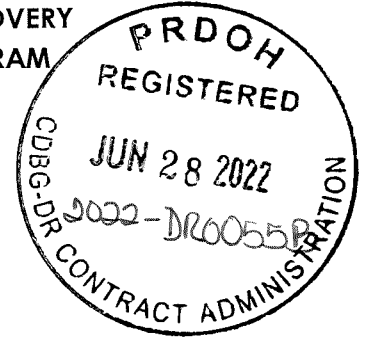




# AMENDMENT B

## COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY SMALL BUSINESS INCUBATORS AND ACCELERATORS PROGRAM

### AMENDMENT B TO THE SUBRECIPIENT AGREEMENT BETWEEN THE PUERTO RICO DEPARTMENT OF HOUSING AND THE EXI NETWORK CORP.



This **AMENDMENT B TO THE SUBRECIPIENT AGREEMENT** (hereinafter, the "AMENDMENT B") is entered into this 27 day of June, 2022, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (hereinafter, the "PRDOH"), a public agency of the Government of Puerto Rico created under Act No. 97, dated June 10, 1972, as amended, 3 L.P.R.A. § 441 et seq., known as the "Department of Housing Organic Act" (hereinafter, the "Organic Act"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, Hon. William O. Rodríguez Rodríguez, of legal age, attorney, single, and resident of San Juan, Puerto Rico; and **EXI NETWORK CORP.** (hereinafter, the "SUBRECIPIENT"), a nonprofit corporation with principal offices at Barceloneta, Puerto Rico, represented by its President, Luis E. García Feliu, of legal age, married and resident of Guaynabo, Puerto Rico; collectively the "Parties".

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#### I. RECITALS AND GENERAL AWARD INFORMATION

**WHEREAS**, on July 20, 2021, the Parties entered into a Subrecipient Agreement under the **Small Business Incubators and Accelerators Program**, Contract No. 2022-DR0055, for **two million two hundred nine thousand eighty-eight dollars and zero cents dollars and zero cents (\$2,209,088.00)**, with a **forty-eight (48) months** period of performance ending on July 20, 2025 (hereinafter, the "AGREEMENT").

**WHEREAS**, on March 8, 2022, the PRDOH and the SUBRECIPIENT executed an Amendment A to the AGREEMENT, Contract No. 2022-DR0055A. This Amendment A served the purpose of modifying certain sections of the AGREEMENT and amending **Exhibit C** (Key Personnel), **Exhibit D** (Budget), **Exhibit F** (HUD General Provisions) and **Exhibit G** (Subrogation and Assignment Provisions). This Amendment A did not modify the amount of the award, the account nor the period of performance of 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**, the Parties acknowledge and agree that this AMENDMENT B is not intended to affect nor does it constitute an extinctive novation of the obligations of the Parties under the AGREEMENT.

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

**WHEREAS**, the SUBRECIPIENT has duly adopted the Resolution with identification No. 2019-01, dated August 16, 2019, authorizing the SUBRECIPIENT (via its Authorized Representative, Luis E. García Feliu) to enter into this AMENDMENT B with the PRDOH, and by signing this AMENDMENT B, 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 herein, the PRDOH and the SUBRECIPIENT agree to execute this AMENDMENT B subject to the following:

**TERMS AND CONDITIONS**

**II. ATTACHMENTS**

The information included in this AMENDMENT B serves the purpose of modifying and amending **Exhibit D** (Budget) of the AGREEMENT. The modified or updated version of the aforementioned exhibit is incorporated by reference into the AGREEMENT via this AMENDMENT B. All provisions of the original AGREEMENT shall continue to be in full force and effect, as amended by this AMENDMENT B.

**III. SCOPE OF AMENDMENT**

The Parties acknowledge and agree that this AMENDMENT B principally entails the following modifications to **Exhibit D** (Budget):

- Change the column's C header in Exhibit D that currently reads: "Max. Hours per month per Resource [C]" to read as follows: "Estimated Hours per month per Resource [C]";
- Change the column's D header in Exhibit D that currently reads: "Hourly Rate [D]" to read as follows: "Estimated Hourly Rate [D]";
- Change the column's E header in Exhibit D that currently reads: "Max. Monthly Cost [E=AxCxD]" to read as follows: "Estimated Monthly Cost [E=AxCxD]"; and
- Change the column's F header in Exhibit D that currently reads: "Max. Total Cost [F=BxE]" to read as follows: "Estimated Total Cost [F=BxE]".

**IV. AMENDMENTS**

- A. **Exhibit D** (Budget) of the AGREEMENT is being replaced by a modified **Exhibit D** (Budget) hereto incorporated by reference into the AGREEMENT and made part of the AGREEMENT. (See **Attachment I** of this AMENDMENT B).
- B. On April 4, 2022, the Federal Government permanently discontinued the use of the DUNS Number as the primary means of identity identification for Federal awards government-wide and replaced it with the Unique Entity Identifier (UEI). Accordingly, the Parties agree to replace the SUBRECIPIENT's DUNS Numbers with the following Unique Entity Identifier:

**EXI NETWORK CORP.**  
**Unique Entity ID: YUN9LM51K475**

- C. The Parties agree to include PRDOH's Unique Entity Identifier as part of the AGREEMENT, as amended:

**PRDOH**  
**Unique Entity ID: FPNMUBT6WCM1**

**V. SEVERABILITY**

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

**VI. SECTION HEADINGS AND SUBHEADINGS**

The section headings and subheadings contained in this AMENDMENT B are included for convenience only and shall not limit or otherwise affect the terms of the AGREEMENT,

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and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this AMENDMENT B.

**VII. COMPTROLLER REGISTRY**

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

**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.

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

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

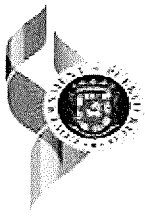
William O. Rodríguez Rodríguez  
By: William O. Rodríguez Rodríguez (Jun 27, 2022 19:22 EDT)  
Name: Hon. William O. Rodríguez Rodríguez, Esq.  
Title: Secretary

**EXI NETWORK CORP.  
SUBRECIPIENT**

Luis E García Feliu  
By: Luis E García Feliu (Jun 27, 2022 18:56 EDT)  
Name: Luis E. García Feliu  
Title: President

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## **EXHIBIT D – SECTION 1**

### **BUDGET**

#### **SMALL BUSINESS INCUBATORS AND ACCELERATORS PROGRAM**

##### **EXI NETWORK CORP.**

##### **DESCRIPTION SERVICES**

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The Business Innovation Network (REDI) is the brand name of a business incubator located in the municipality of Barceloneta, which has a building of 47,000 pc and is operated by EXI NETWORK CORP., a non-profit corporation dedicated to supporting entrepreneurship.

Hurricanes Irma and Maria severely affected REDI's facilities that failed to resume operations until nine months later. Even today, after 24 months, only 63% of the building's space is used and the power supply and air conditioning system are still operating irregularly. Nor has progress been made in preparing the infrastructure to face other similar events.

The proposed project will contribute significantly to REDI's resilience through infrastructure improvements, which will allow operations to continue soon after events similar to those of 2017. It will also deepen its contribution to the north-central region, to develop resilient and growth-driven enterprises, and contribute to build a lasting entrepreneurial business environment.

This proposal includes an acceleration program that builds on the experience of the REDI team in similar projects. That is, a training ground for small and new companies that in a short period will help to make them viable, attract investment and generate economic activity.

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## EXHIBIT D – SECTION 2

### STAFFING

Position	Qty. of Resources [A]	Months Needed [B]	Estimated Hours per month per Resource [C]	Estimated Hourly Rate [D]	Estimated Monthly Cost [E=AxCxD]	Estimated Total Cost [F=BxE]
President	1	57	20	\$50.00	\$1,000.00	\$57,000.00
Incubator Director	1	57	138.67	\$18.00	\$2,497.00	\$142,329.00
Administration Coordinator	1	57	173.34	\$16.70	\$2,601.00	\$165,015.00
Agroredi Coordinator	1	56	138.67	\$16.70	\$2,358.00	\$129,696.00
Handyman	1	57	34.67	\$9.84	\$342.00	\$19,494.00
<b>Total Maximum Monthly Cost:</b>					<b>\$9,050.00</b>	
<b>Total Cost for 5 Years:</b>						<b>\$513,534.00</b>

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### PROFESSIONAL SERVICES

Services Name	Services Description	Budget
Accounting Services	Keep the program's accounts, maintain control of fiscal aspects, and ensure compliance with regulations.	\$ 31,500.00
ICT Specialist	Ensure the information and communications technology infrastructure (Internet) and telecommunications for the program.	\$ 36,000.00
Rehabilitation Manager	Oversee aspects of rehabilitation from design, permitting, procurement, installation and repair.	\$ 50,000.00
Training Coordinator	Develop and implement the training program including itineraries, quality of content and evaluation by participants.	\$ 36,000.00
Mentors	Accompany and evaluate participants throughout the acceleration process and provide business experience through frequent meetings and contacts.	\$ 132,000.00
Technical Resources	Specialized professionals to support product development and minimum viable product development.	\$ 20,000.00
Instructors	Offer seminars and tutorials to all participants.	\$ 100,800.00
Specialized Consulting	Specialized consulting according to the characteristics of each business.	\$ 72,000.00
<b>Total Budget for Services to be Contracted:</b>		<b>\$ 478,300.00</b>

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## OTHER OPERATING

Item Name	Item Description	Budget
Outreach	Inform through various means about program opportunities. Convene orientations and presentations. Disseminate the benefits of the acceleration program.	\$ 170,000.00
Communications services	Satellite Internet connection and teleconferencing service. High-speed internet access, wireless communication services and connectivity for participants providing satellite redundancy.	\$ 28,200.00
Indirect costs (10%)	Overhead expenses through De Minimis Rate (10%)	\$ 116,183.00
<b>Total Expenses Budget:</b>		<b>\$ 314,383.00</b>

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## EQUIPMENT

Item Name	Item Description	Budget
Office Equipment	Computers and printers for the program.	\$ 4,794.00
Water tanks	Two (2) water tanks of 1,200-gals, Stainless Steel Horizontal Model, Polished 304 / 3/4 hp Stainless Steel Motor Pump, 20-gals Pressurized Tank.	\$ 14,473.00
Electric generators	Two (2) Volvo generators for a total of 200 kva and a 600-gallon diesel storage tank. (2) Volvo generators for a total of 200 kva and a 600-gallon diesel storage tank. Includes installation.	\$ 141,382.00
Air conditioning units	Ten (10) 5-ton air conditioning units. Includes installation	\$ 78,900.00
Office Furniture	Reception and Recovery Center furnishings for the program.	\$ 71,360.00
Workshop Equipment	Required equipment for the program courses of the program.	\$ 255,734.00
<b>Total Expenses Budget/Gastos Totales:</b>		<b>\$ 566,643.00</b>

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## CONSTRUCTION/REHABILITATION

Item Name	Item Description	Budget
Air Condenser Repair	Repair of six (6) existing vrv air condensers with machine-to-machine electrical connection, refrigeration work, soldering, repair of damaged evaporators, computerized system programming, vacuum and start-up. Includes installation.	\$ 100,350.00
Municipal tax and patent	Payment of taxes and patents corresponding to the rehabilitation works.	\$ 12,499.00
Insurance (CFSE)	Insurance payment to the State Insurance Fund Corporation	\$ 13,635.00

## CONSTRUCTION/REHABILITATION

Item Name	Item Description	Budget
Decontamination and cleaning of area.	Cleaning and decontamination of 10,380 pc	\$ 4,603.00
Mobilization	Mobilization of equipment and materials to carry out the work.	\$ 6,575.00
Dumpster rental	Dumpster Rental Capacity-30 CY - 7 Ton (12 weeks)	\$ 11,835.00
Site preparation	Demolitions	\$ 3,288.00
Water distribution and plumbing	Water distribution and plumbing in an area of 10,000 pc.	\$ 27,944.00
Walls	Gypsum Board walls (3,000 pc)	\$ 18,081.00
Floor finishing	Finishing of polished concrete floors (10,000 pc)	\$ 13,150.00
Acoustical ceiling and tile	Acoustic ceilings and tile and suspension system (2,000 pc)	\$ 22,355.00
Lighting and electrical	Lighting and electrical work in area of 10,000 pc	\$ 59,833.00
Painting	AgroREDI Paint (6,000 pc)	\$ 6,575.00
Ceiling finishing	Ceiling finishing (10,000 pc)	\$ 35,505.00
<b>Total Expenses Budget/Gastos Totales:</b>		<b>\$ 336,228.00</b>

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PROJECT		
Construction/Rehabilitation	"Rehabilitation of spaces and basic specialized equipment for the purpose of serving the agrifood sector. In addition to remedy the damages still pending after the hurricanes. Site preparation, water distribution and plumbing, walls, floor finishing, acoustic ceiling and tiles, lighting and electricity, painting, roof finishing, container rental, material mobilization, decontamination and cleaning of the area, repair of air condensers, insurance (CFSE) and municipal tax and patent".	\$ 336,228.00
<b>TOTAL COSTS</b>		<b>\$ 336,228.00</b>

PROJECT ACTIVITY DELIVERY COSTS		
Staffing	Hourly rates and salaries	\$ 513,534.00
Professional Services	Cost associated accounting, information technology and project management services. Training, coaching, mentoring, counseling and technical support services to participants.	\$ 478,300.00
Other Operating	Recruitment and marketing, communications services, equipment training and kitchen equipment installation.	\$ 314,383.00
Equipment	Necessary to ensure the continued operation of the building, rehabilitate the common space and create AgroREDI	\$ 566,643.00
<b>TOTAL COSTS</b>		<b>\$ 1,872,860.00</b>
<b>GRAND TOTAL</b>		<b>\$ 2,209,088.00</b>

### **Budget Re-distribution**

- a) The Subrecipient may request in writing to the PRDOH a re-dis+tribution of the Maximum Authorized Budgets shown above without exceeding the Total Authorized Budget.
- b) The PRDOH will evaluate the re-dis+ribu+ion 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 redistribution 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.

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**END OF DOCUMENT**

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# AMENDMENT B\_CONTRACT NO. 2022-DR0055 EXI NETWORK CORP rev

Final Audit Report

2022-06-27

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