



COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)  
**AMENDMENT A TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE**  
**PUERTO RICO DEPARTMENT OF HOUSING**  
**AND**  
**FOUNDATION FOR PUERTO RICO**



This **AMENDEMENT TO THE MEMORANDUM OF UNDERSTANDING** (hereinafter, the "**Amendment**") is entered into this 3<sup>rd</sup> day of October 2019, 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 LPRA § 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, Hon. Fernando A. Gil-Enseñat, of legal age, attorney, married, and resident of Guaynabo, Puerto Rico; and **Foundation for Puerto Rico, Inc.** (the "**Subrecipient**") (collectively with PRDOH, the "**Parties**"), a charitable organization under Section 1101.01 (a)(2)(A) of the Puerto Rico Internal Revenue Code and a public charity under Section 501(c)(3) of the United States Internal Revenue Code with principal offices at 1500 Calle Antonsanti, Suite K-Colaboratorio, San Juan, Puerto Rico, represented herein by its President, Annie Mayol, of legal age, married, and resident of Guaynabo, Puerto Rico.

**I. RECITALS AND GENERAL AWARD INFORMATION**

**WHEREAS**, on September 2017, Hurricanes Irma and María made landfall in Puerto Rico causing catastrophic island wide damage, knocking out power, water, and telecommunications for the entire island and its island municipalities. Hurricane María caused major structure and infrastructure damage to family homes, businesses and government facilities triggering the displacement of thousands of residents of the Island from their homes and jobs.

**WHEREAS**, communities across Puerto Rico were severely impacted by the hurricanes and require long-term resilience planning to ensure recovery solutions are developed to protect life and property from future hazards. Additionally, there is a significant need for outcome-oriented community planning, in particular, around Puerto Rico's designated Special Communities as discussed in the unmet needs section.

**WHEREAS**, the Whole Community Resilience Planning Program (**WCRP Program**) will result in comprehensive community recovery plans, the benefit of which will allow communities to develop policy, planning, and management capacity so that they may more rationally and effectively determine their needs, set long-term goals and short-term objectives, devise programs and activities to meet goals and objectives, evaluate the progress of such programs in accomplishing these goals and objectives, and carry out management, coordination, and monitoring of activities necessary for effective planning implementation.

**WHEREAS**, under the Continuing Appropriations Act, 2018, and Supplemental Appropriations for Disaster Relief Requirements Act, 2017, signed into law September 8, 2017 (Pub. L. 115-56), \$1.5 billion were allocated by the U.S. Department of Housing and Urban Development (HUD) for disaster recovery assistance to the Government of Puerto Rico under the CDBG-DR. These funds are intended to provide financial assistance to address unmet needs that arise and that are not covered by other sources of financial aid.

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**WHEREAS**, on February 9, 2018, a Notice was published in the Federal Register, Vol. 83, No. 28 (83 FR 5844), that allocated \$1.5 billion for disaster recovery assistance to the Government of Puerto Rico.

**WHEREAS**, pursuant to a letter dated February 23, 2018, sent by the former Governor of Puerto Rico, Hon. Ricardo Rosselló Nevárez, to the Hon. Benjamin Carson, Secretary of HUD, the PRDOH is the governmental agency designated by the former Governor of Puerto Rico as grantee of the CDBG-DR funds allocated to the Government of Puerto Rico.

**WHEREAS**, on August 14, 2018, an additional allocation of \$8.22 billion for recovery was allocated to Puerto Rico under Federal Register Vol. 83, No. 157, (83 FR 40314). With these allocations of funding, the PRDOH aims to lead a transparent, comprehensive recovery to benefit the residents of Puerto Rico. PRDOH holds accountability and is committed to the responsible, efficient, and transparent administration of CDBG-DR grant funding. On September 20, 2018, the Governor of Puerto Rico and the Secretary of HUD signed the Grant Agreement.

**WHEREAS**, on December 28, 2018, the Subrecipient and the PRDOH executed a Memorandum of Understanding, Contract Number 2019-000064, for a term of **thirty-six (36) months**, ending in December 27, 2021, where the PRDOH would pay a maximum amount not to exceed **THIRTY SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$37,500,00)** to the Subrecipient from **Activity Number/Account: R01P02CRP-FPR-NA/6090-01-0000**, to undertake a Whole Community Resilience Planning Program (hereinafter, **WCRP** or **the Program**"). This Amendment does not affect the term nor the amount of the Agreement.

**WHEREAS**, The focus of the Program is comprehensive community recovery plans, which will allow eligible communities to develop policy, planning, and management capacity so that they may more rationally and effectively determine their needs, set long-term goals and short-term objectives, devise programs and activities to meet goals and objectives, evaluate the progress of such programs in accomplishing these goals and objectives, and carry out management, coordination and monitoring of activities necessary for effective planning implementation. AM

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

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

**WHEREAS**, the Subrecipient, has duly adopted the Resolution dated October 3rd, 2019 authorizing Foundation for Puerto Rico to enter into this Amendment with the PRDOH, and by signing this Amendment, Foundation for Puerto Rico assures PRDOH that it shall comply with all the requirements described herein.

**NOW, THEREFORE**, in consideration of the need for recovery from Hurricanes Irma and Maria and the premises and mutual covenants described herein, the Parties mutually agree to the terms described in this Amendment. JHC

## TERMS AND CONDITIONS

### II. NAME OF AGREEMENT

On December 28, 2018, PRDOH and Subrecipient entered into an Agreement titled Memorandum of Understanding Between the PRDOH and FPR. Its correct title should be Subrecipient Agreement Between the Puerto Rico Department of Housing and Foundation for Puerto Rico. The Memorandum of Understanding is hereby amended to replace all mentions of "Memorandum of Understanding" for "Subrecipient Agreement" (hereinafter the "**Agreement**" or "**Subrecipient Agreement**").


### III. SAVINGS CLAUSE

The information included in this Amendment A serves the purpose of conforming the Subrecipient Agreement to federal and state regulations and statutes as set forth in the sections below, and replace certain exhibits. All provisions of the Subrecipient Agreement shall continue to be in full force and effect, as amended by this Amendment.

### IV. SCOPE OF AMENDMENT

The PRDOH and the Subrecipient have agreed to enter into this Amendment with the purpose of conforming the Subrecipient Agreement to federal and state regulations and statutes, as a Subrecipient Agreement.

### V. AMENDMENTS<sup>1</sup>

- A. "**Exhibit A** (Resolution of Subrecipient's Board of Director) of this Amendment is incorporated by reference and is hereby made part of the Agreement."
- B. "**Exhibit B** (Scope of Services) of the Agreement is being replaced by a modified **Exhibit B** (Scope of Services) hereto incorporated by reference into the Agreement and made part of the Agreement."
- C. "**Exhibit C** (Project Procedures) and **Exhibit D** (Whole Community Resilience Planning Guidelines) of the Agreement are being removed from the Agreement." 
- D. "**Exhibit E** (Timeline) of the Agreement is being renumbered and renamed as **Exhibit C** (Timelines and Performance Goals) and replaced by a modified **Exhibit C** (Timeline and Performance Goals) hereto incorporated by reference into the Agreement and made part of the Agreement."
- E. "**Exhibit F** (Key Personnel) of the Agreement is being renumbered as **Exhibit D** (Key Personnel) and replaced by a modified **Exhibit D** (Key Personnel) hereto incorporated by reference into the Agreement and made part of the Agreement."
- F. "**Exhibit G** (Budget) of the Agreement is being renumbered as **Exhibit E** (Budget) and replaced by a modified **Exhibit E** (Budget-Amended) hereto incorporated by reference into the Agreement and made part of the Agreement."
- G. "**Exhibit H** (Cross Cutting Guidelines) is removed from the Agreement. Subrecipient will follow the Cross Cutting Guidelines as found in the CDBG-DR Website ([www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov)) and are herein included and made integral part of this Agreement, as they may be updated from time to time."

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<sup>1</sup> For easier review, Amendments will appear in *italics* and in "quotes" throughout the Amended Agreement.



- H. "The following attachment is hereby incorporated into the Agreement by reference and made part of the Agreement:

**Exhibit F** HUD General Provisions

All Attachments hereto are fully incorporated into the Agreement such that the terms and conditions of the Attachments shall be as binding as any terms and conditions of the executed written Agreement. Should any inconsistency appear between the Attachments and the Agreement, the Agreement shall prevail."

- I. "The Subrecipient must adhere to and follow the CDBG-DR Program Guidelines found in the CDBG-DR Program website at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov), which may be amended from time to time."
- J. The Parties intend to amend **SECTION I. SCOPE OF SERVICES, (A) General Administration** of the Subrecipient Agreement, to include the following paragraphs:

*"Subrecipient Management Responsibilities*

1. As a condition of receiving this Subaward, the Subrecipient shall engage in procurement, management, monitoring and reporting of the services included in the **Exhibit B** (Scope of Services) 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 contracts for services engaged by Subrecipient will be subject to the previous written approval of PRDOH to become effective and will incorporate any clauses or dispositions required by PRDOH, including, but not limited to, the Contract termination for convenience of the PRDOH."

- K. The Parties intend to replace **SECTION I. SCOPE OF SERVICES, (D) Staffing** with the following paragraphs:

"D. Staffing

The Subrecipient shall supervise and direct the completion of all activities under this Agreement. Any changes in assigned Key Personnel or their responsibilities under the activities are subject to the prior approval of the PRDOH. If possible, it is the best practice for Subrecipient to provide PRDOH with ample written notice to the personnel changes and requests. Ample notice in this context shall be **ten (10) business days**. If that is not possible, then Subrecipient shall make all reasonable effort to notify PRDOH of changes.

At a minimum, Subrecipient shall assign the staff with the identified responsibilities to the identified activities as described in **Exhibit D** (Key Personnel) of this Agreement, herein attached and made integral part of this Agreement.

Depending on the needs of the Program activity, the Subrecipient shall provide staff and/or procure professional service contractors to assist with the compliance of said activities. The staff who will support the Program

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activities included in the Scope of Services, shall be remunerated as described in Exhibits D (Key Personnel) and E (Budget).

The Subrecipient shall monitor the performance of its staff, and contractors against the goals and performance standards as stated in the **Exhibit C (Timelines and Performance Goals)**."

- L. The Parties intend to amend **SECTION I. SCOPE OF SERVICES** to include a new section (E) National Objectives:

"E. 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.

CDBG-DR funds expended for planning, as are the funds under this Agreement, are considered to address the national objectives."

- M. The Parties intend to replace **SECTION II. PERFORMANCE, MONITORING AND REPORTING, (A) Monitoring** with the following paragraphs:

"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 timelines set forth in **Exhibit C (Timelines and Performance Goals)** associated with the activities included in **Exhibit B (Scope of Services)**. Am

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, as specified in PRDOH's approved policies and procedures, 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 in writing 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. § 200.338."

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- N. The Parties intend to replace **SECTION II. PERFORMANCE, MONITORING AND REPORTING, (B) Reporting** with the following paragraph:

"B. Reporting

The Subrecipient shall submit regular monthly progress reports to the PRDOH, on the form and with the content to be specified and required by the PRDOH. The PRDOH shall later notify Subrecipient in writing the guidelines and requirements applicable to the submittal of the monthly progress reports, and such notification shall be deemed incorporated by reference to this Agreement."

- O. The Parties intend to replace **SECTION III. EFFECTIVE DATE AND TERM** with the following paragraphs:

"This Agreement shall be in effect and enforceable between the Parties from the date of its execution.

The End of Term shall be the later of: (i) December 31, 2021. (ii) the date as of which the Parties agree in writing that all Close-Out Requirements<sup>2</sup> have been satisfied or, where no Close-Out 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 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 Agreement, upon PRDOH's notice."

- P. The Parties intend to amend **SECTION III. EFFECTIVE DATE AND TERM** to add a new Section (A) Contract Extensions:

"A. Contract Extensions:

PRDOH may, at its sole discretion, extend the Agreement's term for an additional two terms of **twelve (12) months**, upon mutual written agreement of the Parties. The term of this Agreement shall not exceed a period of **five (5) years, from the day of original execution**, including options for renewal or extension. Likewise, the term of this Agreement cannot exceed the lifetime of the initial Grant Agreement, unless the term of the initial Grant Agreement is extended by HUD."

- Q. The Parties intend to replace the unnumbered paragraphs in **SECTION IV. BUDGET** with the following:

"The Subrecipient shall complete all activities in the Scope of Services of this Agreement (**Exhibit B**) in accordance with the Budget (**Exhibit E**) attached

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<sup>2</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.

herein and made integral part of this Agreement (the "Budget") as such Budget may be amended from time to time.

Any proposed budget to be managed by the Subrecipient shall clearly specify proposed funding for program delivery costs, to the extent that such costs are considered applicable categories for funding.

The Budget may include a reserve of two percent (2%) of the Subaward for PRDOH's activity delivery costs and expenditures related to the Program. The Subrecipient may not access the reserve identified in the Budget without written consent from the PRDOH.

The PRDOH may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the PRDOH. Any amendments to the budget must be approved in writing and signed by the PRDOH and the Subrecipient.

Unallowable costs will not be reimbursed by the PRDOH. It is impossible to compile an all-inclusive list of costs which will not be reimbursed by PRDOH; so when considering whether or not to make an expenditure, the Subrecipient should first assume that a cost will not be reimbursed unless the the **Exhibit E** (Budget) clearly state that it is allowable.

Payments made for costs determined to be unallowable by the PRDOH, either as direct or indirect costs, must be refunded (including interest) to the PRDOH. See 2 C.F.R. § 200.410."

- R. The Parties intend to replace **SECTION IV. BUDGET, (A) Program Income** with the following:

"A. Program Income

The Subrecipient shall report monthly all Program Income<sup>3</sup>, if any, generated by activities carried out with CDBG-DR funds made available under this Agreement. All Program Income (as defined at 24 C.F.R. § 570.500) generated by activities carried out with the CDBG-DR Funds must

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<sup>3</sup> As defined in section VI(A)(19)(a) of the HUD Notice 83 Fed. Reg. 5844, 5856 (February 9, 2018, as may be amended by HUD), Program Income is:

[...] gross income generated from the use of CDBG-DR funds, except as provided in subparagraph (d) of this paragraph, and received by a State or a Subrecipient of a State."

[...]

Program income includes, but is not limited to, the following: (a) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG-DR funds; (b) Proceeds from the disposition of equipment purchased with CDBG-DR funds; (c) Gross income from the use or rental of real or personal property acquired by a State, local government, or Subrecipient thereof with CDBG-DR funds, less costs incidental to generation of the income (i.e., net income); (d) Net income from the use or rental of real property owned by a State, local government, or Subrecipient thereof, that was constructed or improved with CDBG-DR funds; (e) Payments of principal and interest on loans made using CDBG-DR funds; (f) Proceeds from the sale of loans made with CDBG-DR funds; (g) Proceeds from the sale of obligations secured by loans made with CDBG-DR funds; (h) Interest earned on program income pending disposition of the income, including interest earned on funds held in a revolving fund account; (i) Funds collected through special assessments made against nonresidential properties and properties owned and occupied by households not low- and moderate-income, where the special assessments are used to recover all or part of the CDBG-DR portion of a public improvement; (j) Gross income paid to a State, local government, or a Subrecipient thereof, from the ownership interest in a for profit entity in which the income is in return for the provision of CDBG-DR assistance.


be reported to and returned to PRDOH. Program Income is subject to all applicable CDBG-DR laws and regulations for so long as it exists. Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not Program Income and shall be remitted promptly to the PRDOH.

All Program assets, other than Program Income (property, equipment, etc.), if any, shall revert to PRDOH upon termination of this Agreement in accordance with applicable Federal, laws, regulations, HUD Notices, policies, and guidelines.

PRDOH will later notify the Subrecipient in writing the applicable procedures for the return or reversion of Program Income and Program assets to the PRDOH, and such notification shall be deemed incorporated by reference to this Agreement."

- S. The Parties intend to amend **SECTION IV. BUDGET** to add a new section (C) Indirect Costs:


"C. Indirect Costs

"The Subrecipient has never held a negotiated rate with other federal awards, so if Indirect Costs are to be invoiced, the rate must be consistent with the conditions set forth herein. Indirect Costs may be charged in accordance with 2 C.F.R. § 200.414, as it may be approved by PRDOH in accordance with its written policies and procedures. As described in 2 C.F.R. §200.403, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. The rate for indirect cost shall be included in the Budget (Exhibit E)." 

- T. The Parties intend to replace the first two (2) unnumbered paragraphs in **SECTION V. PAYMENT** with the following:

"This Agreement is based on the reimbursement of funds to the Subrecipient for expenses incurred on approved CDBG-DR items. Funding is contingent on a CDBG-DR award to PRDOH or a Grant Agreement between the Government of Puerto Rico or the PRDOH, and HUD, and PRDOH's receipt of CDBG-DR funds. It is expressly agreed and understood that the total funding amount to be paid by the PRDOH to the Subrecipient under this Agreement shall not exceed the amount specified in the Budget (**Exhibit E**). Such payment shall be compensation for all allowable services required, performed and accepted under this Agreement. However, PRDOH reserves the right to reduce the funding amount if CDBG-DR funding is not provided at the currently anticipated levels and/or if the actual costs for the approved activities are less than those set forth in the Budget (**Exhibit E**). Any such reduction shall be immediately notified in writing to Subrecipient.

Any additional funds to complete the services requested by the PRDOH to the Subrecipient shall be subject to funds availability and shall require an amendment to this Agreement."



- U. The parties intend to amend the first unnumbered paragraph in the Requests for Reimbursement subsection of **SECTION V. PAYMENT** with the following:

*"The FPR shall submit to the PRDOH requests for reimbursement under this Subrecipient Agreement and consistent with the approved Budget (the "Request for Reimbursement") and Scope of Services no less than once monthly, but no more than biweekly. Each Request for Reimbursement shall be broken down into requested draws against the Budget."*

- V. The Parties intend to amend **SECTION VII. AMENDMENTS, DEFAULTS AND TERMINATION, (A) Amendments** to include the following paragraph at the end of the subsection:

*"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."*

- W. The Parties intend to replace **SECTION VII. AMENDMENTS, DEFAULTS AND TERMINATION, (B) Default and (C) Termination** with the following paragraphs:

*"B. Suspension or Termination*

1. Termination for Cause

*The PRDOH may terminate this Agreement, in whole or in part, upon **thirty (30) days'** written notice, whenever it determines that the Subrecipient has failed to comply with any term, condition, requirement, or provision of this Agreement. Failure to comply with any terms of this Agreement, include (but are not limited to) the following:*

- a. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;*
- b. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;*
- c. Ineffective or improper use of funds provided under this Agreement; or*
- d. Submission of reports by the Subrecipient to the PRDOH that are incorrect or incomplete in any material respect.*

*The Subrecipient shall have up to **thirty (30) days** to resolve issues listed above to the satisfaction of PRDOH. If the Subrecipient does not resolve the issues, PRDOH may suspend this Agreement in whole or in part. PRDOH may also immediately terminate the agreement.*

2. Termination for Convenience of the PRDOH

*The PRDOH may terminate this Agreement any time by a notice in writing from the PRDOH to the Subrecipient. If the Agreement is terminated by the PRDOH as provided herein, the Subrecipient shall be paid the total compensation as the allowable services actually performed up until the date of termination. Any compensation under this paragraph must be for documented costs that are CDBG-DR eligible, and allowable, allocable, and reasonable in accordance with Uniform Administrative Requirements.*

*This Agreement may also be terminated in whole or in part by either the PRDOH or the Subrecipient, or based upon agreement by both the PRDOH*

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and the Subrecipient in accordance with the requirements in 2 C.F.R. part 200, subpart D.

3. Notification and Recoupment of Costs Incurred Prior to Termination

The PRDOH shall promptly notify the Subrecipient, in writing, of its determination and the reasons for the termination together with the date on which the termination shall take effect and any other notifications required under 2 C.F.R. part 200, subpart D. Upon termination, the PRDOH retains the right to recover any improper expenditures from the Subrecipient and the Subrecipient shall return to the PRDOH any improper expenditures no later than **thirty (30) days** after the date of termination. In the case of a Termination for Convenience only, the PRDOH may, at its sole discretion, allow the Subrecipient to retain or be reimbursed for costs reasonably incurred prior to termination, that were not made in anticipation of termination and cannot be canceled provided that said costs meet the provisions of this Agreement, 2 C.F.R. part 200, subpart E, Cost Principles, and any other applicable state or Federal statutes, regulations or requirements.

4. Unilateral Termination

The PRDOH may terminate this Agreement, in whole or in part, at PRDOH's sole discretion, with or without cause, at any time. The PRDOH will terminate this Agreement by delivering to the Subrecipient a **thirty (30) day** notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the effective date of termination. Upon receipt of such notice, the Subrecipient shall immediately discontinue all services affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. If the Subrecipient does not deliver to the PRDOH all information, studies, and other materials property of the PRDOH within the established timeframe, and the PRDOH invests any additional funds to reproduce the information, studies, and other materials not provided by the Subrecipient upon termination, then the PRDOH will disallow from payments to the Subrecipient under this Agreement the funds expended for the PRDOH to reproduce such information, studies, and other materials. In the event of a termination by Notice, the PRDOH shall be liable only for payment of services rendered up to and including the effective date of termination.

5. Suspension

The PRDOH may suspend this Agreement in whole or in part at any time for the PRDOH's convenience. The PRDOH shall give the Subrecipient **five (5) days'** written notice of such suspension. Upon receipt of said notice the Subrecipient shall immediately discontinue all Services affected.

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

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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 2, 2018, as amended, 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.

7. Period of Transition.

Upon termination of this Agreement, and for **ninety (90) consecutive calendar days** thereafter (the Transition Period), Subrecipient agrees to make itself available to assist the PRDOH with the transition of services assigned to Subrecipient by the PRDOH. Subrecipient shall provide to the PRDOH the assistance reasonably requested to facilitate the orderly transfer of responsibility for performance of the Services to the PRDOH or a third party designated by the PRDOH. The Parties agree to execute a Transition Services Agreement for the Transition Period and Subrecipient will be paid at a reasonable, agreed upon hourly rate for any work performed for the PRDOH during the Transition Period.

8. Availability of Funds

This Agreement is contingent upon the availability of funds from HUD. It is expressly understood and agreed that the obligation to proceed under this Agreement is conditioned upon the receipt of Federal funds. If the funds anticipated for the continuing fulfillment of the Agreement are, at any time, not forthcoming or insufficient, either through the failure of the Federal government to provide funds or the discontinuance or material alteration of the program under which funds were provided, or if funds are not otherwise available to PRDOH, the PRDOH have the right **upon ten (10) working days** written notice to the Subrecipient, to terminate this Agreement without damage, penalty, cost or expenses to PRDOH of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination."

X. The Parties intend to replace SECTION VIII. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS with the following paragraphs:


"The "HUD General Provisions", which are attached to, and made an integral part of this Agreement as **Exhibit F**, set forth certain requirements imposed by HUD with respect to the PRDOH's Federal award or CDBG-DR Grant. The Subrecipient agrees to carry out its obligations under this Agreement in compliance with all the requirements described **Exhibit F** to this Agreement to the extent that such requirements are applicable to programs such as the program contemplated in this Agreement.

This Agreement also includes terms and conditions of the PRDOH's Federal Award or CDBG-DR Grant that are imposed on the Subrecipient, and the

Subrecipient agrees to carry out its obligations in compliance with all the obligations described in this Agreement.

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.

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. 

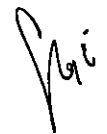
The Subrecipient also agrees to comply with all other applicable Federal, State, and local laws, regulations, HUD Notices, policies, and guidelines, whether existing or to be established, provided the same are applied to activities occurring after the date the policy or guideline was established, governing 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.

B. Duplication of Benefits

The Subrecipient shall not carry out any of the activities under this Agreement in a manner that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5155) and described in Appropriations Act. The Subrecipient must comply with HUD's requirements for duplication of benefits, imposed by Federal Register notice on the PRDOH, which are published in a separate notice entitled "Clarification of Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees" (76 FR 71060, published November 16, 2011). The Subrecipient shall carry out the activities under this Agreement in compliance with the PRDOH's procedures to prevent duplication of benefits.

C. Drug-Free Workplace

The Subrecipient must comply with drug-free workplace requirements in Subpart B of part 2429, which adopts the government wide implementation



(2 C.F.R. part 182) of sections 5152-5158 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. § 701-707).

D. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage and, if required in writing by the PRDOH, bonding from insurers licensed to conduct business in the Government of Puerto Rico to protect all contract assets from loss due to any cause, including but not limited to theft, fraud, and/or physical damage. The Government of Puerto Rico, the Puerto Rico Department of Housing and the Puerto Rico Public Housing Administration shall be named as additional insured on all such insurance. The Subrecipient shall meet all other insurance requirements as the PRDOH may impose from time to time. In addition, all insurance carriers and bonding companies shall meet minimum size and financial stability/financial rating requirements as may be imposed by the PRDOH from time to time. Certificates of insurance shall be provided to the PRDOH and full and complete copies of the policies and/or bonds shall be provided to the PRDOH upon its request for same.

E. Hold Harmless

The Subrecipient shall and hereby agrees to hold harmless, defend (with counsel acceptable to the PRDOH) and indemnify the PRDOH and each and all of its successors, affiliates, or assigns, and any of their employees, officers, directors, attorneys, consultants, agents, managers, and affiliates, from and against any and all damages, costs, attorneys' fees, claims, expenses, injuries, property damage, causes of action, violations of law, violations of this Agreement, and losses of any form or nature arising from or related to the conduct of the Subrecipient in the performance of the efforts called for in this Agreement. This indemnity shall expressly include, but is not limited to, the obligation of the Subrecipient to indemnify and reimburse the PRDOH for any and all attorneys' fees and other litigation or dispute resolution costs incurred or to be incurred in the PRDOH's enforcement of this Agreement or any portion thereof against the Subrecipient or otherwise arising in connection with the Subrecipient's breach, violation, or other non-compliance with this Agreement. This clause shall survive indefinitely the termination of this Agreement for any reason.

F. PRDOH Recognition

Unless otherwise directed by the PRDOH, the Subrecipient shall ensure recognition of the role of HUD and the PRDOH in providing funding, services, and efforts through this Agreement. Unless otherwise directed by the PRDOH, all activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as to role of HUD and of the PRDOH. In addition, the Subrecipient shall include a reference to the support provided herein in all publications made possible with funds made available under this Agreement. The PRDOH reserves the right to direct specific reasonable recognition requirements on a case-by-case basis, including but not limited, to the size and content, waiver, removal or addition of such recognition.

G. Logos Clause

The Parties hereto will not use the name of the other party, seals, logos, emblems or any distinctive trademark/ trade name, without the prior written express authorization of the other party.

H. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

The Subrecipient shall comply with the applicable provisions in 2 C.F.R. part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. part 200.

I. Financial & Program Management

The Subrecipient shall expend and account for all CDBG-DR funds received under this Agreement in accordance with 2 C.F.R. part 200 subpart D §302 - §303 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

The Subrecipient shall administer its program in conformance with Cost Principles as outlined in 2 C.F.R. part 200 subpart E, as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

J. Documentation and Record Keeping

The Subrecipient shall maintain all records required by applicable law to be maintained, including but not limited to the Federal regulations specified in (1) 2 C.F.R. part 200; (2) 24 C.F.R. § 570.506; and (3) the applicable HUD Notices that are pertinent to the activities to be funded under this Agreement, as well as any additional records required by the PRDOH. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-DR programs, as modified by the HUD Notices, if applicable;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG-DR funds;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG-DR program;
- f. Financial records as required by (1) 24 C.F.R. 570.502; and (2) 2 C.F.R. part 200;
- g. Other records necessary to document compliance with Subpart K of 24 C.F.R. part 570.

K. Access to Records

The Subrecipient shall furnish and cause each of its own subcontractors to furnish all information and reports required hereunder and shall permit access to its books, records and accounts by the PRDOH, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

L. Record Retention and Transmission of Records to the PRDOH

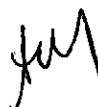
The Subrecipient shall retain all official records on programs and individual activities shall be retained for the greater of **five (5) years**, starting from the closeout of the grant between PRDOH and HUD, or the end of the affordability period for each housing activity, whichever is longer. If any 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).)

Records shall be made available to PRDOH upon request.

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 service 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. 

The Subrecipient shall comply with all State or local requirements concerning the privacy of personal records, consistent with 24 C.F.R. 570.508 (local governments) and 570.490(c) (States).

N. Close-Out

The Subrecipient obligation to PRDOH shall not end until all close-out requirements are completed. Activities during this close-out period may include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the PRDOH), properly addressing Program Income (as that term is defined in section VI (A) (I9) (a) of the HUD Notice 83 Fed. Reg. 5844, 5856 (February 9, 2018, as may be amended by HUD)), balances, and accounts receivable to the PRDOH), determining the custodianship of records, and the Subrecipient certification of compliance with the terms of this Agreement. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG-DR funds, including Program Income.

Notwithstanding the terms of 2 C.F.R. 200.343, upon the expiration of this Agreement, the Subrecipient shall transfer to the recipient any CDBG-DR funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG-DR funds, further, any real property under the Subrecipient's control that was acquired or improved in whole or in part with CDBG-DR funds (including CDBG-DR funds provided to the Subrecipient in the form of a loan) shall be treated in accordance with 24 C.F.R. 570.503(b)(7). 

O. Audits and Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the PRDOH, HUD, and the Comptroller General of the United States, or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within **thirty (30) days** after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements shall constitute a violation of this Agreement and may result in the withholding of future payments and/or termination.

P. Single Audit

The Subrecipient must be audited as required by 2 C.F.R. part 200, subpart F when it is expected that the Subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.

Q. Inspections and Monitoring

The Subrecipient shall permit the PRDOH and auditors to have access to the Subrecipient's records and financial statements as necessary for the PRDOH to meet the requirements of 2 C.F.R. part 200.

R. Corrective Actions

The PRDOH may issue management decisions and may consider taking enforcement actions including but not limited to corrective actions in 24 C.F.R. § 570.910 if noncompliance is detected during monitoring and audits. The PRDOH may require the Subrecipient to take timely and appropriate action on all deficiencies pertaining to the Federal award provided to the Subrecipient from the pass-through entity detected through audits, on-site reviews, and other means. A timely and appropriate action shall be predicated on reasonable standard wherein the Subrecipient utilizes all available resources to correct the noted issue or issues. In response to audit deficiencies or other findings of noncompliance with this Agreement, the PRDOH may impose additional conditions on the use of the CDBG-DR funds to ensure future compliance or provide training and technical assistance as needed to correct noncompliance.

S. Procurement and Contractor Oversight

The Subrecipient shall not enter into any contract for goods or services with any entity without the written consent of the PRDOH prior to the execution of such contract. Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property, equipment, or services in accordance with the requirements of the PRDOH's procurement policies and procedures, and 2 C.F.R. 200.318-326, as applicable, including but not limited to the need to appropriately assess the lease versus purchase alternatives. PRDOH's procurement policies and procedures as found in the CDBG-DR Website ([www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov)) is herein included and made integral part of this Agreement, as it may be updated from time to time.

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.

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, its contractors perform according to the terms and conditions of the procured contracts or Agreements, and the terms and conditions of this Agreement.

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. *pm*

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 HCDA 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.

U. Architectural Barriers Act and the Americans with Disabilities Act

The Subrecipient shall ensure that its Activities are consistent with requirements of Architectural Barriers Act and the Americans with Disabilities Act.

The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that ensure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of "residential structure" as defined in 24 C.F.R. § 40.2 or the definition of "building" as defined in 41 C.F.R. § 101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. § 4151-4157) and shall comply with the Uniform Federal Accessibility Standards *gic*

(appendix A to 24 C.F.R. part 40 for residential structures, and appendix A to 41 C.F.R. part 101-19, subpart 101-19.6, for general type buildings).

The Americans with Disabilities Act (42 U.S.C. § 12131; 47 U.S.C. § 155, 201, 218 and 225) (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 26, 1993, that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable—that is, easily accomplishable and able to be carried out without much difficulty or expense.

The Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 C.F.R. § 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

V. Title VI of the Civil Rights Act of 1964 (24 C.F.R. part 1)

1. General Compliance:

The Subrecipient shall comply with the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352), as amended and 24 C.F.R. § 570.601 and 570.602. No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this Agreement. The specific nondiscrimination provisions at 24 C.F.R. § 1.4 apply to the use of these funds. The Subrecipient shall not intimidate, threaten, coerce, or discriminate against any person for the purpose of interfering with any right or privilege secured by title VI of the Civil Rights Act of 1964 or 24 C.F.R. part 1, or because he has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under 24 C.F.R. part 1. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of 2 C.F.R. part 1, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

2. Assurances and Real Property Covenants:

As a condition to the approval of this Agreement and the extension of any Federal financial assistance, the Subrecipient assures that the program or activities described in this Agreement shall be conducted and the housing, accommodations, facilities, services, financial aid, or other benefits to be provided shall be operated and administered in compliance with all requirements imposed by or pursuant to this part 1.

If the Federal financial assistance under this Agreement is to provide or is in the form of personal property or real property or interest therein or structures thereon, the Subrecipient's assurance herein shall obligate the Subrecipient or, in the case of a subsequent transfer, the transferee, for the period during which the property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits, or for as long as the

recipient retains ownership or possession of the property, whichever is longer. In all other cases the assurance shall obligate the Subrecipient for the period during which Federal financial assistance is extended pursuant to the contract or application.

This assurance gives the PRDOH and the United States a right to seek judicial enforcement of the assurance and the requirements on real property.

In the case of real property, structures or improvements thereon, or interests therein, acquired with Federal financial assistance under this Agreement or acquired with CDBG-DR funds and provided to the Subrecipient Under this Agreement, the instrument effecting any disposition by the Subrecipient of such real property, structures or improvements thereon, or interests therein, shall contain a covenant running with the land assuring nondiscrimination for the period during which the real property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

If the Subrecipient receives real property interests or funds or for the acquisition of real property interests under this Agreement, to the extent that rights to space on, over, or under any such property are included as part of the program receiving such assistance, the nondiscrimination requirements of this part 1 shall extend to any facility located wholly or in part in such space.

3. 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 (51) percent 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.

4. Notifications


The Subrecipient will send to each labor union or representative of workers with which it 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 worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Subrecipient shall, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

W. Labor Standards

The Subrecipient shall comply with the in labor standards in Section 110 of the Housing and Community Development Act of 1974, as amended, and ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this Agreement 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, as amended (40 U.S.C. 3141, et seq.), and 29 C.F.R. part 1, 3, 5, 6, and 7, provided, that this requirement shall apply to the rehabilitation of residential property only if such property contains not less than 8 units.


The Subrecipient agrees to comply with the (18 U.S.C. 874) and its implementing regulations of the U.S. Department of Labor at 29 C.F.R. part 3 and part 5. The Subrecipient shall maintain documentation that demonstrates compliance with applicable hour and wage requirements. Such documentation shall be made available to the PRDOH for review upon request. 

The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; or nepotism activities.

X. Section 3 of the Housing and Urban Development Act of 1968

The Subrecipient shall comply with the provisions of Section 3 of the HUD Act of 1968, as amended, 12 U.S.C. 1701u, and thereby implementing its regulations set forth in 24 C.F.R. § 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided under this Agreement and binding upon Grantee, Subrecipient, and any of Subrecipient's subrecipient, contractors, and subcontractors. Failure to fulfill these requirements shall subject Grantee, Subrecipient, and any of Subrecipient's subrecipient, contractors, and subcontractors, as well as their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. Subrecipient certifies and agrees that no contractual or other impediment exists that would prevent compliance with these requirements.

Subrecipient further agrees to comply with the Section 3 requirements stated below and to include verbatim this language in all subsequent subrecipient Agreements, contracts, and subcontracts executed under this Agreement:

"A. 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.

B. The Parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. part 135, 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 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining Agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor'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.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. part 135, 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 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed; and (2) with persons other than those to whom the regulations of 24 C.F.R. part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 C.F.R. part 135.

F. Noncompliance with HUD's regulations in 24 C.F.R. part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.

G. 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 sub contracts 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)."

Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-DR funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-DR funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area of the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Subrecipient agrees to submit, and shall cause its subcontractors to submit, quarterly reports to the PRDOH detailing the number of new employees hired, the number of new Section 3 employees hired, and any affirmative efforts made to direct hiring efforts to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing during the previous quarter.

Subrecipient certifies and agrees that no contractual or other legal impediment exists that would prevent compliance with these requirements.

Y. Conduct

1. Subcontracts

- a. Approvals: The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this contract without the written consent of the PRDOH prior to the execution of such agreement.
- b. Monitoring: The Subrecipient will monitor all subcontracted 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.
- c. 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 subcontract executed in the performance of this Agreement.
- d. Selection Process: The Subrecipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the PRDOH along with documentation concerning the selection process.

2. Hatch Act

The Subrecipient shall comply with the Hatch Act, 5 USC 1501 – 1508, and shall ensure that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

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 servant of the PRDOH has pecuniary interest in this Agreement. (2) No public servant of the PRDOH has solicited or accepted, directly or indirectly, for them, for any member of their family unit or for any other person, gifts, allowances, favors, services, donations loans or any other thing

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*of monetary value. (3) No public servant of the PRDOH 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 servant of the PRDOH has solicited, directly or indirectly, for them, any member of their family unit, or 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 servant of the PRDOH has kinship relationship, within the fourth degree of consanguinity and second by affinity, with anybody in public employment that has faculty to influence and to participate in the institutional decisions of this Agreement."*

#### **VI. PUBLICATION OF DOCUMENTS**

Prior to the publication by Subrecipient of procurement documents, notices of funds availability, and contracts, the Subrecipient shall produce to the PRDOH all procurement documents, notices of funds availability, and contracts for their publication on PRDOH's website concurrently with Subrecipient's publication of said documents.

#### **VII. INDEPENDENT CONTRACTOR**

Nothing contained in the Agreement and this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the Parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the efforts to be performed under this Agreement. The PRDOH shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent entity.

#### **VIII. FEDERAL FUNDING**

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

#### **IX. RECAPTURE OF FUNDS**

PRDOH may recapture payments it makes to Subrecipient that (i) exceed the maximum allowable rates; (ii) are not allowed under applicable laws, rules, or regulations; or (iii) are otherwise inconsistent with the Agreement, including any unapproved expenditures. Subrecipient must refund such recaptured payments within 30 days after the PRDOH issues notice of recapture to Subrecipient.

#### **X. OVERPAYMENT**

Subrecipient shall be liable to the PRDOH for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under the Agreement. Subrecipient shall reimburse such disallowed costs from funds other than those Subrecipient received under the Agreement.

#### **XI. GOVERNING LAW: JURISDICTION**

This Amended Agreement shall be governed by, interpreted and enforced in accordance with the laws of the Government of Puerto Rico and any applicable federal laws and regulations. The Parties further agree to assert any claims or causes of action

that may arise out of this Amended Agreement in the Puerto Rico Court of First Instance, San Juan Part, notwithstanding jurisdiction may be averred in any U.S. District Court, including for diversity of citizenship.

## **XII. SUBROGATION**

The Subrecipient acknowledges that funds provided through the 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 Amended Agreement for any reason.


## **XIII. CERTIFICATION OF COMPLIANCE WITH LEGAL REQUIREMENTS**

Given that the Agreement involves funds for which HUD is the oversight agency, the Subrecipient agrees to carry out its obligations under this Agreement in compliance with all the requirements described in **Attachment F** (HUD General Provisions) and the following provisions:

- A. Compliance with Executive Order 24:** Pursuant to Executive Order 24 of June 18, 1991, the Subrecipient certifies and guarantees that at the signing of this Agreement it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last **five (5) years**. The Subrecipient further certifies that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. he Subrecipient shall hand out, to the satisfaction of the PRDOH and whenever requested by the PRDOH during the term of this Agreement, the necessary documentation to support its compliance of this clause. The Subrecipient will be given a specific amount of time by the PRDOH to produce said documents. During the term of this Agreement, the Subrecipient agrees to pay and/or to remain current with any repayment plan agreed to by the Subrecipient with the Government of Puerto Rico. Am
- B. Compliance with Executive Order 52:** Pursuant to Executive Order 52 of August 28, 1992, amending EO-1991-24, the Subrecipient certifies and warrants that it has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment plan in connection with any such unpaid items and is in full compliance with the terms thereof. The Subrecipient accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every Subrecipient and subcontractor whose service the Subrecipient has secured in connection with the services to be rendered under this Agreement and shall forward evidence to PRDOH as to its compliance with this requirement.
- C. Social Security and Income Tax Retentions:** The Subrecipient will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income from this Agreement.
- D. Government of Puerto Rico Municipal Tax Collection Center (CRIM, for its Spanish acronym):** The Subrecipient certifies and guarantees that at the signing of this Agreement it has no current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center. The Subrecipient further certifies to be current with the payment of any and all Giv

property taxes that are or were due to the Government of Puerto Rico. The Subrecipient shall hand out, to the satisfaction of the PRDOH and whenever requested by the PRDOH during the term of this Agreement, the necessary documentation to support its compliance of this clause. The Subrecipient will deliver upon request any documentation requested under this clause as per request of PRDOH. During the Term of this Agreement, the Subrecipient agrees to pay and/or to remain current with any repayment plan agreed to by the Subrecipient with the Government of Puerto Rico with regards to its property taxes.


**E. Income Tax Withholding:** The PRDOH shall retain the corresponding amount from all payments made to the Subrecipient, as required by the Puerto Rico Internal Revenue Code. The PRDOH will advance such withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as *Departamento de Hacienda del Gobierno de Puerto Rico*). The PRDOH will adjust such withholdings provided the Subrecipient produces satisfactory evidence of partial or total exemption from withholding.

**F. Compliance with Article 1 of Act No. 48-2013, as amended, 3 L.P.R.A. § 8611, note:** It is established that all contracts, except those granted to non-profit entities, for professional services, consultancy, advertising, training or guidance, granted by an agency, dependency or instrumentality of the Government of Puerto Rico, public corporation, as well as the Legislative Branch, the Office of the Comptroller, the Office of Ombudsman and the Judicial Branch, a special contribution will be imposed equivalent to one point five (1.5%) percent of the total amount of said contract, which will be destined to the General Fund. 

**G. Compliance with Act No. 45 of April 18, 1935, as amended, 11 L.P.R.A. § 1, et seq.:** The Subrecipient certifies and guarantees that at the signing of this Agreement has valid insurance issued by the State Insurance Fund Corporation (CFSE, for its Spanish Acronym), as established by Act No. 45, *supra*, known as the "Puerto Rico Workers' Accident Compensation Act".

**H. Government of Puerto Rico's Agency for the Collection of Child Support (ASUME, for its Spanish acronym):** The Subrecipient certifies and guarantees that at the signing of this Agreement that the Subrecipient nor any of its Partners, if applicable, have any debt or outstanding debt collection legal procedures with regards to child support payments that may be registered with the Government of Puerto Rico's Child Support Administration. The Subrecipient hereby certifies that it is a limited liability company organized and existing in good standing under the laws of the Government of Puerto Rico. The Subrecipient shall present, to the satisfaction of PRDOH, the necessary documentation to substantiate the same. The Subrecipient will be given a specific amount of time by PRDOH to deliver said documents.

**I. Compliance with Act No. 168-2000, as amended, 3 L.P.R.A. § 711, et seq.:** The Subrecipient is in full compliance with Act No. 168-2000, as amended, known as "Act for the Improvement of Elderly Support of Puerto Rico."

**J. Compliance with Act No. 1-2012, as amended, 3 L.P.R.A. § 1854, et seq.:** The PRDOH and the Subrecipient hereby certify that in signing this Agreement they are in compliance with Act No. 1-2012, as amended, known as "Puerto Rico Government Ethics Act of 2011", in connection with the possibility of a conflict of interest. 

- K. Other payments or compensation:** The Subrecipient certifies that it does not receive payment or compensation for regular services rendered as an official or public employee to another government entity, agency, public corporation or municipality, and knows the ethical standards of his profession and assumes responsibility for his actions.
- L. Consequences of Non-Compliance:** The Subrecipient expressly agrees that the conditions outlined throughout this Section are essential requirements of this Agreement; thus, should any one of these representations, warrants, and certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for PRDOH to render this Agreement null and void and the Subrecipient reimburse to PRDOH all moneys received under this Agreement.

**XIV. BYRD ANTI-LOBBYING AMENDMENT, 31 § U.S.C. 1352**

The Subrecipient certifies, to the best of his or her knowledge, that:

- A.** No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, 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.
- B.** 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 undersigned shall complete and submit Standard Forms-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C.** 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 sub recipients 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 31, U.S.C. §1352 (as amended by the Lobbying Disclosure Act of 1995). The Subrecipient acknowledges that 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. The Subrecipient certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Subrecipient understands and agrees that the provisions of 31 U.S.C. §3801 et seq., apply to this certification and disclosure, if any.

**XV. COMPLIANCE WITH FEDERAL LAW, REGULATIONS & EXECUTIVE ORDERS**

The Subrecipient acknowledges that HUD financial assistance will be used to fund the Agreement only. Also, the Subrecipient shall comply with all applicable federal, state or local rules, regulations, or policies relating to CDBG-DR and CDBG program services. This includes without limitation, applicable Federal Registers; 2 C.F.R. § 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. § 35, 24 C.F.R. part 58, 24 C.F.R. part 135; National Historic 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, those set forth in **Exhibit F**.

It is the intention and understanding of the Parties hereto that each and every provision of law required to be inserted in the Agreement 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 this Agreement 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.

**XVI. NO OBLIGATION BY THE FEDERAL GOVERNMENT**

The Federal Government is not a party to this Agreement and is not subject to any obligations or liabilities to the non-Federal entity, Subrecipient, or any other party pertaining to any matter resulting from the Agreement.

**XVII. PROGRAM FRAUD & FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS**

The Subrecipient acknowledges that 31 U.S.C. Chapter 38 (Administrative Remedies for False Claims and Statements) applies to the Subrecipient's actions pertaining to this Agreement.

**XVIII. ETHICS CLAUSE**

According to Act Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico, no employee or officer of PRDOH as well as any member of their families can have any interest in the earnings or benefits from this Agreement also acknowledges receipt of the Ethics Code for Producers, Suppliers, and Applicants of Economic Incentives from the Government of Puerto Rico Agencies known in Spanish as "*Código de Ética para Contratistas, Suplidores y Solicitantes de Incentivos Económicos de las Agencias Ejecutivas del Estado Libre Asociado de Puerto Rico*".

**XIX. NON-CONVICTION**

The Subrecipient certifies that it has not been convicted nor accused of a felony or misdemeanor against the government, public faith and function, or that involves public property or funds, either federal or local in origin. Furthermore, the Subrecipient also certifies that:

- A.** It has not been convicted, nor has pleaded guilty at a state or federal bar, in any jurisdiction of the United States of America, of crimes consisting of fraud, embezzlement or misappropriation of public funds, as stated in Act Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico, which prohibits the award of Offers or government contracts to those convicted of fraud, misappropriation of public fund.
- B.** It understands and accepts that any guilty plea or conviction for any of the crimes specified in Article 3 of said Act, will also result in the immediate cancellation of any contracts in force at the time of conviction, between the undersigned and whichever Government Agencies, Instrumentalities, Public Corporations, Municipalities and the Legislative or Judicial Branches.

- C.** It declares under oath the above mentioned in conformity with what is established as in Act Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico, which prohibits awarding Offers for government contracts, to those convicted of fraud, embezzlement or misappropriation of public funds.

The Subrecipient represents and guarantees that none of its employees, officials or agents have been convicted of a felony or misdemeanor. Moreover, the Subrecipient agrees to notify PRDOH should any employee, official, or agent is convicted of a felony or misdemeanor after the date of this Agreement. Said notice shall be made within **ten (10) days** from the time of the conviction.

**XX. ACT NO. 18 OF OCTOBER 30, 1975, as amended, 2 L.P.R.A. secs. 97-98**

The Parties to this Amendment agree that its effective date will be subject to the due registration and remittance to the Office of the Comptroller of Puerto Rico. No rendering or consideration subject matter of this Agreement will be required before its registration at the Office of the Comptroller of Puerto Rico pursuant to Act No. 18 of October 30, 1975, as amended. The Subrecipient will be responsible for ensuring that this Amendment has been registered before the rendering of services by requesting a copy of the registered Amendment with its proper number and date of registry. No services under this Amendment will continue to be delivered after its effective date unless at the expiration date, an amendment signed by both Parties and duly registered exists. No services performed in violation of this provision will be paid. The party violating this clause will be doing so without any legal authority, this action will be deemed as *ultra vires*.

**XXI. MEMORANDUM NO. 2017-001; CIRCULAR LETTER 141-17 OF THE OFFICE OF THE CHIEF OF STAFF OF THE GOVERNOR & THE OFFICE OF MANAGEMENT AND BUDGET**

**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 (*Secretario 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.

**XXII. BANKRUPTCY**

In the event that the Subrecipient files for bankruptcy protection, the Government of Puerto Rico and PRDOH may deem this Agreement null and void, and terminate this Agreement without notice.

**XXIII. BINDING EFFECT**

This Agreement shall be binding upon and shall inure to the benefit of PRDOH and the Subrecipient, their successors and assigns.

The Subrecipient shall not assign this Agreement, in whole or in part, without the prior written consent of PRDOH, and any attempted assignment not in accordance herewith shall be null and void and of no force or effect.

**XXIV. ASSIGNMENT OF RIGHTS**

The rights of each party hereunder are personal to that party and may not be assigned or otherwise transferred to any other person, Subrecipient, corporation, or other entity without the prior, express, and written consent of the other party.


**XXV. SECTION HEADINGS AND SUBHEADINGS**

The section headings and subheadings contained in this Amendment are included for convenience only and shall not limit or otherwise affect the terms of this Amended Agreement.

**XXVI. WAIVER**

The PRDOH's failure or delay to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the PRDOH to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

**XXVII. COMPTROLLER REGISTRY**

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


**XXVIII. ENTIRE AGREEMENT**

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

**XXIX. MODIFICATION OF AGREEMENT**

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if written and signed by both parties, and its authorized representatives.

**XXX. CONSOLIDATIONS, MERGERS, OR DISSOLUTION**

In the event that Subrecipient is consolidated or merged with another entity or agency, Subrecipient will notify PRDOH of such action within a **fifteen (15) day** period of being notified of it. PRDOH will have **fifteen (15) days** to state its position. With PRDOH's written approval, the Subrecipient must ensure that the resulting entity becomes responsible for Subrecipient's tasks under this legal agreement. A timeframe of no more than **fifteen (15) days** from the date that any merger or consolidation becomes effective will be provided to make amendments or transitory changes, so that the tasks assigned to personnel at Subrecipient under this Subrecipient Agreement and Amendment are carried out by the resulting entity with little or no lapse in performance objectives and the ability to fulfill the scope of services for the Program as outlined in **Exhibits B, C, D, and E**. Subrecipient is to provide notice to any other agency or entity it may consider consolidating or merging with in advance, to advise and provide orientation on Subrecipient's duties under this Subrecipient Agreement and make the survival or transfer of those tasks a condition to any merger, consolidation, or dissolution involving Subrecipient during the time span of this Subrecipient Agreement. 

**XXXI. SEVERABILITY**

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

**XXXII. COUNTERPARTS**


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

**XXXIII. 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, merger and dissolution. Terms and conditions that, explicitly or by their nature, evidence the Parties' intent that they should survive the termination or expiration of this Agreement shall so survive.

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

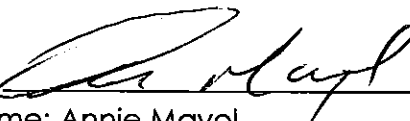
**PUERTO RICO DEPARTMENT OF HOUSING, CDBG-DR Grantee**

By: 

Name: Fernando A. Gil-Enseñat

Title: Secretary

**FOUNDATION FOR PUERTO RICO  
SUBRECIPIENT**

By: 

Name: Annie Mayol

Title: President and COO



## **EXHIBIT B**

### **SCOPE OF SERVICES**

#### **WHOLE COMMUNITY RESILIENCE PROGRAM SCOPE OF SERVICES**

##### **1. Program Overview/Background**

In September 2017, communities across Puerto Rico were severely impacted by hurricanes Irma and María.

Puerto Rico's recovery will require innovative, long-term community and regional resilience planning, to ensure that recovery solutions embody holistic and inclusive long-term adaptation strategies. It is the goal of Puerto Rico to develop recovery strategies that not only protect life and property from future hazards, but more fundamentally promote an inclusive and participatory recovery process that enables all residents to realize the benefits of revitalized communities. This outcome-oriented community planning is critical in the disadvantaged and recovering communities across the Islands. The Whole Community Resilience Planning Program exists to respond to current and future community needs in the Disaster Impact Areas (DIA) of federally declared disasters: FEMA-4336-DR, FEMA-4339-DR. This area encompasses all of Puerto Rico.

The Whole Community Resilience Planning Program (Program) will nurture civic engagement and allow communities to increase local capacity in their decision-making processes for future investment opportunities through the development of community specific resilience plans.

##### **2. National Objective**

Funds being used for planning activities for the development of community plans are part of the 20% planning and administrative cap of CDBG funds and do not need to meet a national objective requirement. Nonetheless, The Whole Community Resilience Planning Program addresses the following national objectives: aiding low and moderate-income (LMI) persons (below eighty percent (80%) Area Median Family Income (AMFI) according to Housing and Urban Development (HUD) Modified Income Limits for CDBG-DR Puerto Rico), and satisfying urgent need.



### 3. Program Description

The Whole Community Resilience Program will use CDBG-DR Funds that will result in the development of comprehensive community resilience plans, which will allow eligible communities to develop policy, planning, and management capacity so that they may more rationally and effectively determine their needs, set long-term goals and short-term objectives, devise programs and activities to meet goals and objectives, evaluate the progress of such programs in accomplishing these goals and objectives, and carry out management, coordination, and monitoring of activities necessary for effective planning implementation.

The program objective is to develop comprehensive resilience plans for and with vulnerable communities, the benefits of which will allow communities to determine their needs, identify solutions, and develop projects, programs and policies necessary to increase their resilience. The objective will be reached through three program components and activities within these;

1. Community participation: At risk communities are engaged and involved in the identification of needs and search for solutions within their communities
2. Development of information & tools: At risk communities have access to information about their communities and resilience best practices
3. Plan development: At risk communities are able to effectively determine their needs, set long-term goal and short-term objectives, and devise programs to meet goals and objectives.

#### Key Activities

In order to implement the three program components listed above, key activities to be carried out by Foundation for Puerto Rico (FPR) include but are not limited to:

- Create a Comprehensive Outreach Strategy including drafting of any required marketing materials.
- Implementation of Strategy - Complete workshops, roundtable and regional meetings by FPRs Community Planning Specialists and Outreach Coordinators to possible applicants of the WCRP program to educate on the opportunity and provide technical assistance on application submission process. Provide Technical Assistance to applicants of the WCRP program during the development of their NOFA application.
- Provide Technical Assistance to recipients of the WCRP program during the development of their Community Resilience Plan (prepared by awardees). This Technical Assistance will include Monitoring and Compliance Assistance.
- Provide Planning, Outreach, Monitoring and Compliance Assistance to recipients



of the WCRP program during the development of their Community Resilience Plan (prepared by awardees).

- Publishing of final CRP's developed by awardees
- Create and manage a Working Group (WG) of key stakeholders of state and federal government agencies, national and local not-for-profit organizations, and trade groups and professional associations.
- Data collection related to indicators to be used in the development Vulnerability Indexes.
- Development of Community Resilience Webpage.
- Prepare and release a Request for Qualification (RFQ) to provide the participants with directory of prequalified and multi-disciplinary professionals
- Develop and publish a Notice of Funding Availability (NOFA), solicitation process, selection/evaluation criteria, and evaluation process for applicants to request funding for their Whole Community Resilience Plan.
- Review of NOFA applications by Evaluation Committee and Notice of Award (NOA)
- Signing of Agreement between FPR and awardees of NOFA
- Development of Community Resilience Plans by recipients of awards.

4. Tasks

PRDOH will provide Subrecipient monitoring and oversight of the Whole Community Resilience Planning Program administered by FPR as Program Manager.

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As part of its responsibilities, FPR will conduct the following tasks:

- 4.1 Serve as the lead implementation partner and provide overall project management functions.
- 4.2 Design the Whole Community Resilience Planning (WCRP) Program including ongoing updates and/or modifications to program design and/or program policy as needed. Updates and/or modifications to program design and/or policy must be approved by PRDOH and HUD, if applicable, prior to implementation.
- 4.3 FPR will be the Program Manager, providing compliance management and program development and implementation for the grant program in partnership with PRDOH.
- 4.4 Management of agreed upon program budget included herein. Any variances or expected variances which would cause significant impacts

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on the program must be reported to PRDOH along with recommended corrective action.

- 4.3 Management of and adherence to agreed-upon program and project-specific schedules. Variances which may cause a significant impact on program or project must be reported to PRDOH along with recommended corrective action.
- 4.4 Conduct pre-audit of monthly certifications for payment and monthly certifications for payments review and approval. Submit request for funds to PRDOH and disburse monthly certifications for payment.
- 4.5 Provide monthly narrative and financial reports which include;
  - Accounting and reporting of uses of CDBG-DR funds, including but not limited to: information on beneficiary of the CRPs demographics, and project completion status.
  - Status and progress made towards key deliverables and activities outline in the logical framework
- 4.6 Delivery of ad hoc reports when requested by PRDOH or its designee(s).
- 4.7 Ensure adequate staffing levels to support program activities funded in whole or in part by CDBG-DR. Human resource management for all staff dedicated in whole or in-part to programs funded by CDBG-DR.
- 4.8 The Whole Community Resilience Planning Program addresses the following national objectives: aiding low and moderate-income (LMI) persons (below eighty percent (80%) Area Median Family Income (AMFI) according to Housing and Urban Development (HUD) Modified Income Limits for CDBG-DR Puerto Rico), and satisfying urgent need.
- 4.9 Program Operations Support
  - a) FPR will work closely with the PRDOH and its designees in preparing and maintaining the overall project plan for the Program and manage day-to-day operations;
  - b) Ensure reporting on various aspects of the project which reflects the major activities for the reporting period as specified by PRDOH (e.g. monthly, quarterly);
  - c) Coordinate with the PRDOH Information Technology (IT) services;
  - d) Regularly communicate potential risks, issues, and statuses with the PRDOH.

The activities under this program will be managed by the Foundation for Puerto Rico (FPR), which may in its discretion procure Consultant(s) if it deems it necessary to implement any aspect of such program activities. Consistent with the requirements of this Agreement, the FPR shall be reimbursed for any Eligible Costs incurred in carrying out program activities within eligible budget amounts.

With respect to all activities, FPR and its consultants shall implement the activity



in accordance with applicable PRDOH policies, CDBG-DR regulations, and Requirements of Law.

**5. Time Performance**

All program activities, including closeout, must be concluded within twenty four (24) months of start dates.

**6. Budget**

Per the Action Plan approved by HUD on July 29, 2018, the Program has a designated total budget of \$37,500,000 to be funded by CDBG-DR.

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## EXHIBIT C- TIMELINES AND PERFORMANCE GOALS

### WHOLE COMMUNITY RESILIENCE PROGRAM KEY DELIVERABLES

#### PROGRAM OBJECTIVE:

Develop comprehensive recovery plans for and with vulnerable communities, the benefits of which will allow communities to determine their needs, identify solutions, and develop projects, programs and policies necessary to increase their resilience.

#### KEY DELIVERABLES:

The program objective will be reached through three key deliverables:

1. Community participation: At risk communities are engaged and involved in the identification of needs and search for solutions within their communities
2. Information and tools: Communities will have access to information regarding their vulnerabilities within the six core areas of housing, infrastructure, education, health, environment, and economic development. Information regarding Social Capital assets such as open and closed public schools, private schools, universities and technical/vocational institutions, healthcare services and infrastructure, municipal capacity, Head Start centers, Special Communities, non-profit organizations, and faith-based institutions will also be provided.
3. Plan development: At risk communities are able to effectively determine their needs, set long-term goal and short- term objectives, and devise programs to meet goals and objectives.

#### TERMS:

- Key Deliverable – The major elements necessary to carry out the program objective
- Key Activity – The activities necessary to carry out the Key Deliverables
- 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
- Target – The goal for each of the Indicators



## Timelines

Dates	Description
Strategy Document: October 2019	Create a Comprehensive Outreach Strategy including drafting of any required educational materials (outreach, training, etc.)
Educational Materials: November 2019	
1st NOFA Roll-out: Start 1: Q4 2019 Finish 1: Q1 2020	Implementation of Strategy - Complete workshops, roundtable and regional meetings by FPRs Community Planning Specialists and Outreach Coordinators to possible applicants of the WCRP program to educate on the opportunity and provide technical assistance on application submission process. Provide Technical Assistance to applicants of the WCRP program during the development of their NOFA application.
2nd NOFA roll-out: Start 2: Q1 2020 Finish 2: Q2 2020	
Start: Q2 2020 Finish: Q4 2021	Provide Technical Assistance to awardees of the WCRP program during the development of their Community Resilience Plan (prepared by awardees). This Technical Assistance will include Monitoring and Compliance Assistance.
Start: Q2 2020 Finish: Q4 2021	Publishing of final CRP's developed by awardees
Start: Q1 2019 Finish: Q4 2021	Create and manage a Working Group (WG) of key stakeholders of state and federal government agencies, national and local not-for-profit organizations, and trade groups and professional associations.
Q4 2019	Data collection related to indicators to be used in the development Vulnerability Indexes.
Q1 2020	Development of Social Capital (SC) Mapping:
Q1 2020	Development of Vulnerability Indexes and Dashboard
Q4 2019 - Q4 2021	Development of Community Resilience Webpage
Q1 2020 or concurrent with signing of agreement with FPR by awardee	Prepare and release a Request for Qualification/ Request for Proposals (RFQ/RFP) to provide the participants with directory of prequalified and multi-disciplinary professionals



Q3 2019 - End NOFA write-up Q4 2019 - Publication of NOFA	Develop & publish a Notice of Funding Availability (NOFA).
* Evaluation of NOFA begins 60 days after application is published * 25 days for Technical Screening to be done by FPR * Approx. 60 days for Evaluation Committee process, Selection and Draft of Award Agreement	Review of NOFA applications by Evaluation Committee and Notice of Award (NOA).
Upon receiving NOA, 40 days	Signing of Agreement between FPR and awardees of NOFA
* Awardees will have up to 18 months to develop a CRP	Development of Community Resilience Plans by awardees

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### Performance Goals

KEY DELIVERABLE #1	KEY ACTIVITY	INDICATOR	SOURCE OF VERIFICATION	TARGET
<b>PARTICIPATION:</b> At risk communities are engaged and involved in the identification of needs and search for solutions within their communities	Create a Comprehensive Outreach Strategy including drafting of any required educational materials (outreach, training, etc.)	- # of educational materials developed and translated Complete outreach strategy completed and translated	Final versions of Comprehensive Community Outreach Strategy Document final versions of support materials developed	- 5 materials/templates - 1 community outreach strategy
	Implementation of Strategy - Complete workshops, roundtable and regional meetings by FPRs Community Planning Specialists and Outreach Coordinators to possible applicants of the WCRP program to educate on the opportunity and provide technical assistance on application submission process. Provide Technical Assistance to applicants of the WCRP program during the development of their NOFA application.	- # of roundtables - # of workshops - # of regional meetings - # technical assistance offered - # of municipalities reached - # of communities partner with eligible NGOs/ municipalities	- Attendance/ sign-up sheets - Call/email log - Invitations created/sent - Workshops/ presentations - NGOs + Municipal Technical -- Assistance Log - Copies of SPAs	- At least 1 roundtable for NGOs + communities - at least 5 workshops for communities/NGOs/professionals - At least 20 regional meetings for communities, NGOs and municipalities - at least 60 municipalities that will participate - At least 1 technical assistance per applicant, as needed - at least 60 Strategic Partnership Agreements (SPA)
	Provide Technical Assistance to awardees of the WCRP program during the development of their Community Resilience Plan (prepared by awardees). This Technical Assistance will include Monitoring and Compliance Assistance.	- # of technical assistance provided	- Minutes from awardees - meetings> call/ email log> Canopy log	- At least two technical assistance per awardee (as needed, estimated at 120).
	Publishing of final CRP's developed by awardees	- # of communities impacted - # of municipalities impacted - # of CRPs presented	- Completed CRPs	- At least 70 communities impacted - At least 35 municipalities impacted - At t least 70 CRPs presented

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KEY DELIVERABLE #2	KEY ACTIVITY	INDICATOR	SOURCE OF VERIFICATION	TARGET
<b>INFORMATION AND TOOLS:</b> Communities will have access to information regarding their vulnerabilities within the six core areas of housing, infrastructure, education, health, environment, and economic development. Information regarding Social Capital assets such as open and closed public schools, private schools, universities and technical/vocational institutions, healthcare services and infrastructure, municipal capacity, Head Start centers, Special Communities, non-profit organizations, and faith-based institutions will also be provided.	Create and manage a Working Group (WG) of key stakeholders of state and federal government agencies, national and local not-for-profit organizations, and trade groups and professional associations.	- # of WG meetings - # of WG participants - # of surveys WG responds	- Meeting invitations - Meeting attendance sign-in sheet - Online survey templates and statistics	- Host up to three (6) WG meetings per Core Area - Host up to five (5) meetings with all WG members - Up to 50% of surveys sent responded
	Data collection related to indicators to be used in the development Vulnerability Indexes.	- # of RFIs sent out - % of indicators received - % of high priority indicators by core area received	- RFI log - Received data assessment - Initial inventory assessment	- 20 RFIs sent out - 60% indicators received - 50% of high priority indicators per core area received
	Development of Social Capital (SC) Mapping	- # of validated and data sets published	- Social Capital Story Map	- 8 validated and published data sets
	Development of Vulnerability Indexes and Dashboard	- publishing dashboard - # users/visits - # times dashboard is shared or referenced	- Dashboard publication date - Dashboard KPIs	- 1 Dashboard Published/Live - 100 dashboard visits monthly - 50 dashboard shares
	Development of Community Resilience Webpage	- Webpage publication - # of webpage visits - # of times webpage is shared	- Webpage publication date - Webpage KPIs	- 1 Webpage Published/Live - 100 webpage visits - 50 webpage shares



KEY DELIVERABLE #3	KEY ACTIVITY	INDICATOR	SOURCE OF VERIFICATION	TARGET
<b>PLAN DEVELOPMENT:</b>  Communities will be able to participate in the NOFA process, effectively determine their needs, set long term goal and short-term objectives, and devise programs to meet goals and objectives.	Prepare and release a Request for Qualification/ Request for Proposals (RFQ/RFP) to provide the participants with directory of prequalified and multi-disciplinary professionals	- # of prequalified professionals identified  - Validate content and criteria with Working Group	- Applications to RFQ  - Directory of prequalified professionals	60 of professionals
	Develop & publish a Notice of Funding Availability (NOFA).	- Publication of the NOFA	- NOFA document  - Press release	- 1 NOFA published
	Review of NOFA applications by Evaluation Committee and Notice of Award (NOA).	- # of applications reviewed  - # of applications granted	- Canopy Report  - Award letters	- 65 applications reviewed  - 60 applications granted
	Signing of Agreement between FPR and awardees of NOFA	- # of agreements executed	- Agreements	- 60 agreements
	Development of Community Resilience Plans by awardees	- # of CRPs developed and published	- CRPs  - Publications of CRPs	- 60 plans

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EXHIBIT D  
KEY PERSONNEL

WHOLE COMMUNITY RESILIENCY PLANNING PROGRAM – KEY PERSONNEL

Below is the Staffing Plan for the CDBG-DR Whole Community Resiliency Planning Program which reflects a combination existing employees or new hired employees dedicated for the CDBG-DR Whole Community Resiliency Planning Program.

I. Please complete the table below. Add or delete rows as needed.

Position	Total Salary and Fringes 24 Months [A]	% Allocation to Program [B]	Max Cost Allocated to Program for 24-month Period (C=AxB)
President and COO	\$ 432,807.90	20%	\$ 86,561.58
Director of Development and Programs Evaluation	\$ 184,875.39	40%	\$ 73,950.16
Chief Financial Officer	\$ 318,599.91	15%	\$ 47,789.99
Technology and Innovation Director	\$ 227,314.10	20%	\$ 45,462.82
Director of Operations	\$ 147,009.88	10%	\$ 14,700.99
Human Resources	\$ 87,541.11	10%	\$ 8,754.11
Operations Administrator	\$ 77,887.50	30%	\$ 23,366.25
Accounting Associate	\$ 69,979.56	15%	\$ 10,496.93
Budget Officer	\$ 92,015.65	15%	\$ 13,802.35
Program Associate (Analyst)	\$ 49,730.21	20%	\$ 9,946.04
Content Creator	\$ 74,682.40	25%	\$ 18,670.60
Program Manager (Research & Analytics)	\$ 103,010.77	10%	\$ 10,301.08
Program Manager (Research & Analytics) 1	\$ 99,712.22	50%	\$ 49,856.11
Sr. Communications Director	\$ 227,331.86	20%	\$ 45,466.37
Communications Manager	\$ 123,840.19	80%	\$ 99,072.15
Visual Content Producer	\$ 69,112.57	15%	\$ 10,366.89
Finance and Accounting Supervisor	\$ 125,046.84	30%	\$ 37,514.05
Accounting Jr. Associate	\$ 49,730.21	30%	\$ 14,919.06
Accounting Jr. Associate	\$ 49,730.21	30%	\$ 14,919.06
Compliance Officer	\$ 112,170.11	25%	\$ 28,042.53
Community Planning Director	\$ 189,950.41	100%	\$ 189,950.41
Senior Program Officer	\$ 193,695.94	100%	\$ 193,695.94

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Community Planning Lead	\$ 150,908.90	100%	\$ 150,908.90
Project Coordinator	\$ 107,720.65	100%	\$ 107,720.65
Administrative Coordinator	\$ 63,669.65	100%	\$ 63,669.65
Purchasing Officer	\$ 96,707.90	100%	\$ 96,707.90
Grant and Compliance Manager	\$ 136,087.79	100%	\$ 136,087.79
Community Grant and Compliance Lead	\$ 145,833.90	100%	\$ 145,833.90
Regional Community Planning Associate 1	\$ 106,857.90	100%	\$ 106,857.90
Regional Community Planning Associate 2	\$ 106,857.90	100%	\$ 106,857.90
Regional Community Planning Associate 3	\$ 106,857.90	100%	\$ 106,857.90
Regional Community Planning Associate 4	\$ 106,857.90	100%	\$ 106,857.90
Regional Community Planning Associate 5	\$ 106,857.90	100%	\$ 106,857.90
Regional Community Planning Associate 6	\$ 106,857.90	100%	\$ 106,857.90
Community Outreach Lead	\$ 125,064.60	100%	\$ 125,064.60
Regional Outreach Coordinators 1	\$ 106,857.90	100%	\$ 106,857.90
Regional Outreach Coordinators 2	\$ 106,857.90	100%	\$ 106,857.90
Regional Outreach Coordinators 3	\$ 106,857.90	100%	\$ 106,857.90
Regional Outreach Coordinators 4	\$ 106,857.90	100%	\$ 106,857.90
Grant -Compliance Officer 1	\$ 96,707.90	100%	\$ 96,707.90
Grant -Compliance Officer 2	\$ 96,707.90	100%	\$ 96,707.90
Grant -Compliance Officer 3	\$ 96,707.90	100%	\$ 96,707.90
Grant -Compliance Officer 4	\$ 96,707.90	100%	\$ 96,707.90
Communications Manager	\$ 123,840.19	100%	\$ 123,840.19
Information Systems Manager	\$ 151,771.65	100%	\$ 151,771.65
Data Analyst	\$ 107,720.65	100%	\$ 107,720.65
Data Coordinator	\$ 42,214.36	100%	\$ 42,214.36
Accounting Associate	\$ 96,707.90	100%	\$ 96,707.90

Total Cost for 2 Years (24 Months): \$3,851,264.21

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II. Roles Description:

Role	Description
President and COO	Oversees and provides leadership management and vision necessary to ensure the proper operational controls, administrative and reporting procedures, and people systems are in place. Acts as a liaison with key stakeholders.
Director of Development and Programs Evaluation	Provides support in the design and development of organizational projects, as well as designing internal policies and procedures and provide guidance on compliance.
Chief Financial Officer	Oversees strategic and tactical matters as they relate to budget management, cost benefit analysis and forecasting needs for the organization and its programs. Provides both operational and programmatic support to the organization.
Technology and Innovation Director	Oversees the design, planning, development coordination, integration and implementation of technologies and other innovations needed for the effective execution of all initiatives.
Director of Operations	Oversees internal operations and purchasing. Ensures that all operational process and programmatic and organizational needs are met, including oversight of Human Resources, technology and other operational functions.
Human Resources	Oversees various responsibilities across a range of HR disciplines, including recruiting, onboarding, benefits administration, and employee relations.
Operations Administrator	Supports director of operation in day-to-day activities pertaining to facilities infrastructure, materials and operational needs.
Accounting Associate	Supports accounting activities and systems, assure compliance with program invoicing policies, and prepares reports and documentations as they are needed for program monitoring.
Budget Officer	Ensures efficient coordination with various programs/areas and grants by implementing budget systems and financial records compatible with accounting systems. Monitors and identify funding availability for eligible program cost.
Program Associate (Analyst)	Supports the collection and data mining and entry of information into our database.
Content Creator	Develops narratives and original content around programs and support the development of social media content.

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<b>Program Manager (Research &amp; Analytics)</b>	Supports program design and evaluation, conducts research, and supports the implementation evidence-based practices and measurement tools.
<b>Sr. Communications Director</b>	Leads and oversees the communication and content team to ensure the development of strategies around programmatic vision and mission.
<b>Communications Manager</b>	Provides guidance around the strategy for all communications, website, and public relations messages and collaterals to consistently articulate the mission.
<b>Visual Content Producer</b>	Produces graphic and visual content such as photos and video to support programmatic activities.
<b>Finance and Accounting Supervisor</b>	Provides supports and supervision of finance and accounting operations, including payables, billing, receivables, asset management, payroll, regulatory, bank relations, general ledger, among others, monitoring the daily performance of the accounting department.
<b>Accounting Jr. Associate</b>	Provides direct support to all accounting operations in areas that may include payables, revenues, payroll, general ledger and or financial reporting, when needed.
<b>Compliance Officer</b>	Develops existing compliance monitoring systems; expenditure and reporting; producing compliance reports. Monitor the effective institutional grant management compliance and contract management accountability.
<b>Community Planning Director</b>	Oversees activities related to the WCRP program components. Serves as a liaison with program stakeholders. Provides guidance to key personnel leading the regional Community Outreach and Planning components.
<b>Senior Program Officer</b>	Provides project management oversight for program, ensuring programmatic and regulatory requirements are met, budget is monitored, and scope is protected.
<b>Community Planning Lead</b>	Oversees day to day activities of the Regional Planning Associates who will be in direct contact with communities across the island providing technical assistance throughout the duration of WCRP program.
<b>Project Coordinator</b>	Maintains and monitors schedules, resources and supports deliverable production and tracking progress of the different components of the WCRP Program.
<b>Administrative Coordinator</b>	Assists the WCRP team with preparation of presentation, meeting materials, including but not limited to agenda, presentations, reports coordination, and any other administrative tasks.
<b>Purchasing Officer</b>	Supports the procurement and purchasing process for the federal programs.

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<b>Grant and Compliance Manager</b>	Oversees post-award and monitoring for WCRP program. This includes responsibility for all contract compliance, budget monitoring, adherence to grant outcomes and deliverables, and reporting (financial and programmatic).
<b>Community Grant and Compliance Lead</b>	Oversight of the Grant – Compliance Officers in the technical assistance regarding the grant management to communities during the program.
<b>Regional Community Planning Associate</b>	Offers technical assistance to the applicants and awardees of WCRP throughout the duration of program.
<b>Community Outreach Lead</b>	Oversees community outreach functions, including the design, development and implementation of strategies along with the supervision of regional coordinators to ensure the involvement of communities, organizations and municipalities in the community planning process and informed decisions.
<b>Regional Outreach Coordinators</b>	Engages with community members and local stakeholders and maintains constant communication with them. Implement a variety of activities to ensure stakeholder participation.
<b>Grant - Compliance Officer</b>	Offer technical assistance and oversight the grant management process of WCRP awardees, throughout the duration of program.
<b>Communications Manager</b>	Manages and implements the communications activities related to the WCRP program, including but not limited to the development of communications program materials and management of services providers necessary for an effective execution.
<b>Information Systems Manager</b>	Supports Technology & Innovation Director with program-specific technology and platforms, including daily users technical support.
<b>Data Analyst</b>	Analyzes patterns and trends through spatial mapping, develop analytical tools, and manage a digital library of geographic maps in various file types for WCRP Program.
<b>Data Coordinator</b>	Supports Data Analyst in analysis and trends identifications for WCRP Program.
<b>Accounting Associate</b>	Supports accounting activities and systems around WCRP disbursement process to awardees and other related functions.

III. **Notes:**

Personnel job descriptions are stored in Foundation for Puerto Rico's database.

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EXHIBIT E - BUDGET  
WHOLE COMMUNITY RESILIENCE PLANNING PROGRAM

EXHIBIT E - BUDGET

Grant:		CDBG-DR	
Contractor:		Foundation for Puerto Rico	
Program:		Whole Community Resilience Planning	
DRGR Activity Code:		R01P02CRP-FPR	
Cost Type	Chart of Accounts Code	Activity Description	CONTRACT Budget
ADMINISTRATION			
			\$ -
PLANNING			
			\$ 37,500,000
Development of Whole Community Resilience Plans	5001-5013 5001-5007	Develop community resiliency plans; includes stipend for Whole Community Resilience Planning Program Working Group members	\$ 29,172,009
Staffing	5001-5009 5001-5010	Staffing resources for the execution and implementation of the Whole Community Resilience Planning Program.	\$ 3,851,264
Professional Services	5001-5002 5001-5011	Procured services that will assist in delivery and implementation of the Whole Community Resilience Planning Program.	\$ 2,338,000
Other Operating	5001-5003 5001-5004 5001-5006 5001-5012	Operational costs associated with delivery and implementation activity. Items like, but not limited to: operating overhead, insurance, travel, materials.	\$ 1,164,926
Equipment	5001-5005 5001-5006 5001-5014	IT Equipment, including computer and audiovisual equipment, hardware and software, needed for the execution and implementation of the Whole Community Resilience Planning Program.	\$ 223,800
PRDOH 2% Reserve	5001-5000 5001-5001	PRDOH reserves a portion of the overall funding for PRDOH's activity delivery.	\$ 750,000
			\$ 37,500,000
PROJECT			
			\$ -
GRAND TOTAL			\$ 37,500,000



BUDGET DETAIL

The budget detail that follows is provided as an expanded budget line item detail, but not intended as a limiting factor. Expenditures per line item may not exceed the total budget per cost type (staffing, professional services, other operating, equipment), but may fluctuate from time to time among budget line items and may exceed specific line items based on WCRP program needs.

1. STAFFING

FPR staff will complete daily timesheets and work logs for CDBG-DR work. The total budget for staffing shall not exceed **\$3,851,264** during the 24-month period. Estimated percent of allocation per staff may fluctuate to meet WCRP Program needs. FPR commits to monitor and report on a quarterly basis the use of hours per staff so as to not exceed the maximum cost allocated for the 24-month period.

STAFFING

Position – Staff Roles	Cost per employee for 24-month period (Total Salary and Fringes) [A]	Estimated % Allocation to Program [B]	Max. Cost Allocation to Program for 24-month period [C=AxB]
President and COO	\$432,808	20%	\$86,562
Director of Development and Programs Evaluation	\$184,875	40%	\$73,950
Chief Financial Officer	\$318,600	15%	\$47,790
Technology and Innovation Director	\$227,314	20%	\$45,463
Director of Operations	\$147,010	10%	\$14,701
Human Resources	\$87,541	10%	\$8,754
Operations Administrator	\$77,888	30%	\$23,366
Accounting Associate	\$69,980	15%	\$10,497
Budget Officer	\$92,016	15%	\$13,802
Program Associate (Analyst)	\$49,730	20%	\$9,946
Content Creator	\$74,682	25%	\$18,671
Program Manager (Research & Analytics)	\$103,011	10%	\$10,301
Program Manager (Research & Analytics) 1	\$99,712	50%	\$49,856
Sr. Communications Director	\$227,332	20%	\$45,466
Communications Manager	\$123,840	80%	\$99,072
Visual Content Producer	\$69,113	15%	\$10,367
Finance and Accounting Supervisor	\$125,047	30%	\$37,514
Accounting Jr. Associate	\$49,730	30%	\$14,919
Accounting Jr. Associate	\$49,730	30%	\$14,919
Compliance Officer	\$112,170	25%	\$28,043



Community Planning Director	\$189,950	100%	\$189,950
<b>Temporary Staff:</b>			
Senior Program Officer	\$193,696	100%	\$193,696
Community Planning Lead	\$150,909	100%	\$150,909
Project Coordinator	\$107,721	100%	\$107,721
Administrative Coordinator	\$63,670	100%	\$63,670
Purchasing Officer	\$96,708	100%	\$96,708
Grant and Compliance Manager	\$136,088	100%	\$136,088
Community Grant and Compliance Lead	\$145,834	100%	\$145,834
Regional Community Planning Associate 1	\$106,858	100%	\$106,858
Regional Community Planning Associate 2	\$106,858	100%	\$106,858
Regional Community Planning Associate 3	\$106,858	100%	\$106,858
Regional Community Planning Associate 4	\$106,858	100%	\$106,858
Regional Community Planning Associate 5	\$106,858	100%	\$106,858
Regional Community Planning Associate 6	\$106,858	100%	\$106,858
Community Outreach Lead	\$125,065	100%	\$125,065
Regional Outreach Coordinators 1	\$106,858	100%	\$106,858
Regional Outreach Coordinators 2	\$106,858	100%	\$106,858
Regional Outreach Coordinators 3	\$106,858	100%	\$106,858
Regional Outreach Coordinators 4	\$106,858	100%	\$106,858
Grant -Compliance Officer 1	\$96,708	100%	\$96,708
Grant -Compliance Officer 2	\$96,708	100%	\$96,708
Grant -Compliance Officer 3	\$96,708	100%	\$96,708
Grant -Compliance Officer 4	\$96,708	100%	\$96,708
Communications Manager	\$123,840	100%	\$123,840
Information Systems Manager	\$151,772	100%	\$151,772
Data Analyst	\$107,721	100%	\$107,721
Data Coordinator	\$42,214	100%	\$42,214
Accounting Associate	\$96,708	100%	\$96,708
Total Maximum Cost for 24-month period:			\$3,851,264

2. PROFESSIONAL SERVICES

FPR may procure a variety of professional services including but not limited to: Technical Assistance, legal services, and audit services. The total budget for professional services shall not exceed **\$2,238,000** during the 24-month period, allowing flexibility that the detail may fluctuate depending on WCRP program needs.



PROFESSIONAL SERVICES

Services Name	Services Description	Budget
Technical Assistance	Assist with a variety of technical assistance activities to support implementation of the Whole Community Resilience Planning (WCRP) program, including Compliance, Data Analysis, Community Outreach, Communications, Dashboard Buildout, Recruitment, Translation Services, Programming, and Program Development Services.	\$1,888,000
Legal Services	Legal services to support implementation of the WCRP program, including legal counseling, assistance drafting award agreements and other documents, and execution of legal documents.	\$250,000
Audit Services	Services in preparation for audit related activities and Single Audit	\$200,000
Total Budget for Services to be Contracted:		\$2,338,000

3. OTHER OPERATING

For the implementation of the WCRP, FPR will need a line of credit, insurance, travel, and a variety of printed materials and supplies, as well as reimbursement of operating overhead (indirect costs). The total budget shall not exceed **\$1,169,526** during the 24-month period, allowing flexibility that the detail may fluctuate depending on WCRP program needs.

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OTHER OPERATING

Item Name	Item Description	Budget
Operating Overhead	Estimated operating overhead based on 10% de minimis rate per 2 CFR §414(f). Later on, subject to the completion of a cost allocation plan approved by PRDOH, when guidelines and procedures are published.	\$ 804,926.40
Insurance	Insurance and cybersecurity	\$75,000
Travel	Transportation or vehicle travel costs (tolls, parking, mileage, etc.) for staff not eligible for car allowance; Flights, ferries, car share, per diem, lodging, overnight stays, etc. for any traveling program staff.	\$85,000
Materials	Printed materials for use in community outreach activities and meetings, and for program support; office supplies or materials for fieldwork.	\$200,000
Total Expenses Budget		\$1,164,926

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4. EQUIPMENT

To support implementation of the WCRP, FPR will need a variety of equipment needs including but not limited to software, computer equipment, audio/visual equipment, and IT hardware. The total budget shall not exceed **\$223,800** during the 24-month period, allowing flexibility that the detail may fluctuate depending on WCRP program needs.

EQUIPMENT

Item Name	Item Description	Budget
Software	Management software to assist with managing grants (GIS, adobe, project management).	\$46,000
Computer Equipment	Laptops, workstations and tablets, and other computer equipment and peripherals for program staff, community planning unit, and fieldwork.	\$52,800
Audio/Visual	Projectors, screens, cameras and other audiovisual equipment and peripherals for fieldwork.	\$75,000
IT Hardware	Servers and other IT hardware and peripherals as needed.	\$50,000
Total Expenses Budget:		\$223,800

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## HUD GENERAL PROVISIONS

Given that the Agreement 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 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/>

The SUBRECIPIENT shall include these terms and conditions in all subcontracts or purchase orders directly servicing the Agreement.

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 AGREEMENT shall be deemed to be inserted herein and the AGREEMENT 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 AGREEMENT 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 AGREEMENT TERMS

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

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

The SUBRECEPIENT 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 SUBRECEPIENT 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 24 C.F.R. §§ 85.40-41 (or 84.50-52, if applicable) and 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 SUBRECEPIENT which are related to this AGREEMENT, for the purpose of inspection, audits, examinations, and making excerpts, copies and transcriptions.

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

All records (files, data, work product) connected with this AGREEMENT will be turned over to PRDOH following the Agreement termination to be maintained for the remainder of the grant and post grant closeout.

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

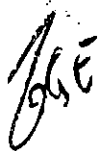
The SUBRECEPIENT will take necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used in subcontracting when possible. Steps include, but are not limited to:

- (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 SUBRECEPIENT 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 CFR 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 Proposer 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.

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

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


The SUBRECEPIENT agrees that no qualified individual with handicaps shall, solely on the basis of handicap, 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT shall notify the PRDOH as soon as possible if this AGREEMENT or any aspect related to the anticipated work under this AGREEMENT raises an actual or potential conflict of interest (as defined at 2 C.F.R. Part 215 and 24 C.F.R. § 85.36 or 84.42, if applicable). The SUBRECEPIENT 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 SUBRECEPIENT shall provide the PRDOH any additional information necessary to fully assess and address such actual or potential conflict of interest. The SUBRECEPIENT 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 SUBRECEPIENT 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:

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- (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.

The SUBRECEPIENT 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 AGREEMENT.

The SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT in the performance of the services called for in this AGREEMENT.


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

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

Salaries of personnel performing work under this AGREEMENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENTS 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 SUBRECEPIENTS 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 SUBRECEPIENT 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).

All laborers and mechanics employed by SUBRECEPIENTS or subcontractors, including employees of other governments, on construction work assisted under this AGREEMENT, 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.

On a semi-annual basis, the SUBRECEPIENT 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 SUBRECEPIENT shall fail to fulfill in a timely and proper manner his or her obligations under this AGREEMENT, or if the SUBRECEPIENT shall violate any of the covenants, agreements, or stipulations of this AGREEMENT, the PRDOH shall thereupon have the right to terminate this AGREEMENT by giving written notice to the SUBRECEPIENT 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 SUBRECEPIENT under this Agreement shall, at the option of the PRDOH, become the PRDOH's property and the SUBRECEPIENT shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, the SUBRECEPIENT 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 SUBRECEPIENT, and the Government of Puerto Rico and/or PRDOH may withhold any payments to the SUBRECEPIENT 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 SUBRECEPIENT is determined.

**22. TERMINATION FOR CONVENIENCE**

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

The PRDOH may terminate this AGREEMENT at any time by giving at least ten (10) days' notice in writing to the SUBRECEPIENT. If the AGREEMENT is terminated by the PRDOH as provided herein, the SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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;

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- (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 SUBRECEPIENT;
  - (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 SUBRECEPIENT including social or recreational programs; and
  - (ix) Any other term, condition, or privilege of employment.
- 2) The SUBRECEPIENT 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 SUBRECEPIENT'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 SUBRECEPIENT 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 SUBRECEPIENT'S obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The SUBRECEPIENT must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the SUBRECEPIENT 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 SUBRECEPIENT will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT will take such action with respect to any subcontract or purchase order as the Deputy Assistant Secretary for Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

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## 24. EQUAL EMPLOYMENT OPPORTUNITY

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

The SUBRECEPIENT 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 CFR chapter 60).

During the performance of this Agreement, the SUBRECEPIENT agrees as follows:

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- 1) The SUBRECEPIENT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The SUBRECEPIENT 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 SUBRECEPIENT shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by Contracting Officer setting forth the provisions of this non-discrimination clause. The SUBRECEPIENT shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
  - 3) The SUBRECEPIENT will, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECEPIENT, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
  - 4) The SUBRECEPIENT 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 SUBRECEPIENT'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 SUBRECEPIENT 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 SUBRECEPIENT 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.
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- 7) In the event of the SUBRECEPIENT'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 SUBRECEPIENT 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) SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the SUBRECEPIENT may request the United States to enter into such litigation to protect the interests of the United States.



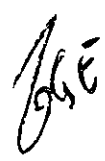
**25. CERTIFICATION OF NONSEGREGATED FACILITIES**

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

The SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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:

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- 1) A stipulation by the SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT will take such action as the government may direct as a means of enforcing such provisions.

**27. ANTI-LOBBYING**  
**(Applicable to contracts exceeding \$100,000)**

By the execution of this Contract, the SUBRECEPIENT 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 SUBRECEPIENT, 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,
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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 SUBRECEPIENT shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- 3) The SUBRECEPIENT 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 SUBRECEPIENT shall comply with Puerto Rico bonding requirements, unless they have not been approved by HUD, in which case the SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT's obligations under such contract.
- 3) A payment bond on the part of the SUBRECEPIENT 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**  
**(As required by applicable thresholds)**

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- 1) 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.
  - 2) The parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. Part 135, 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 135 regulations.
  - 3) 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.
  - 4) The SUBRECIPIENT agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 135, 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 135. 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 135.
  - 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 contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 135 require employment opportunities to be directed, were not filled to circumvent the SUBRECIPIENT's obligations under 24 C.F.R. Part 135.
  - 6) Noncompliance with HUD's regulations in 24 C.F.R. Part 135 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) For contracts exceeding \$100,000, the SUBRECEPIENT shall submit Form HUD 60002 (Section 3 Summary Report) to PRDOH on a quarterly basis, notwithstanding the annual reporting requirement set forth in that form's instructions.

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

SUBRECEPIENT 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, handicap 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**

SUBRECEPIENT 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**

SUBRECEPIENT 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 SUBRECEPIENT, 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 SUBRECEPIENT 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 U.S. Office of Special Counsel operates a website that provides guidance concerning Hatch Act issues. [https://www.hud.gov/program\\_offices/general\\_counsel/Hatch\\_Act](https://www.hud.gov/program_offices/general_counsel/Hatch_Act)

### **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.

#### **34. PERSONNEL**

The SUBRECEPIENT 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 SUBRECEPIENT 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 AGREEMENT.

#### **35. WITHHOLDING OF WAGES**

If in the performance of this Agreement, there is any underpayment of wages by the SUBRECEPIENT or by any subcontractor thereunder, the PRDOH may withhold from the SUBRECEPIENT 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 SUBRECEPIENT 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 AGREEMENT shall be promptly reported in writing by the SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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

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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 SUBRECEPIENT 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.

#### **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.

#### **40. INTEREST OF SUBRECEPIENT**

 The SUBRECEPIENT 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 SUBRECEPIENT further agrees that no person having any such interest shall be employed in the performance of this Agreement.

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

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

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

The SUBRECEPIENT 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 SUBRECEPIENT 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 SUBRECEPIENT 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 24 C.F.R. § 200.318.(g).

**END OF DOCUMENT**

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